



Internal Audit and Environmental, Social, & Governance

Deloitte's Internal Audit (IA) services helps our clients to have greater impact and influence on their organizations to inform that needed processes and controls are in place. Environmental, Social, and Governance (ESG) is a mechanism to transparently communicate how organizations are operationalizing their sustainability agenda.

Strategy







Deloitte has delivered IA projects for **over 14 years** and has a team dedicated to:

- Focusing on **emerging services** and high-risk areas – digital, Information Technology (IT), IA, analytics, and helping our clients close skill gaps.
- Providing a strong, integrated community of **IA talent** that promotes a culture of innovation and inclusiveness.

An ESG strategy provides clarity and structure to help create social, environmental, and economic value; helps address ESG risks; and meet ESG reporting requirements by:

- Bringing together leading resources **to develop ESG solutions**.
- Scaled delivery capabilities through strategic **assets and alliances**.

Solutions

 Core IA Cosourcing	 Core IA Surge Support	 Digital IA	 Strategy, Assessment, Innovation, and Transformation	 IT IA	 ESG
Team with client's IA functions to help them improve their performance and efficiency by assisting with creation of processes, fraud detection, operational quality, internal control, and aligning with regulatory requirements.	Improve process efficiency, fraud detection , operational quality, internal controls, and alignment with regulatory requirements. Help IA functions to improve their performance.	Help clients elevate their IA functions and harness the power of data to improve functions and enable smarter, more informed decisions. Provide deep IA capabilities to assess alignment to IA standards and strategic orientation.	Help clients elevate their IA function to achieve a higher level of maturity and performance, leveraging knowledge of leading practices and benchmarking data .	Help clients extend their IA oversight with a focus on emerging IT audit, cyber, security, governance, and risk issues to help our clients navigate challenges.	Issuers of governmental securities should be aware that there could be credit rating differentiation depending on their approach to addressing ESG factors and the specific reporting and disclosures that are required to provide the information

People who can help you find answers for what's ahead.



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Case Studies from Prior Projects

Project	Challenge	Approach	Outcome
State	Large increase of unemployment insurance (UI) claims and inadequate internal controls and challenges with reporting led to multiple audit findings.	Deloitte performed process documentation and analysis of accounting transactions for the UI program and developed process improvement recommendations.	The client leveraged Deloitte’s recommendations to improve their UI accounting policies and procedures. The following audit yielded a significantly better result.
State Agency	Insufficient internal controls resulted in audit findings and difficulty demonstrating fiscal responsibility over appropriated funds.	Deloitte advised this client by helping to implement the Greenbook Internal Controls Framework for the UI program to improve accounting policies, procedures, and provide greater oversight opportunities.	Implementation of the Greenbook Internal Controls Framework improved reporting capabilities and compliance for our client and greatly enhanced their future auditability.
State	Significant increases in the volume of UI claims for this client created challenges for their year-end closing process, reporting and auditability.	Deloitte advised this client through the year-end close and reporting processes. Deloitte also provided process improvement recommendations to help improve these focus areas in future years.	The result of Deloitte’s assistance was an effective year-end close and reporting release despite very challenging factors.
Federal Government	Audit fatigue, modified audit opinions, weaknesses, or significant control deficiencies	Audit preparedness by leveraging audit experience and frameworks, like Deloitte’s Assurance by Design, to help the government address attributes auditors require, including the remediation of existing deficiencies.	Client was able to address audit readiness and remediated more than 10 weaknesses. These efforts significantly improved audit results, alleviated stakeholder burden, and reduced findings from the annual audit process.