



Where insights lead

Nine ways to strengthen Internal Audit's impact and influence in the organisation

Among the most disturbing findings of Deloitte's Global Chief Audit Executive Survey – 2016, is Internal Audit's lack of impact and influence within the organisation. Only 28 percent of the surveyed Chief Audit Executives (CAEs) believe their functions have strong impact and influence in their organisations, while 16 percent felt that Internal Audit has little to no impact and influence.

Yet almost two-thirds of CAEs believe it will be important for Internal Audit to have strong impact and influence in the coming years. Deloitte believes that the disparity between current and needed impact and influence must be addressed for the good of Internal Audit, its stakeholders and the organisation.

Boards, audit committees, senior executives, risk managers and the organisations need Internal Audit's best efforts in this time of ongoing disruption and increasing risk. They also need Internal Audit's objective, enterprise-wide perspective and its rigorous observational and analytical skills in more areas than ever.

Yet the key to increasing Internal Audit's impact and influence is not simply to do more, but to do more of the right things and to do them well. The right things will relate to the risks and challenges that are most important to Internal Audit stakeholders. While stakeholders expect more from Internal Audit - more insight, more foresight and more services - deliverables must focus on the areas that are of most concern to stakeholders. Deliver more in those areas and Internal Audit's impact and influence will inevitably increase.

We have identified nine proven ways in which CAEs have responded effectively to stakeholders' needs and, in doing so, increased their functions' impact and influence. These are not quick fixes or magical solutions, they require effort and commitment. But they work.

Diligently implementing these methods will, within months, increase your reach, improve your services and strengthen your impact and influence. Once that happens, you may notice a snowball effect—the more needs you address, the more relevance you will demonstrate and the more stakeholders will appreciate your impact and welcome your influence.

1

Develop and launch a brand identity

Your brand is simply what you are known for. In your organisation, what comes to mind when people hear the words “Internal Audit”? Do they think innovative and value-adding team of advisors? Or do they think something else? In order to change their thinking, change your brand.

What stakeholders need

Stakeholders need to know what Internal Audit stands for. They need to know that the function will meet their most important needs for assurance, advisory and risk anticipation services. To generate that knowledge, you must consistently deliver those services well.

How to get moving (or move faster)

The Internal Audit brand in your organisation has come about over time, based on experience, anecdotes and ideas about the role of your function and how you fulfil it. It has probably developed more or less on its own, without much deliberation on anyone's part. Effective branding is deliberate reputation building.

Here are suggestions on how to go about it:

1. **Decide what you want Internal Audit to be known for.** Do you want Internal Audit to be known for adding value and providing insight? Then expand advisory services while providing assurance more efficiently (55 percent of surveyed CAEs expect the proportion of their time spent delivering advisory services to expand in the next 3 to 5 years). Advisory services add value beyond assurance, helping

stakeholders to solve problems, anticipate risks and address strategic issues.

2. **Develop your value proposition.**

A brand promises value that is relevant to the customer. While Internal Audit's "customers" are primarily (but not only) internal stakeholders, the value proposition can focus the Internal Audit on those stakeholders' needs. If you promise only fair and accurate assurance, you may be communicating low value and limited relevance to stakeholders. Aim higher by building a value proposition that targets their key organisational goals, risks and concerns. Deliver value in those areas by helping them to enhance operational excellence, risk management and governance.

3. **Build your basic messaging.**

Your messaging encompasses all communications to stakeholders, from initial contact through to the final report. Ask your internal marketing function for help. Stay "on message" by embedding your value proposition into all written and spoken communication - in Internal Audit's charter, in hallway

conversations, at the Internal Audit web page, in correspondence and reporting and elsewhere. Whether you are delivering assurance or advisory services, strive for clarity, insight and relevance.

4. **Deliver on the brand promise.**

Two rules: First, do not make brand promises that you cannot deliver on. Second, deliver on the brand promises you do make. Better still, deliver more value than stakeholders expected.

Effects on impact and influence

As an objective, trusted and skilled function, with an enterprise-wide mandate and a clear role in risk governance, Internal Audit has a lot to offer organisations and its stakeholders. Branding focuses on how you present what you offer. Conduct branding well, live up to your brand and you will, over time, enhance stakeholders' perceptions of Internal Audit and its services.

¹ Evolution or irrelevance: Internal Audit at a crossroads Deloitte Global Chief Audit Executive Survey, Deloitte Development LP, 2016
<<https://www2.deloitte.com/content/dam/Deloitte/global/Documents/Audit/gx-deloitte-audit-executive-survey-2016-print.pdf>>

2

Link advisory activities to assurance work

If you would like to provide more advisory services, you might want to start with senior management's goals and their strategies for reaching them. That may seem overwhelming or a bit remote, especially if you are new to advisory services or feel mired in assurance activities. Although you should always seek to understand management's goals and strategies, there are other entry points to advisory services.

What stakeholders need

Stakeholders, including the audit committee, want Internal Audit to provide assurance services while also helping to improve processes and controls as well as anticipate risks. This implies that Internal Audit can use assurance services as a springboard to advisory activities.

How to get moving (or move faster)

Do not just report on issues from audit findings and, in effect, tell the stakeholder to fix them. Instead, provide advice, direction and assistance. Of course, Internal Audit must maintain its independence and be mindful of who owns the processes, risks and decisions in question. Yet providing suggestions, citing risks and pointing out pros and cons of decisions are well within Internal Audit's purview.

The following steps are generally useful:

1. Develop the right mind-set. An advisory mind-set goes beyond identifying problems to seeking solutions. Consider the underlying cause of an audit finding: is it in the design of controls, or in the implementation? Is the cause rooted in the process, in the system, in human behaviour, or

somewhere else? What would need to be changed for this to be fixed? What is the best solution?

2. Bring in external data or benchmarks.

Your organisation is probably not the first to encounter a particular issue in, for example, your approach to supply chain, due diligence, or cyber issues. Tools and techniques used in other organisations could work in yours. It may take some research, but facts, figures and experiences from peer organisations can enable you to help stakeholders who are considering potential solutions.

3. Network with peers. Regular communication with industry and professional peers enables you to do informal research. While guarding and respecting competitive information, Internal Auditors can share solutions to common problems, particularly in areas such as controls, compliance and specific risks such as cyber. Also, encourage stakeholders to network with their peers to discover solutions to common challenges.

4. Provide advice on the path forward.

Bring ideas, points of view and potential solutions to the table. Doing your homework positions you to speak to the pros and cons of a given recommendation. Frame the dimensions of a decision and, when possible, quantify the parameters for stakeholders, bearing in mind that they make the decision and own the outcomes. Eventually, you can offer - or will be asked to contribute - insights earlier rather than later as decisions and initiatives come up and you will want to be prepared.

Effect on impact and influence

To expand advisory work, begin with quick wins in areas where you feel confident success will result. You are working towards a new way of operating and building the business case for resources to support advisory work. If you get it right while moving briskly, you will find that advisory services offer the surest way to increase Internal Audit's value to stakeholders.

3

Provide cyber assurance services

As you have no doubt heard, it is not a matter of whether - but when - your organisation will experience a cyber-attack. Cyber risks are, therefore, at the top of board and audit committee agendas and are likely to remain there.

What stakeholders need

Boards and audit committees expect Internal Audit to offer perspectives on cyber risk management, from both assurance and advisory standpoints. Reports from the Chief Information Officer, Chief Technology Officer, or Chief Information Security Officer typically focus on IT initiatives and technical risks. This can make it difficult for board members to connect those reports to organisational objectives. Stakeholders need objective assurance that validates IT initiatives, considers the cyber risk profile and addresses management's handling of cyber risks.

How to get moving (or move faster)

This potentially complex area calls for a methodical approach starting with three high-level steps:

1. Adopt a framework. A cyber risk framework promotes an understanding of cyber risks. Various organisations have issued such frameworks, including the National Institute of Standards and Technology, the International Organisation for Standardisation, the Committee of Sponsoring Organisations of the Treadway Commission and the Center for Internet Security. Deloitte has also developed and issued

a framework². An organisation should adopt or adapt the framework that works best as its basis for identifying, assessing and addressing its cyber risks, initially and thereafter. Internal Audit should assist in or drive this effort.

2. Conduct a risk assessment.

Many organisations have taken a fragmented, tools-focused approach to cyber risk management. In contrast, a risk-based approach begins with an inventory of digital assets and the risks to those assets. In this approach, the organisation identifies the "crown jewels" that must be protected and systematically evaluates all threats, vulnerabilities and likely impacts. This assessment would then drive cyber risk management and cyber assurance efforts going forward.

3. Establish an assurance cycle. An assurance cycle ensures that all cyber risks receive targeted levels of audit attention. This cycle should reflect the value of digital assets and likely threats, rather than a rigid periodic cycle. Scheduled cyber audits of specific domains will help ensure that all areas are reviewed, but the cycle should be dynamic

rather than static. The assurance cycle should reflect regulatory mandates while recognising that cyber threats usually outpace regulators' ability to monitor them and thus, many review and reporting requirements.

Effect on impact and influence

Cyber permeates all organisational activity. Cyber threats are rising and the board and audit committee need to understand these risks and how management is addressing them. Although cyber requires specialised skills, it is currently among those areas that enable Internal Audit to have the greatest impact and influence within the organisation.

² See *Where insights lead: Cybersecurity and the role of internal audit: An urgent call to action*, Deloitte, 2015
<<https://www2.deloitte.com/content/dam/Deloitte/us/Documents/risk/us-risk-cyber-ia-urgent-call-to-action.pdf>>

4

Audit the end-to-end risk management function

As the third line of defence in risk management, Internal Audit has a crucial role in providing assurance on the effectiveness of risk management activities performed by the first and second lines of defence. First and second lines of defence include business units, which own and manage risk and various risk management and compliance activities, such as Corporate Compliance, Legal, Enterprise Risk Management and Quality Control. Deloitte's CAE survey found that 54 percent of Internal Audit groups had reviewed their organisations' risk management function in the past three years and 70 percent expect to, in the next three years. Those that do not plan to, might consider doing so; those that do, should be as rigorous as possible.

What stakeholders need

In many organisations, stakeholders - even Internal Audit - need a clearer understanding of the end-to-end risk management activities. For example, some organisations mistakenly believe that "risk management" should occur in the second-line functions, when it is actually the first line's role. Management and the board need to know the risk-related roles and responsibilities of each unit and function and who is responsible for managing and facilitating the management of various risks. Stakeholders need assurance not only on the risk-related activities of the first line, but also those of the second line of defence. In some cases, regulators also require that Internal Audit must evaluate the end-to-end risk management process and function.

How to get moving (or move faster)

Most internal audit activities aim to provide assurance that policies, procedures and controls in the first line are working well; therefore, this activity naturally builds on the work that Internal Audit is already doing. Auditing, the second line of defence, can be more challenging, but is certainly not impossible.

Here are suggestions on how to proceed:

1. **Think strategically.** Consider the goals of the organisation, the organisation's underlying business assumptions and senior management's strategies. Be certain to consider strategic risks - risks that could undermine achievement of strategy and/or impact competitive advantages as well as enterprise-level risks and whether they are being adequately managed.
2. **Think universally.** Confirm that the entire risk universe has been identified and whether the organisation has the people, processes and technology to address the risks it faces and remember that applicable risks may exist in areas not previously considered (e.g. emerging risks and threats in other industries or markets could be applicable soon). Also, identify emerging risks and the forces shaping the risk universe and therefore the organisation's own risk profile.
3. **Think tactically.** Learn which risks the board and audit committee

are most concerned about and provide assurance targeted to those risks. What concerns do they have regarding specific risks or organisations? What do they like and dislike about current risk reporting? Use the answers to direct your efforts. From an advisory standpoint, learn what a world-class, end-to-end risk management process looks like, show that picture to the audit committee and point out how the organisation's process compares. Then recommend enhancements.

Effect on impact and influence

Providing assurance around the end-to-end risk management process strengthens the impact and influence of Internal Audit by bringing clarity to an area that often suffers from a lack of it. Fragmented, siloed risk management creates costs, gaps and redundancies and can expose organisations to unanticipated risk consequences. This activity not only stands firmly within Internal Audit's purview - it is also one that Internal Audit should be vigorously engaged in.

5

Review the strategic planning process

According to Deloitte's global CAE survey, 53 percent of CAEs expect their functions to be evaluating their organisation's strategic planning function or process in the next three years, up from 35 percent in the past three years. Perhaps as indicated by the 21 percent who were "not sure" about this, more Internal Audit groups may need to upgrade their knowledge, skills and capabilities in order to be credible and add value in this area.

What stakeholders need

In our disruptive environment, strategic planning has become a logical candidate for increased Internal Audit involvement. Boards are recognising that their role goes beyond approving management's plan to assisting in development, ensuring communication and overseeing the results of the strategy. In this context, the board needs assurance that an appropriate planning process exists and has been utilised.

How to get moving (or move faster)

Internal Audit functions harbouring doubts about providing assurance on the strategic planning process should jettison them. Yes, it involves senior executives and high-level matters but, provided you have or can access the needed skills, this is not only an appropriate, but a necessary area for Internal Audit review, along the following lines:

1. **Start with the basics.** Ascertain that the organisation has a clearly articulated strategy and that the strategy is the product of a clearly mapped process. If either a strategy or a strategic planning process is missing, management has work to do.
2. **Understand the process.** Who is involved in developing the strategy and when? How is it developed? What information sources are used? What modelling and scenario development occurs? What assumptions underlie the strategy? What is the board's role? Who approves the strategy? How is the strategy communicated, within the organisation and externally? How is performance relative to the strategy monitored?
3. **Follow the plan.** Some organisations develop strategic plans, then fail to use them except to analyse variances in actual versus planned results, mainly from the financial perspective. Ascertain how the plan is used in the organisation and how adjustments for changing conditions are decided and implemented. Most basically, how did the plan perform and how did management perform against the plan?
4. **Wear your advisory hat.** Many strategic plans provide too few details about alternative scenarios and how to adjust the strategy, if necessary. Many lack

performance indicators beyond basic financial targets. Internal Audit should suggest that the organisation develop strategic flexibility and ways to know when course correction would be useful. The function can help to develop performance and risk indicators that improve feedback on plan implementation and effectiveness. Challenging and validating management's sources of data and strategic assumptions would be an invaluable service, as would identifying risks of and to the strategy.

Effect on impact and influence

In many organisations, Internal Audit will, in effect, be prompting the audit committee to ensure that the board is fully engaged in strategic planning. It is a key governance and oversight issue, particularly with regard to the data that management relies upon, the models planners use and the assumptions management makes. From his or her seat at the table, the CAE provides a critical challenge function and reality check on strategic plans, while improving follow-on monitoring.

6

Adopt analytics

Deloitte's global CAE survey found that, while 86 percent of respondents use analytics, only 24 percent do so at an intermediate level and a mere 7 percent are at an advanced level. Two-thirds use basic ad-hoc analytics, such as spreadsheets, or no analytics. Yet, for a variety of reasons, adopting analytics may be the single most impactful and influential step an Internal Audit function can take.

What stakeholders need

Stakeholders need - and want - Internal Audit to provide insight and foresight on key risks and concerns. Insights emerge from the analysis of data, particularly combinations of data sets. Although external data is often useful, most of the needed data is within the organisation. As the function with access to virtually all organisational data, Internal Audit is well positioned to adopt and foster use of, data analytics.

How to get moving (or move faster)

Data analytics refers to tools and methods of analysing data sets to discover variations, relationships, trends and anomalies that would otherwise escape unnoticed. Useful steps include the following:

- 1. Ascertain the current state.** A maturity model like that developed by Deloitte (see exhibit) can help you understand your current capabilities, various levels of maturity and how to proceed³.
- 2. Target achievable goals.** Analytics can enable you to perform existing audits faster and cheaper, and
- 3. Choose early projects wisely.** For best results, avoid obvious, well-controlled areas like travel expenses or payables. Instead, identify stakeholders' concerns and develop related projects with a high degree of value and high likelihood of success. Then choose pilot projects that will help you build a case while developing a more detailed analytics strategy.
- 4. Develop insights.** Insights come about by formulating a hypothesis to test, for example, regarding how well an area is controlled or what drives certain spending. Then by bringing together disparate data - usually beyond simple financial data - you can test the hypothesis and develop new ways of looking at processes and behaviours.

- 5. Resource realistically.** The CAE must lead this effort, gauge what resources are needed and justify the need for them. The complexity and cost of analytical tools has decreased and now is the time to get started or dive deeper. While statisticians and data scientists may be needed, the most valuable position may be "data wrangler" - a person with the skills to combine and manipulate disparate data sets. Find innovators, give them tools and projects, and aim to move quickly beyond the "shoestring" phase.

Effect on impact and influence

Internal Audit can leverage analytics capabilities across the organisation to the benefit of virtually every area of the organisation. Analytics leads directly to cost savings via more targeted, effective and efficient audits, and frees up time for the advisory activities that it enables. Again, Deloitte sees adopting or pushing more deeply into analytics as the single biggest step most Internal Audit groups can take to enhance their impact and influence in the short term.

Initial	Developing	Define	Advanced	Leading
<ul style="list-style-type: none"> No or limited capabilities Ad-hoc activities resulting in unpredictable performance Success is based on individual competence and not on repeatable processes 	<ul style="list-style-type: none"> The organisation that exhibited a basic set of capabilities Used processes that are rudimentary and loosely woven Success is repeatable with similar application and scope, but not consistent across organisation 	<ul style="list-style-type: none"> Capabilities are developed and adopted consistently Capabilities are used to drive some Audit activities Management defines goals and objectives for standardised processes and confirms they are communicated 	<ul style="list-style-type: none"> Capabilities are well developed and practiced with appropriate governance Processes are used to drive audit activities Processes and practices are routinely analysed for effectiveness and efficiency 	<ul style="list-style-type: none"> Capabilities are well defined and institutionalised The department has differentiated itself based on its capabilities Continuous improvement methodologies are used to adopt to future changes

³Also see *Internal audit analytics: The journey to 2020 – Insights-driven auditing*, Deloitte, 2016 <<https://www2.deloitte.com/content/dam/Deloitte/us/Documents/risk/us-risk-internal-audit-analytics-pov.pdf>>

Contemporise Internal Audit reporting

The audience for Internal Audit reports now extends well beyond the audit committee, to include the organisation and control functions, as well as external parties such as regulators and statutory auditors. Yet, reporting is often geared mainly to the audit committee's needs. With risk management and oversight now recognised as the responsibility of multiple functions - and with Internal Audit's mandate expanding - reports must provide value to all stakeholders who manage and oversee risk. Meanwhile, communication has generally become briefer, more visual and more real time and Internal Audit reporting should reflect this reality.

What stakeholders need

Stakeholders need clear reports that address organisational issues and risks that could hamper or undermine their ability to achieve organisational goals. They need objective, truthful, straightforward reporting that takes a point of view. They need shorter, more visual, more dynamic reporting that keeps them updated on changes in the risk landscape and risk profile.

How to get moving (or move faster)

Most of Internal Audit's reporting serves needs that are irrelevant or tangential to stakeholders' concerns. Reporting done mainly for compliance and regulatory purposes should be as automated as much as possible, allowing key reporting resources to be directed to key risks and how they are being addressed. Some suggestions on how to do this include:

1. **Start with the audit plan.** Plan to address assurance needs, but also advisory needs. Answer questions that are on the minds of management, the board and the audit committee. When new areas (such as culture and conduct) arise, adjust audit plans accordingly.
2. **Do not bury the lead.** Many reports seem to hide findings that could affect management decisions. Move key points and recommendations to the top of the document or deck and address them directly rather than risk losing readers' attention later in the report. Relate points to organisational objectives and present them in terms of likely outcomes or consequences.
3. **Deliver insight and foresight.** Identify and report on trends and deliver insight rather than hindsight. Rate risks on their importance and track them going forward. If a stakeholder does not care about something but should, tell them why they should care.
4. **Paint a picture.** The written word will never die but, more than ever, a picture is worth a thousand words. Use visuals like heat maps, bubble charts, graphs, word clouds and dashboards to portray trends, variations and relationships among data. You will find these tools force you to have clear, impactful messages as well as to improve the look and feel of your reports.
5. **Move to new media.** If you are reporting mainly in long documents or decks, move on. Deloitte's CAE survey found that 35 percent of CAEs expect their functions to adopt dynamic visualisation tools in the next three to five years, up from 7 percent currently using them.

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Deloitte's CAE survey found that use of static word - processing reports will decrease to 58 percent in the next three to five years, down from the current 78 percent. Plan to quickly adopt real time, or at least dynamic, reporting. Delivering "old news" in old ways will brand Internal Audit as backward looking.

Effects on impact and influence

A lot of excellent Internal Audit work goes unnoticed or lacks impact due to outdated approaches to reporting. The right enhancements to reporting will get that work noticed and give stakeholders vivid evidence of change in Internal Audit.

Enhance Internal Audit's skills and capabilities

Deloitte often sees skill deficits or shortages as a root cause of Internal Audit's limited impact and influence. Indeed, more than half (57 percent) of CAEs surveyed by Deloitte are not convinced that their teams have the skills needed to deliver on stakeholders' expectations. In addition, CAEs cite specific areas where skills are lacking, including specialised IT (42 percent), data analytics (41 percent), model risk validation (27 percent), innovation (26 percent) and fraud prevention/detection (24 percent).

What stakeholders need

The organisation needs Internal Audit to provide assurance and advice on controls, reporting and risk management, as well as to anticipate risks, issues and problems. Stakeholders need Internal Audit to be engaged in decisions and initiatives before problems occur, not to only cite what went wrong after the fact.

How to get moving (or move faster)

Given the organisation's evolving needs, Internal Audit's skills must evolve if the function is to remain relevant, let alone increase its impact and influence. With that in mind, Internal Audit should:

1. **Use the right approach.** Internal Audit often either limits itself to areas where it is comfortable with its skills or tries to tackle new activities without the necessary skills. The first approach keeps the function in a rut; the second can produce poor work or provide false assurance. Both approaches limit impact and influence. In some audit areas, reports that lack medium - or high - priority items may actually indicate lack of requisite skills - and the resulting false assurance can be dangerous.
2. **Gauge which skills are needed.** Needed skills will be dictated by management's strategy, business models, and uses of technology

and the organisation's regulatory and risk environment. Therefore, Internal Audit must continually monitor those factors and the requisite skills.

3. **Pursue alternative sourcing models.** Even large, well-resourced Internal Audit functions need to consider alternative resourcing models. These include guest auditor and rotation programmes to tap internal expertise co-sourcing and outsourcing to tap external skills. Each has pros and cons; which Internal Audit should consider.
4. **Diversify hiring practices.** Regularly required skills are often skills that reside within the function. This calls for transferring knowledge to Internal Audit, from internal or external sources and for hiring and retaining the right talent. This in turn calls for transforming Internal Audit into a career destination by, for example, expanding advisory services and driving innovation. If you resist this notion, we ask that you awaken to the opportunities posed to Internal Audit in these disruptive times.

influence are inevitably enhanced. By the same token, impact and influence diminish when the function holds to a static skill set or ventures into areas where it lacks expertise. In fact, keeping Internal Audit skills updated will itself keep stakeholders engaged, as they see the function keeping abreast of their needs.

Effect on impact and influence

When Internal Audit exercises skills to fulfil stakeholders' needs, its impact and

9

Heighten your personal impact

CAEs must lead by example. Impact and influence come not only from identifying and fulfilling needs and acquiring the right technical skills. They also result from strong interpersonal skills - communication, presentation, collaboration, teambuilding, consensus-building and leadership skills. Overlook soft skills and you can undermine all other efforts to strengthen impact and influence.

What stakeholders need

Organisations need credible, collaborative CAEs who think, talk and act like business leaders. They want assurance at the right level - neither unduly rosy nor overly pessimistic, with clear framing of risks and rewards. They want recommendations based on well-researched and thought-through solutions. They want the CAE to be objective and tell the truth (if they do not want the truth, then you have a career decision to make).

How to get moving (or move faster)

Some Internal Audit leaders adopt an advisory and collaborative approach naturally, while others have to work at it. If you are in the latter category, consider the following steps:

1. **Develop your soft skills.** The term soft skills seem to imply less importance relative to technical skills, but if you have spent time in an organisation, you have seen how essential they are to success. If it has been a while since you have had training or coaching in communication, presentation, management, or leadership skills, it may be time for a refresher in those areas.
2. **Understand yourself and others.** Deloitte's Business Chemistry^{®4} and other similar tools, can help you understand your communication style and those of others. This understanding generally improves organisational interactions and relationships, as you adjust your communications to match stakeholders' interests and styles. This, in turn, generates greater engagement on both sides and better positions you and the Internal Audit team to make a real impact.
3. **Develop a service orientation.** A service orientation focuses on the customer, in this case your internal customer. This helps to shift the perception of Internal Audit from that of policing function to advisory function. This also flows through to the items you review—are they important to the stakeholder or only to the Audit Committee or the regulator or you? If they lack relevance to stakeholders, find ways to execute those activities more efficiently so you can devote more resources to what matters most.
4. **Focus planning on organisational priorities.** Focusing on what matters most to stakeholders begins with the planning process. Of course, audit plans must include assurance on controls and compliance and regulatory matters. However, dispatching those tasks as efficiently as possible frees up time and resources to focus on key initiatives, strategic and emerging risks and deeper concerns - all of which should also be reflected in audit plans.

Effect on impact and influence

Your personal impact as an Internal Audit leader will set the tone and affect stakeholders' perceptions of the function and, by extension, Internal Audit's impact and influence. The truth is that in practice, organisations respect and reward soft skills far more than they generally realise or admit.

⁴ For more information, visit <https://www2.deloitte.com/us/en/pages/operations/solutions/business-chemistry.html>

The path to greater impact and influence

Increasing impact and influence is not about changing Internal Audit's focus just to stay current or using new techniques just to "wow" audiences. In fact, overly direct attempts at increasing impact and influence generally fail. It is more useful to view greater impact and influence as a by-product of doing more of the right things more effectively.

Again, the right things are the things that stakeholders, from the executive team and the audit committee through to the first and second lines of defence, are most concerned about. By focusing on the issues, risks and challenges that matter most to stakeholders, and by speaking stakeholders' language and providing relevant insight and foresight, Internal Audit can engage stakeholders in new ways and intentionally drive the evolution of the function within the organisation.

Impact and influence accrue over time, with each process that is improved, each cost that is reduced and each risk that is better managed. Focusing on the areas covered in this document, and on others that matter to your organisation, sets Internal Audit on a journey up the value chain. Along the way, compliance becomes more efficient, reporting more relevant and advisory more credible, useful and supportive. We have repeatedly seen that when Internal Audit dedicates its best efforts to what matters most, its impact and influence are inevitably enhanced.

So, align your vision for Internal Audit with the strategic vision of the organisation, your resources, your stakeholders' needs and your professional approach to stakeholders' ways of working. Then you need only to follow American comedian and actor Steve Martin's advice:

"Be so good they cannot ignore you."

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