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Internal Audit in the Era of Disruption

Businesses today are operating in an increasing complex environment, characterised by unprecedented geopolitical and economic uncertainties, the emergence of disruptive technologies, and changing customer expectations and behaviours.

What is internal audit's (IA) role in this era of business disruption?

Let us look at the 2015 IIA Global's Internal Audit Common Body of Knowledge® Stakeholder Study. 64% of stakeholders indicated they want IA to be more active in strategic risks. 73% of respondents specified IA should consult on business processes while 71% said IA can facilitate and monitor effectiveness of risk management. The findings reinforced the positioning of IA and the opportunities presented to the IA function to be trusted strategic business advisors in addition to its assurance roles.

In the age of disruption, the Boards are looking to IA to provide assurance and insights as businesses operate in a more challenging environment that requires them to re-assess their business model and operations in order to pursue new business opportunities. IA needs to be forward thinking and agile to proactively value add in helping businesses and organisations to effectively manoeuvre the changing environment. For example, if the organisation is changing its business model or implementing new systems, IA is well positioned to provide insights on risk, governance and control issues before processes are fully developed. IA functions also need to re-assess its audit priorities so that they are focused on the Board's key concerns and are aligned with the key strategic and business objectives.

The future offers exciting opportunities for the IA profession. IIA Singapore supported by our global platform, remains committed to supporting the IA profession's transformation journey that is evolving from an assurance role to one that is strategy and business risks focused.

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