



Evolution or irrelevance? Global Financial Services Chief Audit Executive Survey Results

Deloitte conducted a survey of over 1,200 chief audit executives (CAEs) from 29 countries and within a wide variety of industries. The results of the survey were published in *Evolution or Irrelevance? Internal audit at a crossroads*¹ in July 2016.

Key findings from **financial services** organizations suggest stakeholders, executives and CAEs recognize the need for change in order to exert greater impact and influence within the organization. Explore the common themes which highlight areas of focus for evolving internal audit (IA) departments seeking opportunities to impact growth, resilience and long-term advantage for their organizations. ➤

Four key areas of focus for CAEs²

Skillset

Analytical and technological skills are critical in order to enable IA to meet current organizational needs, as well as future needs.

Only 40% of CAEs are satisfied with their IA functions' capabilities and expertise to deliver on stakeholders' expectations.

Strategy and risk

The strategic plan and risk management framework should be reviewed and assessed to enable IA to provide insights regarding the synergy and integration of business strategy and risk.

Over 70% of CAEs intend to evaluate the strategic planning and risk management framework over the coming 3 years.

Innovation and analytics

Setting an innovative mindset and using analytical tools are essential and will enable IA to deliver insights about the future as well as the past, and improve visualized reporting.

Almost 70% of CAEs believe data analytics and risk anticipation will be the key innovative developments impacting internal audit over the coming 3-5 years

Enhanced insight

IA should be able to provide enhanced and forward looking insights regarding risk and opportunities, as well as assurance.

66% of CAEs expect broad, dynamic, forward looking insights to expand over the next 3-5 years.



Enhanced internal audit insights

Go beyond controls and compliance. Offer actionable insights to build resilience and create value.



Assure



Advise



Anticipate

Almost 90% of CAEs expect significant to moderate change within the organization over the next 3-5 years

² Percentages reported in this document reflect the collective responses of all participating CAEs representing financial services organizations.

Risk powers performance: Embrace the change

Financial services organizations are evolving to boost performance, address disruptors and stay competitive while complying with extensive regulatory requirements and expectations. IA functions need to understand the changes their organizations are undergoing and respond in ways that support stakeholders, provide assurance, and add value.

What next steps should internal audit functions consider on their evolutionary journey?



Choose to evolve and make an impact that matters

IA can elevate their perceived impact and influence by evolving the way they contribute and communicate to the business. Consistently bringing forward-looking assessments and insights of risk through innovation will help improve business operations and decision making.



Expand impact and influence



Support the business's changing needs



Innovative mind set



Improve stakeholders' understanding of risk



Take a forward-looking approach to risk management

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