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Essential Competencies for Internal Audit Excellence



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Essential Competencies for Internal Audit Excellence



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19 years of experience in financial services sector in London, Jakarta and Zurich. She has experience in portfolio/asset management, branch operations, Business Controls/Operational Risk and Internal Audit. As an auditor, Evi has covered Asset Management, Private Bank, Alternative Investments mostly in Citibank Europe. She is currently the Chief Internal Auditor of PT Bank Danamon Indonesia Tbk.

She obtained her Bachelor degree in Accounting from University of Indonesia and is also a CFA charter holder.



Essential Competencies for Internal Audit Excellence



Mission of Internal Audit

To enhance and protect organization values by providing risk based and objective assurance, advice and insight

What is Internal Audit Excellence?

- Effective internal audit that support internal strong corporate governance
- Not only fault finder, but also trusted advisor
- No surprises
- Proactive
- Seat at the table



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Who are our stakeholders? What do they want from Internal Audit?

- Audit committee
- Board of management
- Auditees
- Etc

What type of information would be most useful for them?

How should we communicate to them?

Are we clear about what supports we need from them?

What type of assurance we need to give them?

What type of advice we need to give them?



Essential Competencies for Internal Audit Excellence



Level of internal audit

- Assurance Provider
- Problem Solver
- Insight Generator
- Trusted Advisor

Where do you think your IA organization is?

What is the next step?

Do you have at the right support to get to the next step?

Do you have the right structure?

Do you have the right talents in your team?



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How do we get to Internal Audit Excellence

- Build strong Internal Audit functions/team
- Regular benchmark to peers
- Alignment to corporate structure and strategies and risk management assessment
- Risk based methodology : get feedback from stakeholders, are we focusing on the significant risks?
- Audit plan should be adaptable, align with organization strategies and structure
- Communicate well : be clear about our message
- Listens actively
- Respects diverse perspectives
- Uses formal and informal channels



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Strong Internal Audit Functions:

- Consistently give balanced view of the state of the organization risk and controls
- Identifying root cause of the issues - not only the symptoms
- Expect strong corrective actions that address the root cause of the issues
- Collaborate with first and second line of defence to give one comprehensive perspective of the corporation risk and controls
- Give feedback in timely manner - identify emerging issues
- Independent
- Build strong partnership with the board, senior management and external auditor, obtain their feedbacks to formulate relevant audit plan, audit focus, etc.
- Transparant
- Leveraging the power of data analytics, reporting and visual tool

Challenges?

Other factors to consider?



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Good Auditors Attributes:

- Communication skills - build relationship
- Technical knowledge - accounting, Information Technology, compliance
- Good understanding of the Business/Organization
- Ability to select relevant audit focus - risk based audit
- Awareness of emerging risks
- Do not only stop after identifying symptoms of problems, focus on identifying root cause
- Focuses in problem solving
- Is able to compromise
- Analytical, critical thinking
- Acts with integrity
- Be strategic and future focus : keeps informed, adapts skill set, anticipate future needs
- Proactive
- Collaborative

Challenge : not easy to find talents with all the relevant attributes

What are the top 5 attributes needed?

What type development programs we can implement to increase the competencies?



Essential Competencies for Internal Audit Excellence



End state

- Trusted advisor - balance between assurance and consulting services
- Preventive assurance
- Internal audit as conduit for talents joining the corporation - staff rotation
- Influence business decision
- Be strategic partner
- Can anticipate stakeholders needs

