



The Evolving Role of Internal Audit in Assessing the Efficiency of Business Operations



Vinay Bapna
Vice President of Marketing
MetricStream



Karthik Subburaman
Country Manager
ECC International



Sushma Lawate
Functional Lead
MetricStream

Key Discussion Points

- The need for greater efficiency and cost and time optimization in audit management
- Best practices and approaches to improve internal audits
- Management of new and emerging risks using the best technology solutions
- The real-time cases for efficient audit management tasks
- Q & A

Key Trends in Internal Audit

Evolving role of internal auditors and expanding scope of audits

- The traditional work of the function – operations, systems, fraud investigations, and special project audit work – has taken a back seat to the more pressing needs of regulatory compliance as well as business process optimization.
- A properly structured internal audit function, impacting not just regulatory compliance but also operational excellence - is being actively sought.
- Today, the role of an internal auditor has evolved from merely financial reporting on controls to managing risk, prioritizing goals and activities, eliminating complexity and redundancy, streamlining operations, while driving down cost and protecting and enhancing shareholder value.

Business performance and quality assessments:

- Every stakeholder, management and the audit committee, relies heavily on internal audit for providing assurance and establishing trust in the organization.
- The answer comes in the form of performance and quality assessments—an examination of the effectiveness and efficiency of the function.
- Continuous performance reviews and quality assurance activities built into the job descriptions and operating routines of the department provides a window into work performed and quality of operations.
- Audit staff can run a check on issues like: Does a comprehensive risk assessment serve as the basis for planning and execution? Are stakeholders' needs met in a timely fashion?

Key Trends in Internal Audit

Organizational structure for accountability and transparency:

- Today's environment calls for greater collaboration and strong relationship between the auditor and the auditee at all levels.
- The trend therefore is moving towards developing a structure that facilitates healthy environment. This will encourage free flow of information regarding any issues or concern between the auditee and the auditor.
- The organization has to be structured in a way that facilitates accountability i.e. not limited to only the Audit Committee.

Shift away from SOX compliance towards risk-based auditing:

- Out of necessity, internal auditors have been devoting their time, energy and resources in recent years primarily to SOX compliance activities.
- Now, it is time for internal auditors to reevaluate its activities and sharpen its focus on stakeholder expectations and risk-based auditing.
- Enterprise-wide risk management and fraud are also gaining precedence.
- Moreover, the modern day, technology savvy companies require additional focus on risk assessment, particularly because these risks have the potential to impact organizations more rapidly.
- Activities relating to fraud detection and auditing IT security are also generating more responsibility for internal audit.

Key Trends in Internal Audit

Upgrading audit infrastructure and technological advancement:

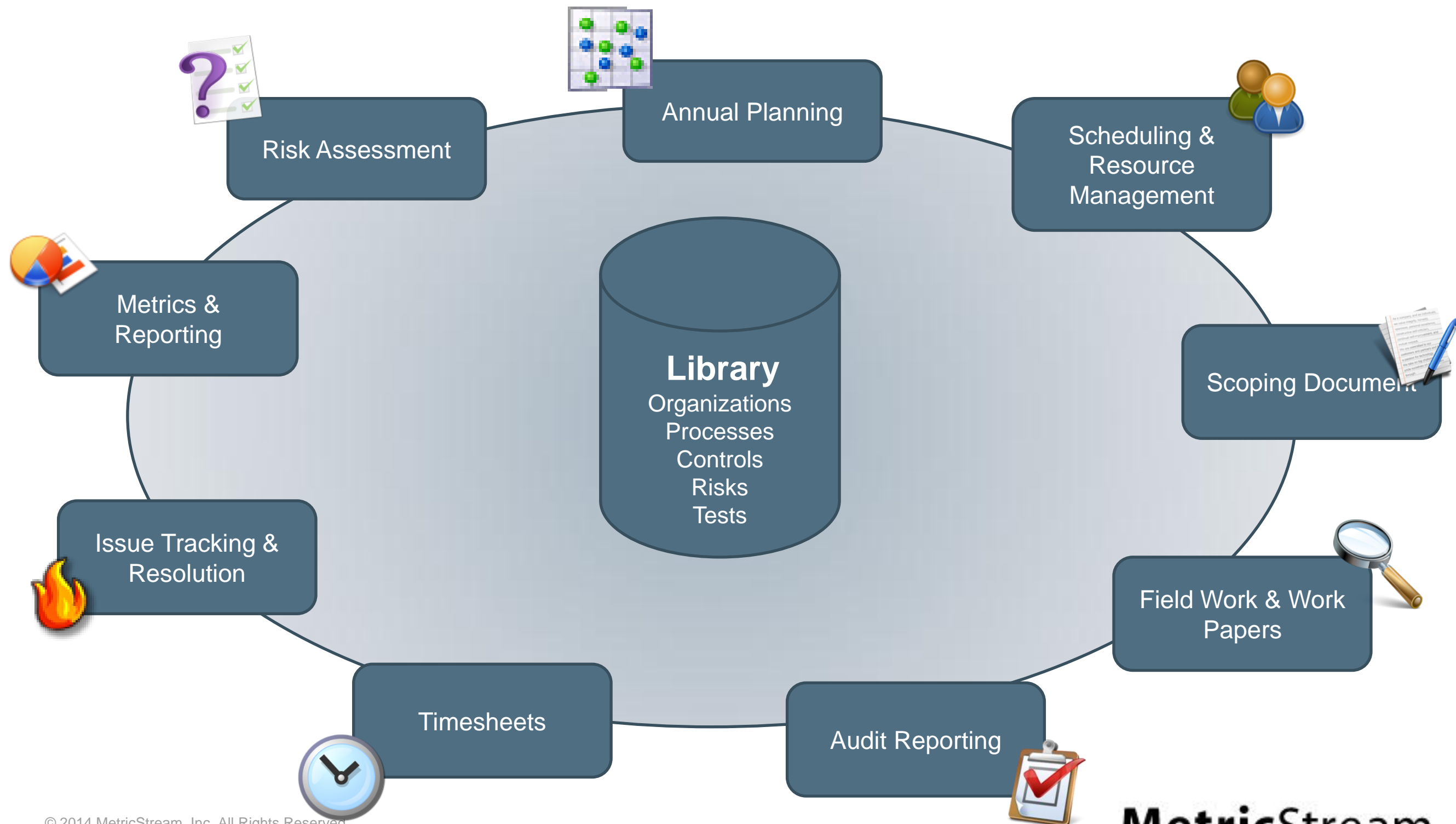
- Large companies, specially with complex auditing requirements that span not just financial audits but also audits, assessments and inspections related to operations, quality, safety, suppliers and IT are upgrading the technology infrastructure used to carry out auditing – from risk assessments and audit universe creating and planning to audit data collection, reporting and remediation.
- Companies are migrating from their legacy systems, point applications and paper-based procedures to a web-based integrated audit management system.
- The technological advancement allows the CAE to streamline and strengthen the internal audit function enabling it to deliver more strategic value while lowering its costs of operation.
- Expected benefits are better enterprise-wide visibility, a transparent and collaborative environment and data-driven decision making. Solution and tools available today provide a reliable means to monitor access controls, observe the closed-loop processes and analyze important data and KRIs.



Leveraging Technology for Effective Internal Auditing

Integrated Audits Management Solution

- Perform all types of audit-related activity on a single integrated platform
- Leverage cross-organization governance, risk & compliance activities



Internal Audit - Trends



- Changing Role - Assurance provider to Trusted Advisor
 - Strategic insights to improve performance
 - Value preservation to Value creation
 - Provide Intelligence



- Increasing Scope, Collaboration & Oversight
 - Compliance, IT ,Risk, Security, Fraud
 - Asset Protection, Supply chain



- Co-ordination and integration with other Assurance functions
 - Adoption of Governance, Risk and Compliance tools

Audit Solution Flow

Start

Risk Assessments and Scoping

Item	Inherent Risk	Residual Risk	Control Rating
1. Audit Plan	Medium	Medium	3
2. Audit Scope	Medium	Medium	3
3. Audit Objectives	Medium	Medium	3
4. Audit Procedures	Medium	Medium	3
5. Audit Evidence	Medium	Medium	3
6. Audit Conclusions	Medium	Medium	3
7. Audit Report	Medium	Medium	3
8. Audit Follow-up	Medium	Medium	3
9. Audit Closure	Medium	Medium	3
10. Audit Archiving	Medium	Medium	3

Detailed Planning/Scoping

Audit Plan/Scope: AUDIT - 25th April

Audit Title: AUDIT - 25th April
Conducted By (Organization): MetricStream
Lead Auditor: Auditor Lead
Audit Start Date: 04/05/2011
Audit Manager: Audit Manager

Audit Objectives
During the course of the audit we identified some areas in which there were material weaknesses in the internal controls and accounting systems. We now outline what those weaknesses were and our recommendation for improvement.

Areas of Consideration
Under the surveillance policy, auditors are required to direct operators to the cause of the finding, as well as to any system deficiency or error that contributed to the non-compliance.

Management and External Audit Concerns

Planning Meeting Results

Audit Closure

Audit Closure: AUDIT - 25th April

Audit Title: AUDIT - 25th April
Conducted By (Organization): MetricStream
Lead Auditor: Auditor Lead
Audit Start Date: 04/05/2011
Audit Manager: Audit Manager

Closing Comments*
Include a paragraph in the audit report, which will draw attention to note one, which sets out the details of the uncertainty.

Lead Auditor Action
Action*: Close Audit
Comments:
Comments History

Audit Project Management

Audit Projects

My Audits

Report Data as of: 09/13/2012 02:11 PM

Audit Title	Status	Lead Auditor	Audit Manager	Team	Audit Plan / Scope	View Task	Draft Issues	Actions
Audit To Check WLS	Audit Started	Kiran Kumar	Mike Morton		In Progress	3	0	Create Task Issues for Review Audit Report
Audit To Check CF-10-Recheck	Final Report	Auditor Lead, Kate Kevin, Kiran...	Audit Manager, Mike Morton		In Progress	3	3	
To check param	Audit Started	Kiran Kumar	Mike Morton		In Progress	1	0	
CF-Last	Audit Started	Auditor Lead, Kate Kevin, Kiran...	Audit Manager, Mike Morton		In Progress	3	3	
Audit To check-62129	Audit Started	Auditor Lead, Kate Kevin, Kiran...	Audit Manager, Mike Morton		In Progress	3	3	
CF-OTC	Audit Started	Auditor Lead, Kate Kevin, Kiran...	Audit Manager, Mike Morton		In Progress	3	3	

Page 1 of 4
Displaying records 1 - 20 of 69

Audit Fieldwork

Audit Fieldwork

Finding/Issue Title*

Finding Details*

Owner Organization* Issue Due Date*

Recommendation*

Issue Rating* Issue Disposition*

Publish Final Audit Report

Audit Report: Final Audit

Audit Title: Final Audit
Conducted By (Organization): MetricStream
Lead Auditor: Auditor Lead
Audit Start Date: 04/05/2011
Audit Manager: Audit Manager

Executive Summary*
As discussed during the course of the audit, there are significant concerns over the going concern of the company due to company's failure to confirm contribution and renewal of the company's overdraft facility. Adequate disclosures have been made in the financial statements.

Final Report for Review
Action*: Publish Final Report

Final Report*
GRCD_AUDIT_DATASHEET.pdf

Comments*
Include a paragraph in the Audit report

Reporting

Draft Issues -

Audit Title:
Conducted by (Organization):
Lead Auditor:
Audit Start Date:
Audit Manager:

Finding/Issue Title*

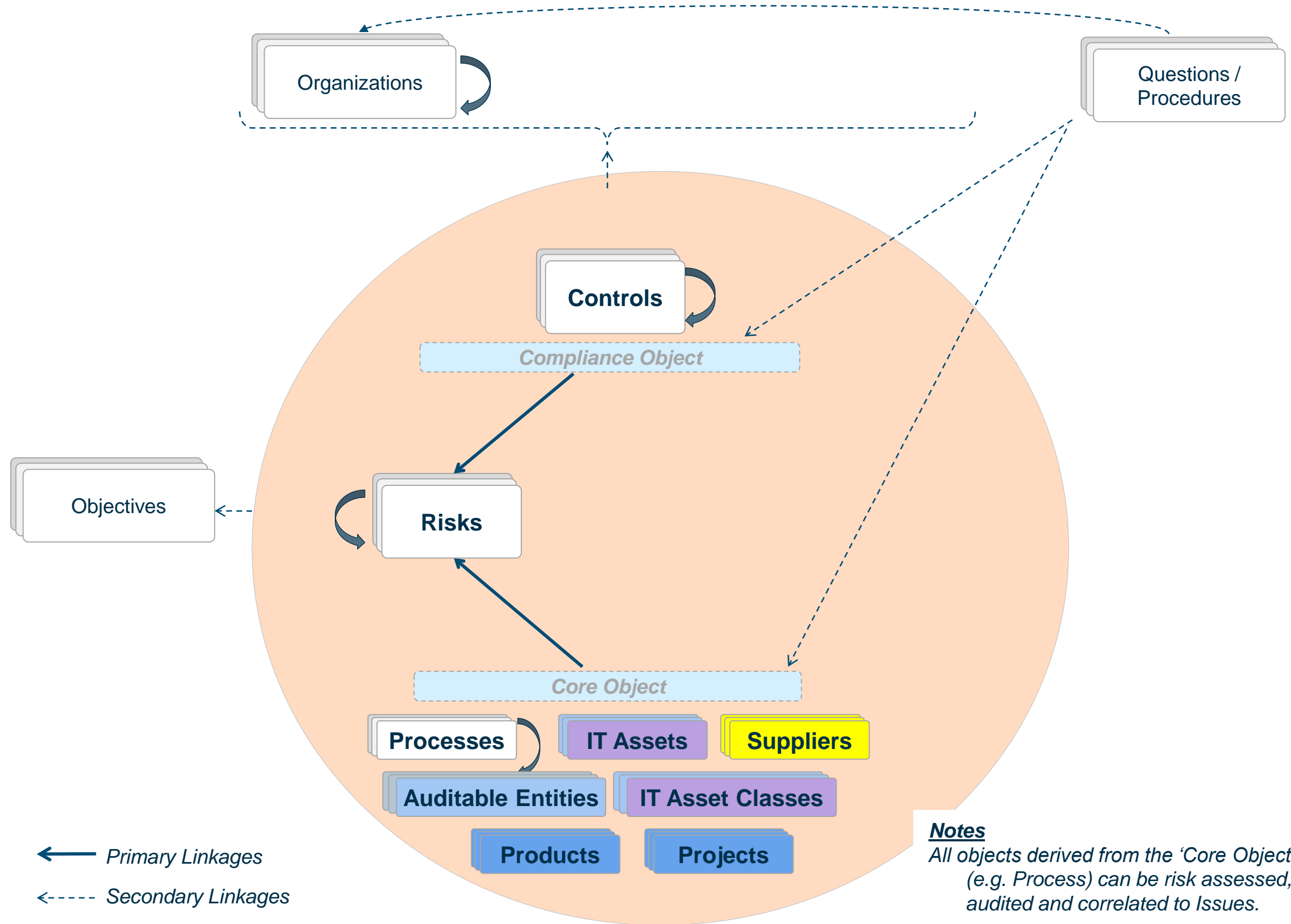
Finding Details*

Owner Organization* Issue Due Date*

Recommendation*

Issue Rating* Issue Disposition*

Centralized and Flexible Data Model



Manage the Complete Audit Lifecycle

Perform all types of audit-related activities on a single integrated platform

Project Management

Audit Planning

- Maintain audit universe
- Assess & quantify risks
- Create a targeted risk-based audit plan

Audit Fieldwork

- Create and assign tasks or checklists
- Perform & document test controls
- Maintain audit work papers

Audit Reporting

- Multiple reports and dashboards to track status & monitor progress
- Configurable outputs for draft and final audit reports

Audit Issue Management

- Record and review findings/ observations
- Plan & perform suitable actions
- Measure, track, monitor action items and identify deviations



Customer Experiences

Select Case Studies - Mid-Market

One of the world's largest cruise line

- Internal audit solution to manage the complete audit lifecycle
 - Manages audit schedules, resources, reviews, updates & tracking of issues along with offline capability
 - Provides integrated framework to increase consistency
-

A Leading Fortune 500 Automotive Retailer

- Audit management and Compliance Solution for a team of 10-20 auditors
 - Automates and streamlines the entire lifecycle for managing audits
 - Provides ability to aggregate and quantify audit results to enhance auditing capability
-

World's largest maker of Consumer Packaged Goods

- More than 200,000 users across 80 countries
 - Global convergence of GRC initiatives on a single, centralized platform
 - Global audits, assessments of financial and **regulatory** controls and requirements, attestations, policy management, incident management, and risk management
-

A Major European financial services company

- Audit and Compliance risk management for over 12 regions
- Integration with external regulatory sources for risk intelligence
- Compliance issue , audit and action item tracking workflows, alerts, escalations

Select Case Studies - Industry Benchmarks

Retail & commercial bank in Europe

- Provide a systematic and consistent risk-based internal audit process
 - Enable enterprise-wide visibility into the audit process and metrics for better audit management
 - Eliminate audit inconsistencies with a standardized data collection and analysis
-

Bahrain's Integrated Oil and Gas Company

- Integrated solution for Audit Management and corrective actions management helps achieve sustainable compliance and reduce compliance and safety risks, while improving business performance
 - Areas covered: Operations, Environment, Health, Fire, Safety and Quality
-

One of the largest natural gas processing companies in the world

- Automate and integrate various programs including Audit Management, Risk Management Centralized Issue management solution to handle all the Audit actions arising from various Audits
-

An Italian-based, multinational catering and retail company

- Internal Audit for a Global Audit team from Italy, US, Spain and UK
 - Multi-lingual deployment
 - Provides GRC platform with roadmap to enable Sox compliance and Italian 262 regulation, apart from Enterprise Risk Management.
-

A Leading Global Hospitality Chain

- Providing a common platform for enterprise risk management, legal and regulatory compliances and audit management
- Ensure sustainable compliance with various regulations and internal policies

About MetricStream

MetricStream Corporate Overview

Vision

Integrated Governance, Risk & Compliance (GRC) for
Risk-Driven Intelligence and **Better Business Performance**

Solutions

- Audit Management
 - Risk Management
 - Regulatory & Operational Compliance
 - Policy & Procedure Management
 - Issue and Incident Management
 - IT GRC
 - Supplier & Vendor Governance
 - Quality Management
 - Environmental Health & Safety
 - Energy & Sustainability Management
-

Differentiators

- Technology - Enterprise GRC Platform – 9 Patents
 - Breadth of Solutions – Single Vendor for all GRC needs
 - Cross-industry Best Practices and Domain Knowledge
 - ComplianceOnline.com - Largest Compliance Portal on the Web
-

Recognition



Leader in Gartner GRC Magic Quadrant for 5 consecutive years: 2008 to present
Leader in Forrester GRC Wave,

Q&A



Vinay Bapna
Vice President of Marketing
MetricStream



Karthik Subburaman
Country Manager
ECC International



Sushma Lawate
Functional Lead
MetricStream

Please submit your questions to the host by typing into the chat box on the lower right-hand portion of your screen.

Thank you for participating!

A copy of this presentation will be made available to all participants in next 48 working hours.
Please visit www.metricstream.com for more details on upcoming webinars.

Thank You

Contact Us:

Website: www.metricstream.com | **Email:** info@metricstream.com

Phone: USA +1-650-620-2955 | UAE +971-5072-17139 | UK +44-203-318-8554

 [Join us on RACE Group](#)

 [Follow us on Twitter](#)

 [Like us on Facebook](#)