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Altis Grand Hotel

# Audit Masters

— 9<sup>th</sup> Annual Internal Audit Forum — 2024 —



**GLC**

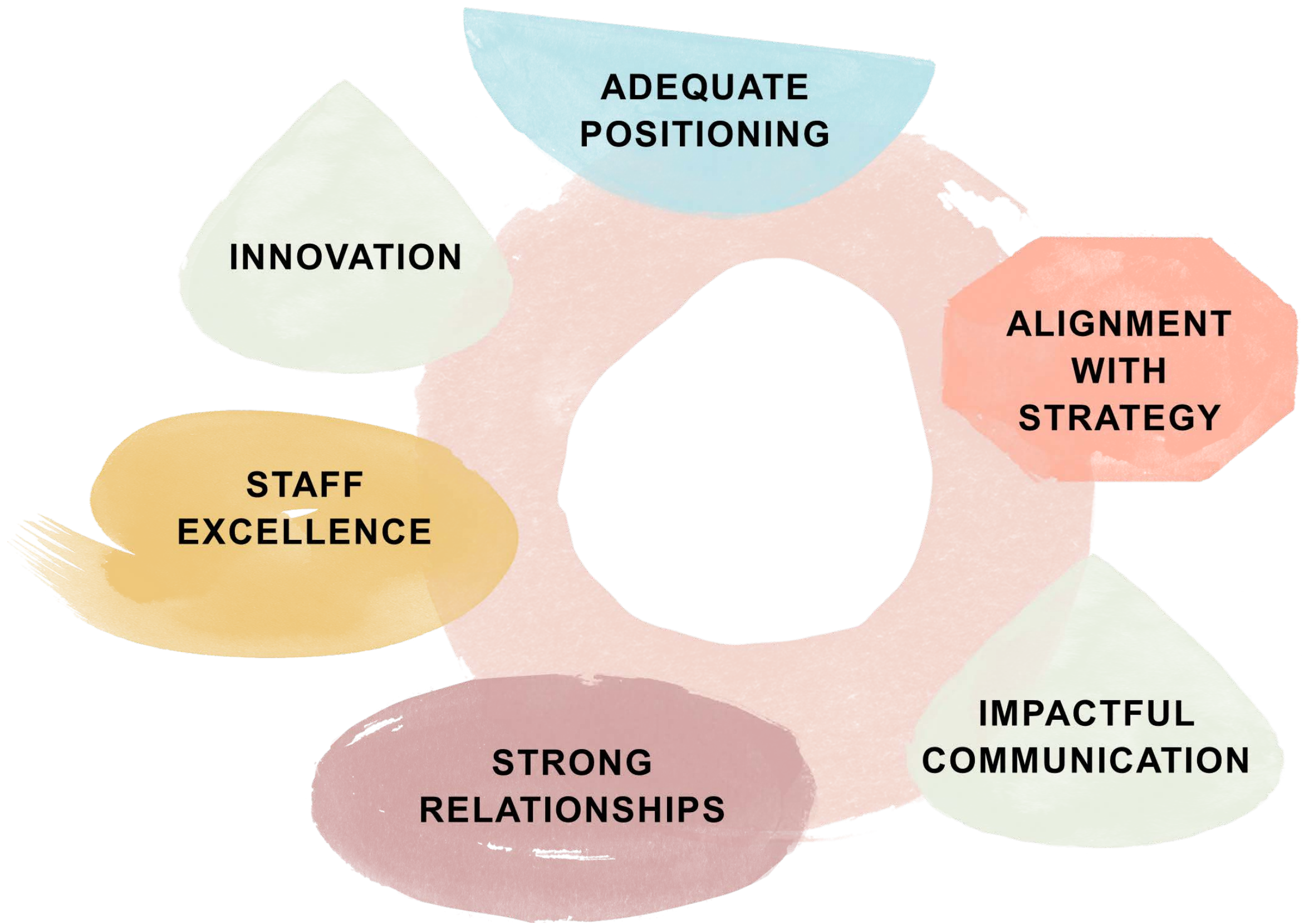
GLC EUROPE



**STRATEGIES  
FOR MAXIMIZING  
INTERNAL AUDIT'S  
INFLUENCE AND VALUE**

Marta Luaces Calpe

# 6 KEY FACTORS





# ADEQUATE POSITIONING

## Positioning, visibility and recognition

Properly positioning Internal Audit within an organization is essential for its effectiveness and impact. **By ensuring visibility and recognition throughout the organization, internal audit becomes more engaged with stakeholders**, who are better equipped to understand its role and value. This fosters trust and credibility, **establishing internal audit as an independent and competent function.**

## Shaping organizational culture and effective mandate

Internal audit's positioning shapes the organizational culture towards **transparency, accountability, and continuous improvement**, further enhancing its impact.

**Proper positioning enables internal audit to fulfill its mandate effectively**, contributing significantly to the organization's success through proactive risk management and strategic decision-making.

# ALIGNMENT WITH BUSINESS STRATEGY

## Alignment with business strategy

The **internal audit function should closely align its activities with the organization's strategic goals**. This involves understanding the business's vision, objectives, and key performance indicators (KPIs) and ensuring that audit plans and priorities reflect these strategic elements. **By focusing on areas that are critical to the organization's success**, internal auditors can provide insights and recommendations that are both relevant and impactful, thereby supporting the achievement of strategic goals.

## Strategic Risk Assessment and prioritization

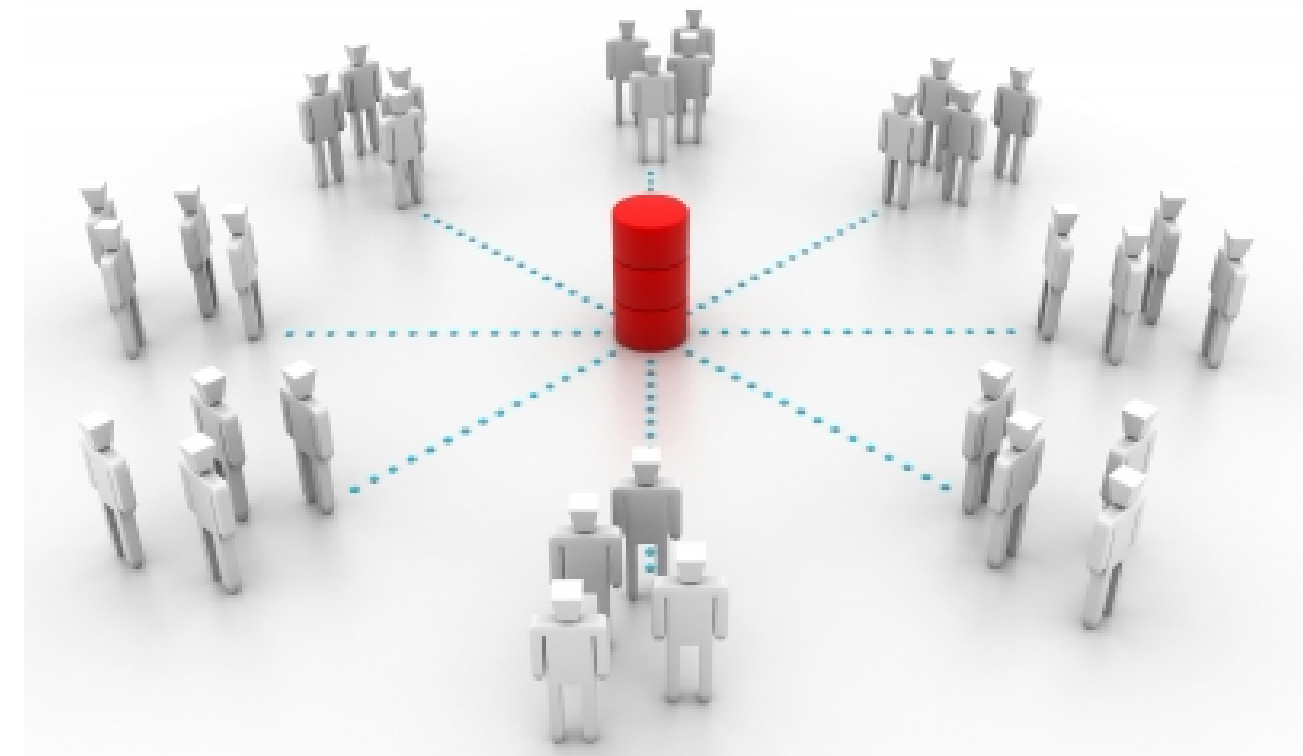
Develop a more strategic approach to risk assessment and management. This involves **not only identifying and evaluating risks but also prioritizing them based on their potential impact on the organization's strategic objectives**. By focusing on the most significant risks, the internal audit function can add value by helping to direct the organization's resources where they are most needed.



# IMPACTFUL COMMUNICATION

## Alignment of communication to the different stakeholders and personalities

**Tailoring communication strategies to the preferences and personalities of different stakeholders is essential for effective engagement.** This involves understanding the unique concerns, communication styles, and decision-making processes of each stakeholder group. By adjusting the delivery, tone, and format of audit communications, internal auditors can ensure that their messages are received and understood as intended, thereby facilitating more effective action on audit findings and recommendations.



## Enhanced Reporting and Visualization

**Improve the reporting capabilities** of the internal audit function by **incorporating advanced visualization tools and dashboards.** This can make audit findings more accessible and understandable to non-auditors, thereby enhancing the impact of audit reports on decision-making processes.



# IMPACTFUL COMMUNICATION

## Effective communication of success stories

**Sharing success stories** where the internal audit has added significant value is **crucial for enhancing the function's visibility and influence.**

This could include instances where **audit findings led to significant cost savings, improved operational efficiency, or mitigated a substantial risk.**

**Communicating these successes through newsletters, presentations, and reports** not only highlights the value of the internal audit but also builds trust and credibility with stakeholders.



# STRONG RELATIONSHIPS

## Building strong relationships with stakeholders, including the Audit Committee

Establishing and maintaining **strong relationships with key stakeholders, especially the Audit Committee, is fundamental.** This involves regular, transparent communication about audit findings, risks, and recommendations. By **understanding the concerns and priorities of stakeholders and tailoring audit efforts to address these, internal auditors can become trusted advisors.** Engaging stakeholders in discussions about risks and controls fosters a culture of openness and collaboration.

## Stakeholder education and awareness

**Providing educational programs for stakeholders on key risk areas, audit processes, and the value of internal audit is instrumental in enhancing awareness and comprehension of the audit function.** Internal audit can foster a culture of risk management and control across the organization, thereby facilitating proactive risk identification and mitigation by business units.



# STRONG RELATIONSHIPS

## Integrated Assurance

Work towards an integrated assurance model by **coordinating activities with other risk and control functions within the organization**, such as risk management, compliance, and quality assurance.

This can help **avoid duplication of efforts, reduce audit fatigue, and provide a more holistic view of the organization's risk landscape.**





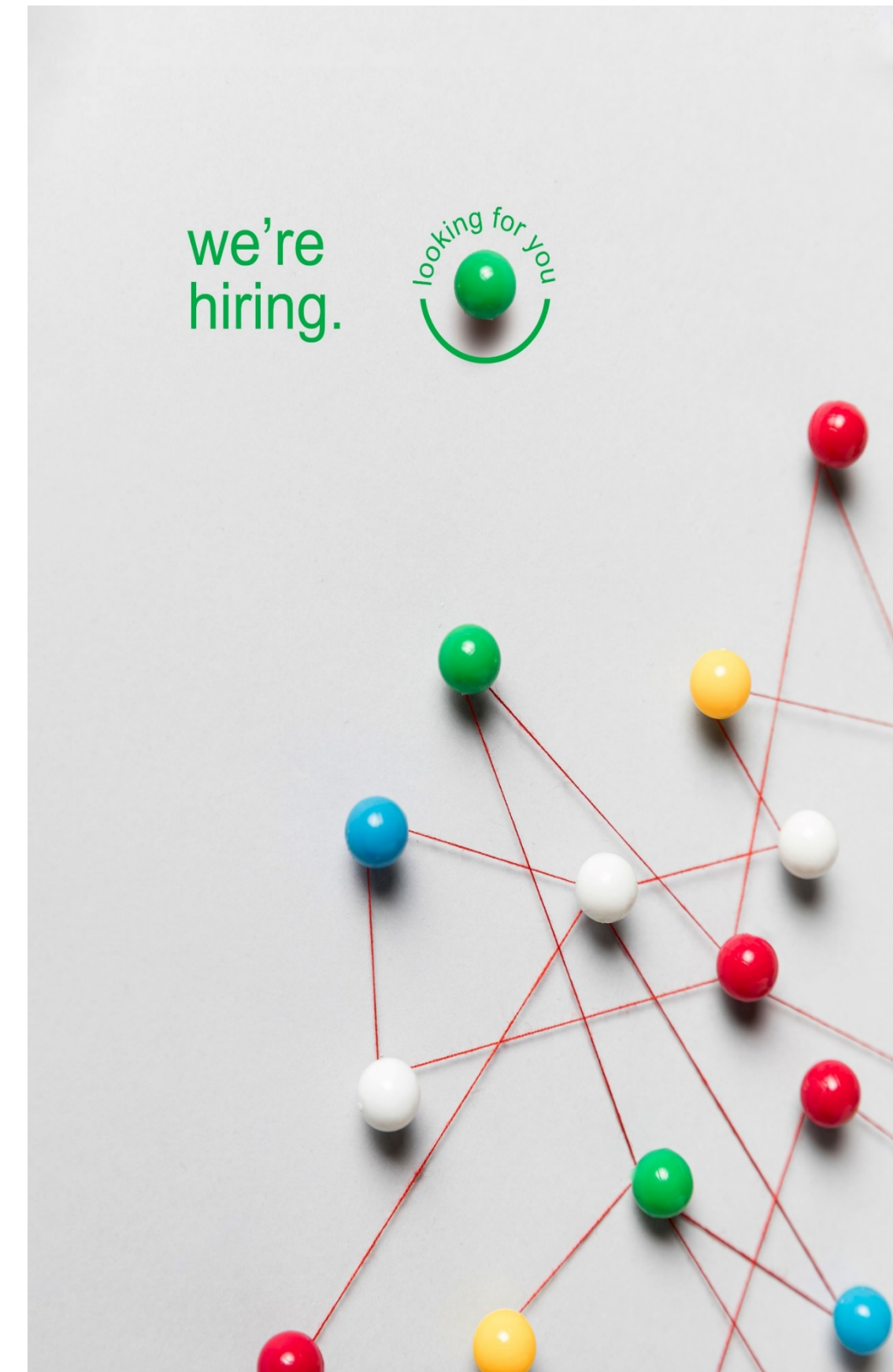
# STAFF EXCELLENCE

## Top talent recruitment and sustained professional excellence

**Attracting and retaining top talent** is critical for the internal audit function's success. This involves not only **hiring** individuals with the necessary audit and industry-specific skills but also fostering an environment that supports **ongoing professional development**. Encouraging **certifications, continuous education, and participation in professional organizations** can help maintain a high level of expertise and adaptability among audit staff.

## Rotation, skills diversification & cross-functional collaboration

Implementing a **rotation program within the audit function** can enhance auditors' understanding of different business units and processes, thereby broadening their perspective and skills. **Encouraging skills diversification and cross-functional collaboration with other departments** can also provide auditors with a more holistic view of the organization and promote innovative thinking. This approach helps in identifying best practices and areas for improvement across the organization.





# STAFF EXCELLENCE

## Continuous Learning and Adaptation

Encourage a **culture of continuous learning** within the internal audit team. This involves staying updated on industry trends, regulatory changes, and emerging risks.

By **continuously updating their knowledge base**, internal auditors can provide more relevant and timely insights to the organization.

## Benchmarking and Best Practices

**Regularly benchmark the internal audit function against industry best practices and standards.** This can help identify areas of **improvement** and opportunities to enhance the efficiency and effectiveness of audit processes. By striving for excellence and adopting best practices, the internal audit function can enhance its credibility and influence within the organization.



# INNOVATION

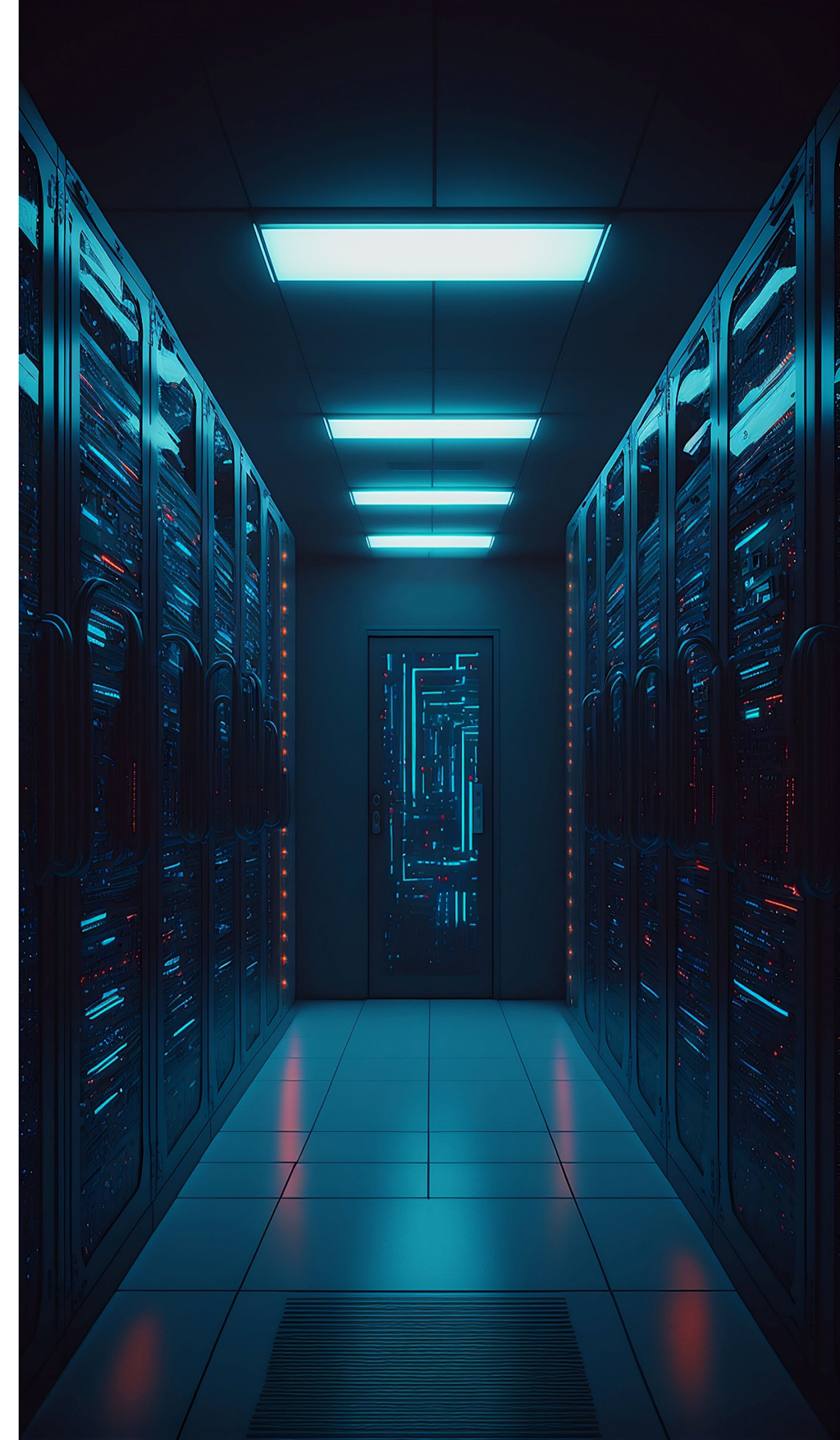
## Agile auditing

Adopting **agile methodologies in audit processes can increase flexibility, efficiency, and stakeholder engagement.** Agile auditing involves more frequent and iterative assessments, which can better align with the dynamic nature of business operations and emerging risks. This approach allows the internal audit to be more responsive and adaptive to changes.

## Cybersecurity and Information Security auditing

Given the **increasing threat of cyber-attacks**, internal audit functions can add significant value by focusing on cybersecurity and information security. This includes not only **auditing existing security measures but also advising on potential vulnerabilities and recommending enhancements.**

By staying ahead of cybersecurity trends and challenges, internal audit can play a crucial role in protecting the organization's digital assets.



**THANKS FOR YOUR ATTENTION ;**

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