



## 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*<sup>1</sup> 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 CAEs<sup>2</sup>

## 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

<sup>2</sup> 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**

# Contacts

## **Sandy Pundmann**

US Managing Partner, Internal Audit | Deloitte Advisory  
Deloitte & Touche LLP  
spundmann@deloitte.com  
Office: +1 312 486 3790  
Mobile: +1 312 203 7000

## **Paul Lindow**

Partner, Financial Services Internal Audit Leader | Deloitte Advisory  
Deloitte & Touche LLP  
plindow@deloitte.com  
Office: +1 313 394 5219  
Mobile: +1 415 203 0615

## **Robert Antoine**

Partner | Deloitte Advisory  
Deloitte & Touche LLP  
rantoine@deloitte.com  
Office: +1 904 665 1564  
Mobile: +1 904 382 9316

## **Bruce Goldberg**

Managing Director | Deloitte Advisory  
Deloitte & Touche LLP  
bkgoldberg@deloitte.com  
Office: +1 212 436 4567  
Mobile: +1 917 825 0750

## **Adam Regelbrugge**

Partner | Deloitte Advisory  
Deloitte & Touche LLP  
aregelbrugge@deloitte.com  
Office: +1 312 486 2165  
Mobile: +1 312 961 9620

## **Michael Schor**

Partner | Deloitte Advisory  
Deloitte & Touche LLP  
mschor@deloitte.com  
Office: +1 212 436 6208  
Mobile: +1 516 242 2062

This publication contains general information only and Deloitte is not, by means of this publication, rendering accounting, business, financial, investment, legal, tax, or other professional advice or services. This publication is not a substitute for such professional advice or services, nor should it be used as a basis for any decision or action that may affect your business. Before making any decision or taking any action that may affect your business, you should consult a qualified professional advisor.

Deloitte Advisory shall not be responsible for any loss sustained by any person who relies on this publication.

## **About Deloitte Advisory**

As used in this document, "Deloitte Advisory" means Deloitte & Touche LLP, which provides audit and enterprise risk services; Deloitte Financial Advisory Services LLP, which provides forensic, dispute, and other consulting services; and its affiliate, Deloitte Transactions and Business Analytics LLP, which provides a wide range of advisory and analytics services. Deloitte Transactions and Business Analytics LLP is not a certified public accounting firm. These entities are separate subsidiaries of Deloitte LLP. Please see [www.deloitte.com/us/about](http://www.deloitte.com/us/about) for a detailed description of the legal structure of Deloitte LLP and its subsidiaries. Certain services may not be available to attest clients under the rules and regulations of public accounting.