The Role of Internal Audit in Building Business Resilience

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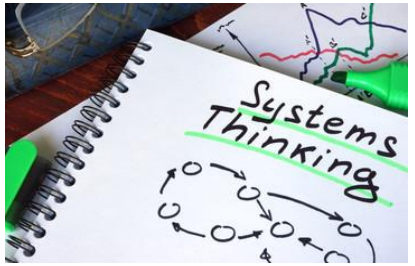
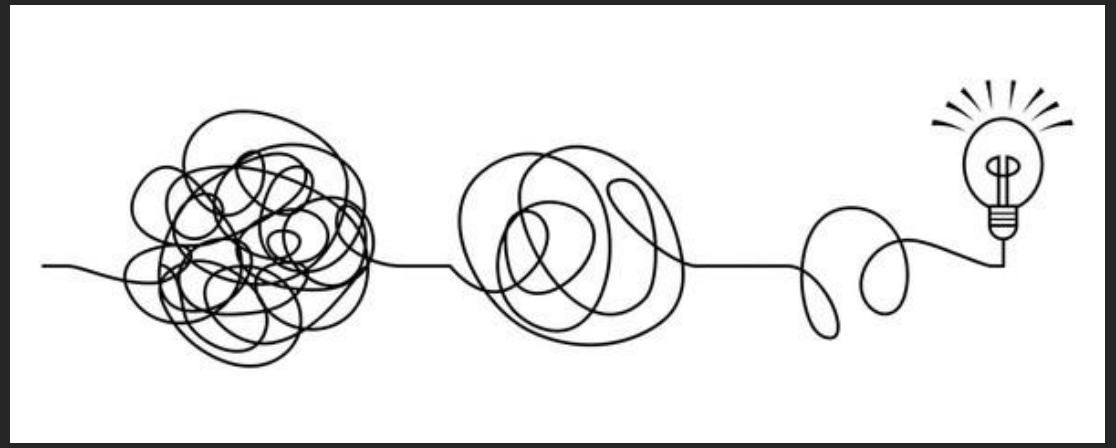
The Institute of Internal Auditors Indonesia

Strategy


Systems
Thinking

AGSM
Australian Graduate
School of Management



What we will do today

Explore some key concepts related GRC and Compliance

Visit some trends and opportunities

Frameworks to navigate your way during the ‘new normal’

Some activities

Ask the audience: Tell us about yourself?

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Recap: Audit plays a key role in…

Audit is the linchpin for companies to achieve their GRC objectives

How will GRC and Audit evolve in the future?

To unpack this, it is important to look at the key related trends that have appeared or have accelerated as a result of the pandemic

Trend: Virtual employment

EXECUTIVE LIFE

Barbados is officially letting people move there to work remotely for a year, and all you need to do is fill out an application

SOPHIE-CLAIRE HOELLER
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Trend: Digitisation and automation

Trend:
Localisation,
Diversification,
Deglobalisation?

Trend: Shifting regulation

Trend: Expanded board level governance

Risk: Expanded focus, increased vigilance

REQUIREMENTS
RULES
STANDARDS
LAW
COMPLIANCE
GOVERNANCE
POLICIES
TRANSPARENCY
REGULATIONS

Breakout session/Ask the audience: How have these trends impacted your work as an auditor?

Submit your responses on mentimeter

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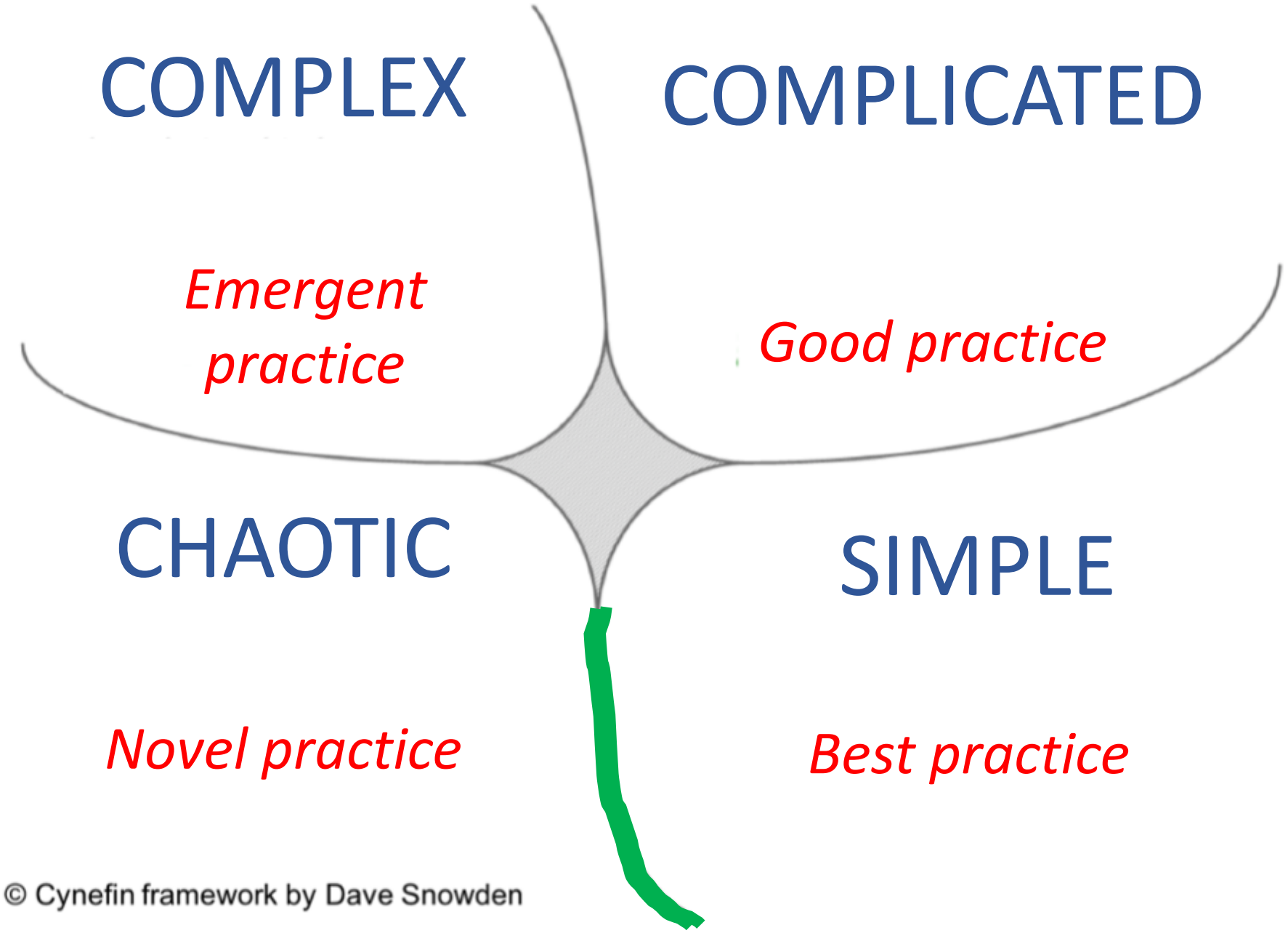
COMPLEX
COMPLICATED
Emergent practice
Good practice
CHAOTIC
SIMPLE
Novel practice
Best practice
© Cynefin framework by Dave Snowden

Breakout Session:
How can you use the Cynefin framework to make sense of different parts of the your organisation?

RESILIENT
ROBUST

Resilience: The ability to bounce back

Resilience: The ability to anticipate

Resilience:
The ability to adapt

Resilience: Working with ambiguity

Resilience: The ability to make sense of an emerging future

Ask the audience: What can auditors do to make their organisations more resilient?

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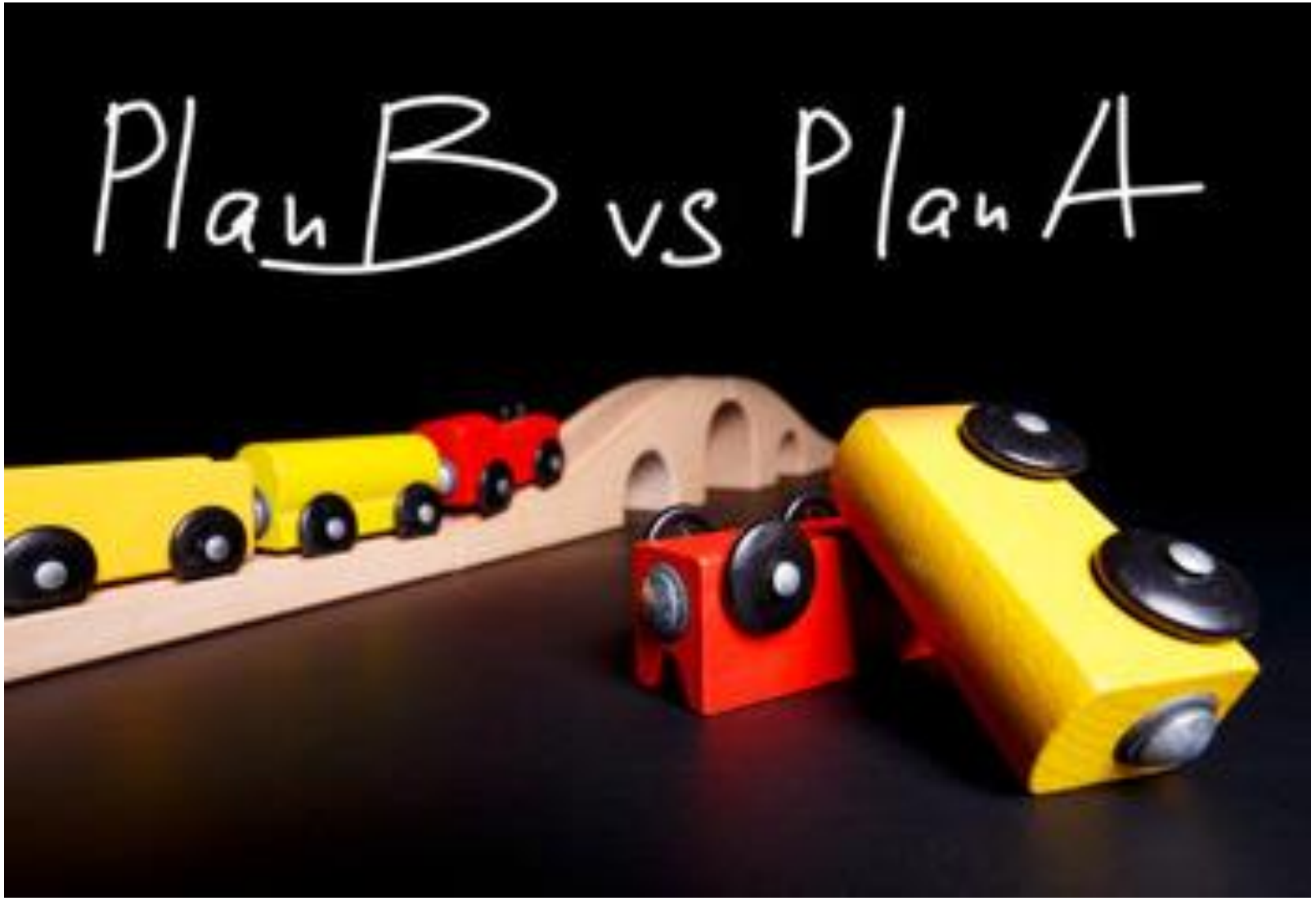
Auditors possess the key capabilities to building business resilience

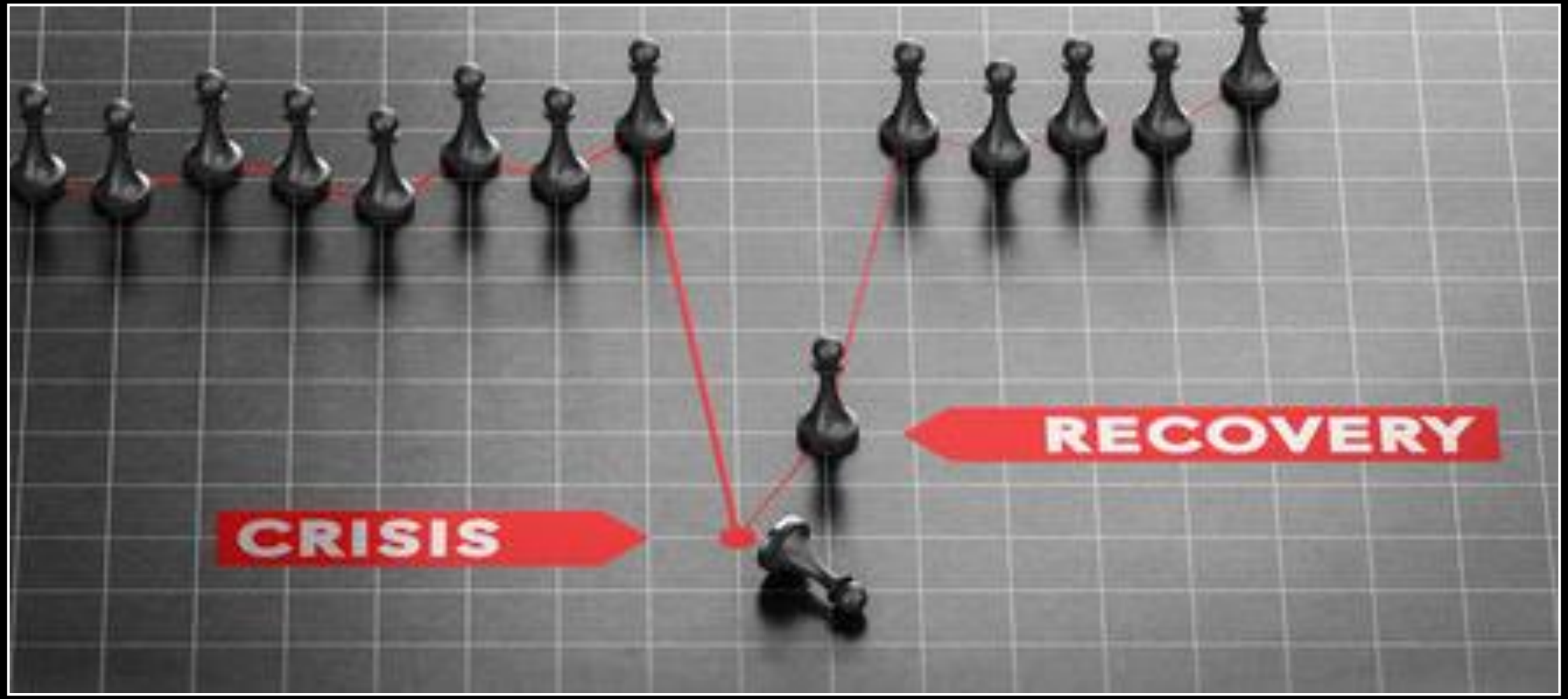
Reasoning
Analyzing
Problem Solving
Critical Thinking Skills
Decision Making
Evaluating

Ask the “What If” Questions

Working across silos and boundaries



Proactive involvement in scenario planning



Participate in incident response planning

Audit: fit, agile, expanding

Audire (Latin)
“to hear”

An Auditor (late 14C)
“a hearer, one who listens, who perceives”

What are some questions audit can be asking itself?

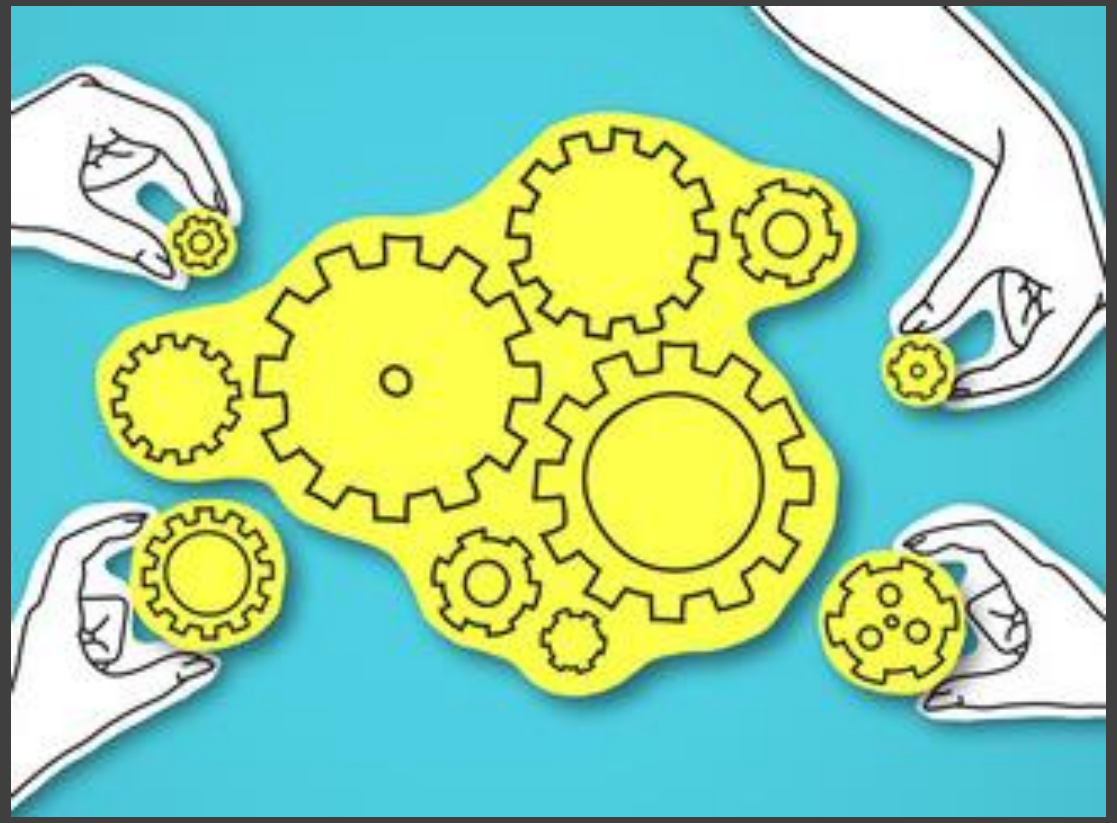
How can you help your organisation be more future facing and forward looking? For example…

- Is there any additional data and reporting that audit could be communicating to the governance, risk and operations parts of the business to enable better strategic and operational planning?
- Could you be providing reporting more regularly of certain critical indicators?

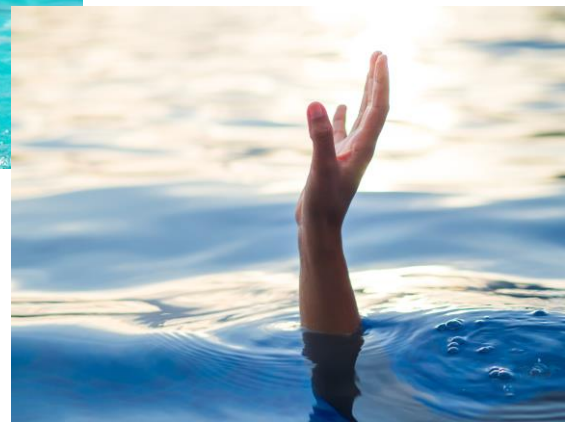
What emerging regulatory and legislative changes are on the horizon? How do these need to be planned for?

How could the core audit function evolve? For example:

- How does your audit calendar need to evolve?
- How are you keeping up with changes in the risk function?
- How well are you utilising technology to support you and how could you leverage it better?



Focus on building your capability strategic foresight and learning to think in systems



UPSTREAM

Thinking in systems

Expedia®

Three problems

1. Problem blindness (I can’t see the problem)
2. Lack of ownership (It’s not my problem)
3. Tunnelling (I’m too busy to deal with that)

From	To
Individual incidents	System view
Data for inspection	Data for learning
Punish violations	Fix the system
Measure problems	Look for early warning signs before the problem occurs

Breakout Session:
How can you use the ideas presented today in your organisation?

Ask the audience: What is the main idea that you have taken from our session today?

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Ask the audience: Give us your feedback!

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