

Leveraging the New Global Internal Audit Standards for Better Audit Effectiveness

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Agenda

- Introduction to the Global Internal Audit Standards (GIAS)
- Implications of the *Standards*
- Applying the *Standards*
- Creating a Better Future



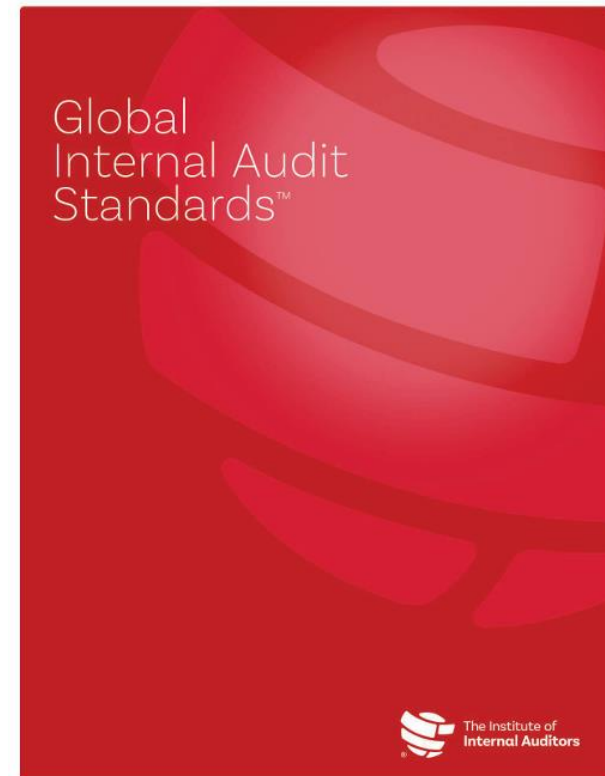
Introduction to the GIAS

Overview

- User-friendly and easy to navigate
- Each standard contains both mandatory and recommended guidance
- Move from compliance-focus to also emphasize performance
 - Quality is conformance and performance
- Clarification of management and board of directors responsibilities
- More integration between assurance and advisory services

Purpose

- Facilitate consistent development, interpretation, and application of our body of knowledge.
- Addresses current practices and enables flexibility to address needs in organizations of different purposes, sizes, and structures.



Structure

- 5 Domains
 - 15 Principles
 - 52 Standards
 - ❖ Requirements
 - ❖ Considerations for Implementation
 - ❖ Examples of Evidence of Conformance
- Also
 - Topical Requirements (Mandatory)
 - Global Guidance (Non-Mandatory)



Domains, Principles, and Standards

I: Purpose of Internal Auditing

Purpose of Internal Auditing

II: Ethics and Professionalism

1. Demonstrate Integrity (3)
2. Maintain Objectivity (3)
3. Demonstrate Competency (2)
4. Exercise Due Professional Care (3)
5. Maintain Confidentiality (2)

III: Governing the IA Function

6. Authorized by the Board (3)
7. Positioned Independently (2)
8. Overseen by the Board (4)

IV: Managing the IA Function

9. Plan Strategically (5)
10. Manage Resources (3)
11. Communicate Effectively (5)
12. Enhance Quality (3)

V: Performing iA Services

13. Plan Engagements Effectively (6)
14. Conduct Engagement Work (6)
15. Communicate Engagement Results and Monitor Action Plans (2)

Polling Question #1

1. How familiar are you with the new GIAS?

- A. Extremely familiar
- B. Moderately familiar
- C. Somewhat familiar
- D. Not familiar at all



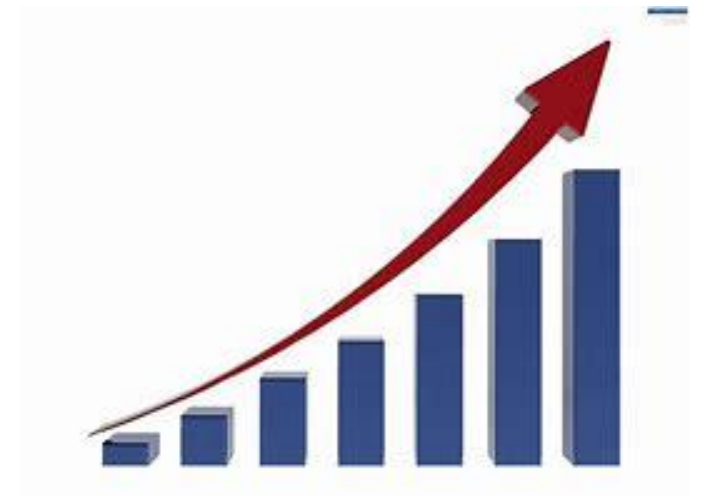
Implications of the Standards

Implications of the GIAS

What	Why this Matters
Enhanced Governance: Oversight by the board and collaboration with management.	Promotes comprehensive oversight and support so governance is robust and effective.
Strategic Alignment: Strategic plan and strategies aligned with the organization's objectives and risks.	The function is not just compliance focused, but integral to organizational success.
Integrated Assurance: Documented assessment of strategies, objectives, risks and controls.	Encourages a more holistic approach to assurance.
Quality Assessment: Updated QAIP requirements.	Internal auditors must continuously evaluate and improve.
Global Consistency: Across regions and industries.	It helps in standardizing the quality of internal audit functions worldwide, making comparison and benchmarking easier.

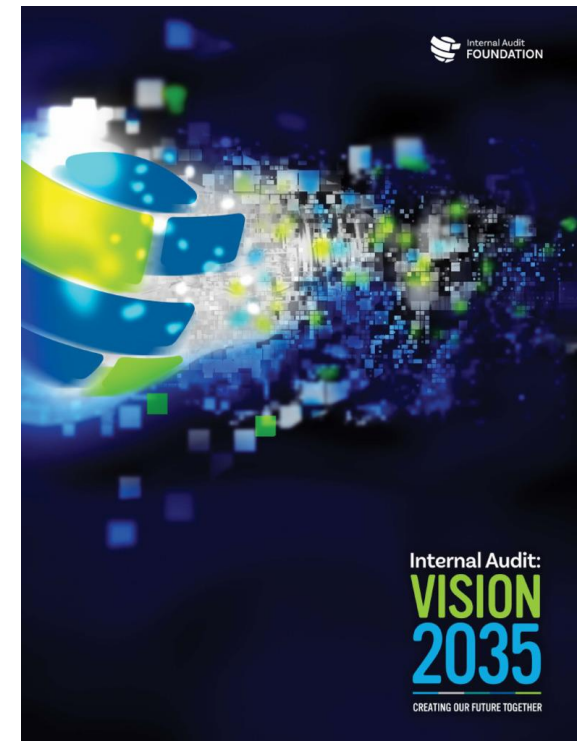
Future Trends

- Strategic alignment
- Technological advancements like AI, ML, RPA and DA
- Cybersecurity
- Talent shortages
- Regulatory changes



The GIAS Address Vision 2035 Challenges

- **Embrace technology** to address tech advances and evolving risks
- **Enhance audit quality** through framework to provide strategic advice
- **Expand talent pipeline** through continuous learning to meet demands
- **Increase credibility** by improving capacity and reliability
- **Address emerging risks**, including AI, cybersecurity and sustainability
- **Promote collaboration** with other stakeholders
- **Adapt to changing business models** through flexibility and adaptability



Polling Question #2

2. Which dynamic represents the greatest challenge to your internal audit department?

- A. Auditing strategic initiatives
- B. Keeping up with technological advancements
- C. Cybersecurity risks
- D. Talent shortages
- E. Regulatory changes



Applying the Standards

Polling Question #3

3. How mature is your quality assurance review process?

- A. Very mature
- B. Somewhat mature
- C. Not very mature
- D. Immature
- E. We don't perform quality assurance reviews

Strategies for Implementing the GIAS

- Do a readiness assessment
- Develop a strategic plan
- Enhance board involvement
- Invest in technology
- Focus on training and development
- Strengthen risk assessment processes
- Improve communication and reporting
- Promote a culture of quality

**Embrace change to
add value**



Creating a Better Future

Polling Question #4

4. Have you conducted an external quality assurance review using the new Global Internal Audit Standards?

- A. Yes
- B. No, but plan to this year
- C. No, but plan to in the next 2-4 years
- D. Have not considered it yet

Long Term Impact

- More prestige for internal auditors
 - Clearer focus on strategic topics and risk-based auditing
 - More flexibility to address emerging priorities
 - Better relationships with audit clients
- Maintaining visibility and control
 - Ensuring effective communication and collaboration
 - Balancing efficiency with risk management
 - Adapting to the changing regulatory and IT/cybersecurity environment as new threats emerge

Strategies for Continuous Improvement

- Board and AC should support approach and communication with senior leadership
 - Improve ERM and integrated reporting
 - Focus mindset on agility, flexibility, continuous change and improvement
 - Maintain competencies and skills inventory, and performance metrics
- Improve internal and external dimensions of QAIP
 - Offer workshops, joint training and more collaboration with 1st and 2nd Lines
 - Upgrade GRC processes to improve approach, technology and data
 - Update policies and procedures

Summary

- The GIAS increase opportunities to increase our profile, broaden the services offered, and have a rewarding career
- Improvements can be noted in KPIs and QAIP reviews
- Agility is key to address fast-changing organizational events
- Internal auditors help advance the public interest

This is the best time to be an internal auditor!



Q&A

