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## **PANEL-2**

# **Aligning Internal Audit With Organizational Strategy**



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# Aligning Internal Audit With Organizational Strategy



## Alignment – Why?

- Changing business environment locally, regionally and globally
- Organisational strategy today needs to be agile and have its risks managed effectively to ensure success

## Internal Audits Objectives

- To be seen as a relevant and valuable contributor to the organization
- Continue assess risks/controls/compliance, and
- Focus on those risks as they affect the organization's strategies and objectives



# Aligning Internal Audit With Organizational Strategy



## What's The Change?

Assurance Provider



Trusted Advisor



# Aligning Internal Audit With Organizational Strategy

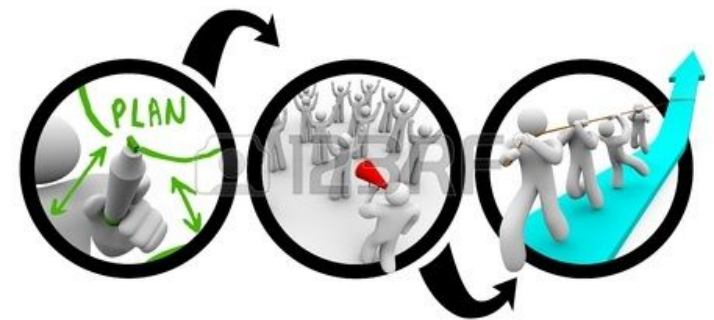


## What's The New Focus?

General and Financial  
Internal Controls



Objective evaluations of  
effectiveness and control  
of strategic initiatives



# Aligning Internal Audit With Organizational Strategy



## Organisational Strategic Intent

- Growth
- Business As Usual
- Turnaround Because Of Problems

Aligning Strategy :



# Aligning Internal Audit With Organizational Strategy



## Growth Strategy

### Typical Business Risks:

- Organizational experience
- Increased production or services
- New competitive environment (products, geographies, competitors)
- Financial strain
- Loosing sight of current customers
- Employees unease about change
- Management skills



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## Business As Usual

### Typical Business Risks:

- Important innovations reduced or not undertaken
- Ability to manage its financial position, long term cash flow and other obligations
- Management stability – factors that might make it change
- Branding stability and potential loss of reputation
- Taking your eye off the ball
- What's happening externally
- Loss or failure of important customers



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## Turnaround Because Of Problems

### Typical Business Risks:

- Budget cuts
- Staff morale
- Operations closures / asset sales
- Short term objectives
- Increased fraud opportunities





# Aligning Internal Audit With Organizational Strategy

## What does it mean to Internal Audit?



# Aligning Internal Audit With Organizational Strategy



## Skillsets Required

- Very deep company knowledge
- Very deep industry knowledge
- Ability to solve problems
- Access to knowledge
- Regulatory knowledge



Change the old talent model!



# Aligning Internal Audit With Organizational Strategy



## Framework For IA Focus For Strategic Initiatives

1. Policies, Plans, Risk Appetite, Regulatory Obligations
2. Process (and related controls depending on stage of the Strategy execution)
3. Organization, People , Competency, Culture
4. Measurement and Reporting (depending on stage of Strategy execution)
5. Systems and Data

Prove the value by helping the organisation to be

- ✓ More effective and efficient
- ✓ More Mature



# Aligning Internal Audit With Organizational Strategy



## Finally Make Sure You Can Answer These Questions



### Question 1:

Do you know what are the organizations strategies and related risks?

### Question 2:

Have you the People, Skills, Tools, Knowledge Methodology to deliver value?

### Question 3:

Can you provide reports that will provide positive actions?



# Aligning Internal Audit With Organizational Strategy



# Thank you!

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