



## SWAP Internal Audit Services – Organisational Context



Approximately 70 in the SWAP team (2 lead data analysts)



Providing audit services to 40+ public-sector organisations



Size advantages, along with data analytics shared learning opportunities...



But, challenges with multiple clients, multiple data sources, system access, data maturity of our clients...



## The Agenda

- ◆ Internal audit, past, present and future.
- ◆ CIPFA Untapped Potential report.
- ◆ The concerns of the Audit Committee.



## Linked In Post

- ✓ The **assessment of risk** and the assurance there of became central to what is a well organised organisation
- ✓ The fixed or semi-fixed **Audit Plan is dead**. Long reign the live Risk Assurance Map.
- ✓ The best audit and risk professional is someone that **can communicate well. Every other skill is secondary.**
- ✓ We mastered Data Analytics (did we), to the level that the profession needed it and that was **not the level that the marketeers told us it was going to be.**
- ✓ We will be (are aware) embarrassed that we produced reports hundreds of pages long and see it as archaic as we now see the black and white tv.
- ✓ The 10 day road trip that only ever benefited your **frequent flyer point balance is over.**



## The next 5 years

- ✓ The risk assurance of 2040 will be exclusively AI based.

Virtual reality made real: how internal auditors will rapidly adopt innovative technology, bringing to life key risk messages and engage the organisation, leading to better decisions - BDO

# Internal Audit: CIPFA Untapped Potential?

## Indicators of Effectiveness in the Report:

- *Timely and meaningful assurance, communicated in a way that is understood by stakeholders.*
- *Internal audit plans clearly aligned to the topics that are most important for the success of the organisation.*
- *Good engagement with senior management and the audit committee, while maintaining independence and objectivity.*
- *The ability to challenge constructively and to help management find solutions.*

# Internal Audit – present and future

## ◆ Present

- ✓ One page reporting – communicating results faster, removing bottle necks
- ✓ Agile – more collaborative working
- ✓ Data Analytics – wider assurance



## Future

- ✓ Dashboard Reporting
- ✓ Advanced Data Analytics with machine learning
- ✓ AI

Internal Audit, must do more with the same or even less!!!!


# One-Page Audit Report

**Example Audit – Final Report – November 2020**

**Audit Objective** [Audit Objective]






**Assurance Opinion**



Significant gaps, weaknesses or non-compliance were identified. Improvement is required to the system of governance, risk management and control to effectively manage risks to the achievement of objectives in the area audited.

Number of Actions	
Priority	Number
Priority 1	2
Priority 2	1
Priority 3	1
Total	4

**Key Findings**

-  Key Finding 1 - Red used for significant findings
-  Key Finding 2 (if applicable) - Red used for significant findings
-  Key Finding 3 (if applicable) - Amber used for important findings
-  Key Finding 4 (if applicable) – Blue used for findings that require attention
-  Key Finding 5 (if applicable) - Green used for well-controlled areas, or areas of best-practice

**Risks Reviewed**

Risks Reviewed	Assessment
1. Risk 1	High
2. Risk 2 (if applicable)	Medium
3. Risk 3 (if applicable)	Medium
4. Risk 4 (if applicable)	Low

**Audit Scope**

High-level summary of areas covered (and whether management have requested audit/ specified concerns)

Any scope exclusions and/ or areas where information not provided/ management not responded

Review period/ dates of information/ data reviewed (if applicable)

**Added Value**



## The Audit Committee

- ◆ Concerns about the progress of agreed management actions
  - ◇ Implemented
  - ◇ Delayed
  - ◇ No updates
- ◆ How dashboards can help.





## Dashboards - AuditBoard

- ◆ Work in Progress but we now need your involvement.