

The Next Generation of Internal Auditing – *Are You Ready?*

Catch the Innovation Wave



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Internal Audit,
Risk, Business &
Technology Consulting

Internal Audit Faces a Daunting Challenge

It's time to start thinking differently. Now.

Businesses are changing as they embrace the innovation economy. Well-documented advances in new technologies and the drive for innovation and digital transformation are upending industries and increasingly are challenging internal audit functions to remain relevant.

Change is being driven by advances in technology and the use of data, as well as the broader economy in which knowledge, entrepreneurship, innovation, technology and collaboration are fueling growth. Innovation changes the business model and, as a result, the organisation's risks, as evidenced in the top global risks for board members and C-suite executives (see table on page 2). Internal audit not only must respond to these changes, but also must be prepared to assess if the business is undertaking its innovation and transformation initiatives in the best possible manner. In order to accomplish this, internal audit must innovate itself.

Compounding internal audit's challenge is the risk of inaction. Internal audit needs to respond to these organisational changes in order to ensure it can help manage risk and drive value in the new paradigm. As transformational changes ripple through different departments and business units, chief audit executives (CAEs) and other business leaders face a make-or-break choice: *disrupt or be disrupted*.

Internal auditors must adapt, evolve and transform before becoming irrelevant. They need to ready themselves for changes and new thinking – now.

This comes at a critical juncture for internal audit groups. Since the global financial crisis, many organisations, particularly those in the financial services industry, have undergone changes in which they have continually added internal audit resources in response to increased regulatory changes globally. In addition to heightened regulatory expectations and the need to maintain necessary levels of governance and control, many of these organisations are also undertaking initiatives to modernise and transform decades-old systems, processes and practices, all of which introduce risk and opportunity to the business and all of which internal audit needs to be positioned and capable to address.

“The world we have created is a product of our thinking; it cannot be changed without changing our thinking.”

Albert Einstein

This is not about simply utilising new technology to execute internal audit work in the same manner. Rather, internal audit functions need to rethink how they perform their work in a more agile manner and how they can leverage the proliferation of data and technology to deliver on their objective to provide effective risk management more efficiently. This requires balancing new internal audit models with the right technology, resources and methodologies, as well as governance and infrastructure, to create value.

The ultimate objective is clear: It is time for internal audit leaders to build what we term the **next-generation internal audit function**.

Consider these questions:

- *Are you positioned to respond to changing risks associated with your business, and especially associated with digital transformation initiatives?*
- *Are you able to leverage enterprise data to conduct your risk assessments, audits and continuous monitoring more efficiently and effectively?*
- *Have you added resources and skill sets, as well as updated hiring practices, to address increased expectations from internal and external stakeholders?*
- *Have you started to use data and/or technology to enhance the internal audit function but still rely on the same methodologies and resources?*
- *Are you still relying primarily on point-in-time risk assessments?*
- *Are you still performing audits and reviews in the same way as in years past?*

Top Global Risks for Board Members and C-Suite Executives*

Existing operations meeting performance expectations, competing against “born digital” firms

Rapid speed of disruptive innovations and new technologies

Resistance to change operations

Inability to utilise data analytics and “big data” to achieve market intelligence and increase productivity and efficiency

Organisation’s culture may not encourage timely identification and escalation of risk issues

* Source: Annual global survey of board members and executives conducted by Protiviti and North Carolina State University’s ERM Initiative: www.protiviti.com/toprisks.



As you consider your responses to these questions, also consider whether the internal audit function is adapting to changes in the business.

Next-generation internal audit models already are taking shape amongst leading companies and within industries that traditionally have fostered the most sophisticated internal audit capabilities. Although these approaches vary in nature, what they have in common is an agile, holistic approach, focusing on governance, methodology and technology rather than on tactical point solutions, while also delivering more efficiently, providing stronger assurance and more valuable insights to the business. By addressing these areas, next-generation internal audit functions ensure innovation is effective while also delivering on the promise of increased efficiency.

While starting on this journey is vital, for many, it will not be easy. It also must be comprehensive. It requires an innovation mindset and culture within the internal audit group, in the face of the rapid pace of innovation, to reexamine the foundational elements of their function's capabilities, chart a transformational course, and then execute that plan while concurrently performing their day jobs. Making this all the more difficult is the fact that internal auditors typically are risk averse, wary of significant change and not often known for driving innovation. Put simply, there must be a change in this mindset.

As we detail in our paper, developing a next-generation internal audit function requires an acknowledgment of the need for change, but also an understanding of the essential capabilities of a next-generation internal audit function, and a game plan for getting started.

“Internal audit is most effective when it’s integrated across the organisation and engaged in a way that helps to drive and facilitate the overall business strategy. As we all know, these strategies are evolving, and quickly. More organisations are driving new innovations and transformational initiatives that are changing the role of internal audit functions. There needs to be a fundamental rethinking of the design and capabilities of the internal audit function to be more agile and forward-looking and help improve the business.”

Brian Christensen

*Executive Vice President,
Global Internal Audit, Protiviti*



The Future Auditor: Delivering Forward-Looking Value to the Organisation

Four years ago, in a series of papers and other published thought leadership, we introduced the notion of the *Future Auditor* – a CAE who deploys a range of leading approaches, leadership practices, technologies and related levers to bring to fruition the discipline’s mandate as framed by The Institute of Internal Auditors: to contribute tangible value to the company while “helping an organisation accomplish its objectives by bringing a systematic, disciplined approach to evaluating the effectiveness of risk management, control and governance processes.”¹

Given the extent to which internal audit leaders embraced the Future Auditor concept, we updated it two years ago by defining 15 ways in which future auditors contribute value to their organisations within five broad areas:

- 1) Focusing more on strategic risks
- 2) Thinking beyond the scope of traditional audit work
- 3) Adding more value through consulting
- 4) Facilitating effective, high-quality communication, and
- 5) Elevating the stature and perspective of the internal audit function.²

Now, a growing number of CAEs are beginning to extend their Future Auditor thinking beyond individual skill sets to address the fundamental capabilities and engagement models their functions must deploy in order to thrive over the next decade as their organisations and industries innovate and transform. These future-minded auditing leaders are directing their staffs to think beyond the traditional structures, skills, supporting technologies and operating approaches of their functions to re-imagine how the function should look and operate in 2025 and beyond and then develop a plan to achieve that vision.

“Internal audit has proven adept at decomposing organisational risks and assessing those smaller components individually. Yet many functions need to improve their ability to recognise emerging risks and changes to the organisation’s risk profile. Next-generation internal audit functions must be agile enough to react to those changes while making sure new risks are reflected in the audit work and the assurance the function delivers.”

Michael Thor
Managing Director
North American Leader, Internal Audit and Financial Advisory for the Financial Services Industry,
Protiviti

1. “The Future Auditor: The Chief Audit Executive’s Endgame,” Issue 6 of Volume 5 of Protiviti’s *The Bulletin*, 2014, available at www.protiviti.com.

2. “The Future Auditor Revisited,” Issue 3 of Volume 6 of Protiviti’s *The Bulletin*, 2016, available at www.protiviti.com.

“Digital leadership is a state of mind. If the goal of a digital transformation programme is to ready the business for the digital age, it should not be just about technology and process change. The way people think and act in everything that they do needs to substantially evolve. The people aspects are much more important than the technology. That is not to say that technology is not important, but it should not be the driver nor the destination.”

Jonathan Wyatt
Managing Director
Leader, Protiviti Digital

Some CAEs have assigned a dedicated team of auditors the responsibility of conducting this exercise and charting a course forward. Others have borrowed a page from Silicon Valley by creating internal innovation labs to quickly design, test and refine agile analytics-driven auditing, AI applications, process mining, and other capabilities and processes likely to play a crucial role in the future performance of their internal audit function.

In effect, these CAEs and internal audit leaders are disrupting their own functions. They take nothing for granted and engage in fresh and innovative thinking to re-imagine the old and move toward a new, agile and digital way of thinking and doing things.

At present, the most influential drivers are data and technology. While these areas are not new to the business world, the pace at which data is now being created far exceeds anything we have seen before. Consider that of all the data that exists globally today, 90 percent of it was created within the past two years. The emergence of highly accessible and powerful technology solutions continues to accelerate. All organisations are increasing their reliance on data-driven decision-making, and most are progressing through some form of digital transformation that includes the increased adoption of automation as well as advanced technologies, such as new forms of data analysis, RPA and machine learning. In many industries, the emergence of new, “born digital” competitors is forcing traditional companies to accelerate their digital efforts. They are deploying new technologies to innovate faster and more effectively, achieve greater business agility, and gain, or regain, competitive advantage. “Disrupt or be disrupted” is an increasingly common topic in C-suites and boardrooms throughout all industries. This is evidenced in the results of a recent global survey of board members and executives conducted by Protiviti and North Carolina State University’s ERM Initiative.³ In the survey, which assessed current perspectives on global risks, the rapid speed of disruptive innovation was rated the number one concern, closely followed by concerns over resistance to change from within the organisation.

All of these technology and process changes affect the work conducted by internal audit functions. From an assurance perspective, the organisation’s growing reliance on data, new technology, as well as new technology partners (e.g., cloud computing vendors) gives rise to new risks.

3. Executive Perspectives on Top Risks for 2018, Protiviti and North Carolina State University’s ERM Initiative, www.protiviti.com/toprisks.

From a consultative perspective, organisations need more guidance from the internal audit function on potential business process improvements and emerging technologies and risks, even as many processes undergo continual changes resulting from digital transformation. And, of course, across both the assurance and consulting areas, internal audit must perform evaluations and provide guidance related to an organisation's capabilities and activities (or lack thereof) in order to be successful in the broader digital transformation journey, lest the organisation fall victim to the potentially fatal risk of being one of the disrupted.⁴

Many internal audit functions, especially those in highly regulated industries, have added significant resources to help their organisations address escalating regulatory expectations in recent years. Now, these functions face the daunting task of operating more effectively and more efficiently while taking on more work and addressing new risks. This requires a fundamental rethinking of the design and capabilities of the internal audit function.



4. Learn more about evaluating digital maturity and capabilities with Protiviti's Digital Assessment tool, available at [Protiviti.com/Digital](https://www.protiviti.com/Digital).

The Future Model

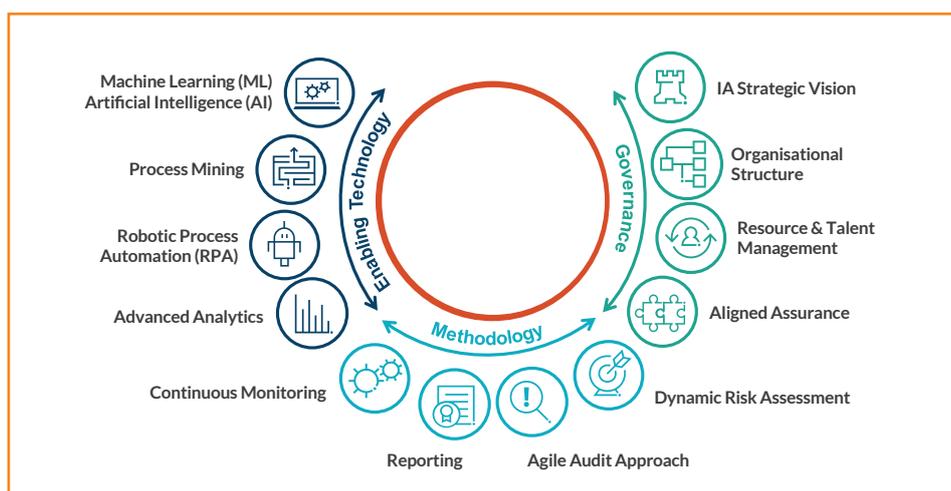
The objectives of next-generation internal audit functions may be straightforward, but the means by which they achieve these objectives include a range of innovative approaches, tools and governance enablers, including a culture of innovation, that must be tailored to specific organisations and their needs.

In our view, there are three essential objectives of next-generation internal audit groups:

- 1) **Improve assurance by increasing the focus on key risks** – By evolving to become more data-enabled, next-generation internal audit provides internal and external stakeholders with relevant, timely and impactful results on the effectiveness of risk management and controls.
- 2) **Make internal audit more efficient** – Next-generation internal audit drives toward data- and technology-enabled audit processes, delivering increased efficiency and risk assurance.
- 3) **Provide deeper and more valuable insights from internal audit's activities and processes** – Next-generation internal audit helps organisations make better decisions not only by addressing and managing current risks, but also by illuminating the risks and unforeseen consequences inherent in their longer-term digital transformation and growth strategies.

The specific governance structures, methodologies and enabling technologies that next-generation internal audit groups introduce vary. However, nearly all of the transformations Protiviti has supported have addressed most, if not all, of the following competencies, qualities and components in three broad categories.

PROTIVITI'S VISION – THE NEXT GENERATION OF INTERNAL AUDITING



GOVERNANCE

Next-generation governance covers the internal audit function's strategy, structure and skills – including how those skills are developed and sourced. Common governance features addressed by next-generation internal audit groups include:

- **Prospective strategy** – Create a culture of innovation in a historically risk- and change-averse profession. The function should embrace change while meeting the core vision of internal audit.
- **Aligned enterprise assurance** – There are various risk management disciplines within the organisation. Internal audit can assume a key role in leading the discussion to align them and overcome obstacles assumed by the traditional three-lines-of-defence model. Next-generation internal audit groups seek consistency amongst the three lines of defence in taxonomy, rating scales and language, and break down silos to establish a consistent message and voice. Technology should be employed to deliver risk insights, traceability and accountability that can be leveraged across risk management disciplines by the operational, risk and internal audit groups.
- **Streamlined structure and flexible resourcing** – A traditional internal audit hierarchy begets a traditional approach. As new methodologies are embraced, the organisational structure to support those will begin to look very different. Next-generation internal audit groups develop and leverage flexible resource models to gain access to skill sets and capacity as needed. This requires models that extend beyond the walls of internal audit to the business, partners and vendors.
- **Evolving skills and applied technical acumen** – New agile methodologies, risks, technologies and processes require new skill sets. Internal audit functions may no longer need to employ a traditional resourcing model once they have embraced these new methodologies and technologies. Further, as the importance of technology in the performance of internal auditing grows, the challenge becomes not how to apply technical acumen to old constructs, but rather how technologies change the way in which internal audit achieves its desired outcomes – i.e., risk assurance.

Key Features:

- *Prospective strategy*
 - *Aligned enterprise assurance*
 - *Streamlined structure and flexible resourcing*
 - *Evolving skills and applied technical acumen*
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METHODOLOGY

Next-generation internal audit methodologies are designed to equip organisations with increasingly precise insights into real-time risks. Agile and advanced data management and analysis approaches represent key enablers of this real-time view. These methodologies, which also apply to reporting and collaboration activities, generally include:

Key Features:

- *Dynamic risk assessment*
 - *Agile, analytics-driven and scalable execution*
 - *Simplified and high-impact reporting*
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- ***Dynamic risk assessment*** – How fast are risks changing in business today? Risk assessment needs to be structured to respond to risks as quickly as they change. This requires new agile methodologies supported by a more in-depth understanding of risks, as well as the ability to quantitatively measure and monitor those risks and model how they will change internal audit's view of risk in the organisation. Next-generation internal audit functions have moved beyond quarterly risk updates to obtain a real-time view on changes to risks, their impact to the organisation and the impact on the assurance need from internal audit.
- ***Agile, analytics-driven and scalable execution*** – Utilising traditional, monolithic approaches to auditing dynamic and changing risks is no longer acceptable. Given the greater prevalence of data in the organisation, internal auditors need to deploy methodologies and tools that provide for the capture and analysis of data, turning it into insight as close to real-time as possible.
- ***Simplified and high-impact reporting*** – Communicating the results of internal audit's work is essential to expressing its value. Internal audit results are communicated in a variety of forms, including audit reports, committee reports and reports to internal stakeholders. Next-generation internal audit groups quickly and effectively communicate to stakeholders what they need to know and allow them to drill down to the details as needed. In many cases, dashboard views can provide key information in a visually impactful way and are supported only by light narrative to emphasise key findings.

ENABLING TECHNOLOGY

According to our research, for more than a decade, most internal audit functions have posted sluggish improvements in their use of advanced auditing technology.⁵

However, extensive reliance on automation, data analysis and a variety of advanced technology applications is a defining feature of next-generation internal audit functions. Common technology activities and tools implemented in next-generation transformations include:

- ***Ubiquitous data analyses and advanced analytics*** – Leveraging data within the organisation to assess risk enables the internal audit group to execute work more effectively (full samples, data-driven flow charting, risk thresholds, etc.).
- ***Automated processes*** – Reducing highly manual tasks within the internal audit function (e.g., generating audit announcements and document request lists, compiling finding summaries) allows the team to focus on risk within the business and areas that require significant levels of judgment.
- ***Process mining insights*** – Challenge traditional approaches to internal auditing by leveraging data to understand processes at a deeper level and earlier in the audit cycle, using data to tell the story of how processes are being transacted rather than through traditional, unreliable and manual-intensive walkthroughs. For example, process mining technology leverages organisational data to automate the process discovery activity and create visual representations of business processes throughout the organisation that internal auditors can analyse quickly to identify risk, control break-downs and inefficiencies. This not only delivers significant efficiency gains but also drives a more effective audit process. Remember, new technologies should not just be “dropped into” the old ways of doing things. The audit process itself may need to evolve to maximise technology capabilities.

Key Features:

- *Ubiquitous data analyses and advanced analytics*
 - *Automated processes*
 - *Process mining insights*
 - *Artificial intelligence and machine learning*
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5. For more information, see the results of Protiviti's annual Internal Audit Capabilities and Needs Survey, available at www.protiviti.com/IASurvey.

Internal audit departments that currently utilise data analytics as part of the audit process



60% of organisations plan to add headcount to the data analytics function over the next 12 months

* Source: 2018 Internal Audit Capabilities and Needs Survey, Protiviti, www.protiviti.com/IASurvey

- **Artificial intelligence and machine learning** – Leveraging artificial intelligence and machine learning enables internal audit groups to increase the effectiveness and efficiency of complex testing, as well as help move complex analysis to more real-time. Some examples that can be applied to internal audit include:
 - **Clustering and unsupervised learning:** Algorithms such as “K-means” and “hierarchical” clustering work to identify and group similar elements in data sets that may not be immediately apparent to the auditor reviewing the data. These allow internal audit to, for example, identify suspicious or high-risk transactions and better stratify populations for risk-based analysis.
 - **Predictive modeling:** Techniques leveraging decision tree and gradient-boosted methods not only allow organisations to build predictive models of highly complex relationships, but also provide deeper insight into the data used to build it. Models also can be implemented to provide intelligent continuous process auditing. These applications allow analysts to better identify true drivers of risk and provide management with empirical evidence as to how to improve a process.

- **Natural language processing (NLP):** NLP techniques provide an automated way to identify word and phrase patterns in structured and unstructured data sources and documents. Such methods can be used to classify documents based on their contents, for example, by identifying adverse or otherwise noteworthy clauses in contractual arrangements.

The above are just a sample of methods that internal audit should evaluate and incorporate into delivery of internal audit services. The ease of deployment varies from straightforward (e.g., using optical character recognition or K-means clustering algorithm) to highly involved (e.g., deploying NLP with learning components), but there is a multitude of opportunities for advanced analytics in internal audit, including those that allow for the replication of aspects of auditor judgment. Internal audit should develop an awareness of available techniques and methods to determine those with potential to drive greater efficiency and effectiveness into the internal audit process.



The Next-Generation Game Plan: It Starts with Commitment, Culture and an Agile Mindset

To get started on the journey to become a next-generation internal audit function, you'll need a clear roadmap. But the very first step, in our view, is establishing the mindset and commitment to:

Key Success Factors:

- Establish an agile mindset
 - See the forest
 - Empower your people to innovate
 - Seek quick wins
 - Recognise two sets of ripple effects
 - Integrate adaptability into the design
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- *Transform your internal audit group's governance, methodologies and enabling technology capabilities needed to address emerging business risks.*
- *Increase internal audit's effectiveness and efficiency while fulfilling the function's core mission to protect organisational value.*
- *Start thinking differently.*
- *Reassess the design and capabilities of internal audit, striving to become an agile next-generation internal audit function that embraces the benefits of technology and transformation.*

We believe internal audit groups need to be ready and need to get started now. And they need the right commitment and mindset. This transformation is mission-critical but it won't be easy.

Internal audit groups should approach this objective in an agile manner. Identify areas where change is needed, assign resources and make ongoing incremental improvements. Above all, be flexible and maintain a mindset of, "How can we be agile, innovative and do this better?" Look to take small steps but focus on taking those steps quickly and immediately. The "assess-design-implement-reassess" approach has become dated. Rather, adopt a more iterative approach and be flexible to make continual changes as the business evolves and new innovative approaches emerge.

While the specific design of next-generation governance, methodology and enabling technology elements varies according to an organisation's unique risk environment and business objectives, there are common considerations and actions that have proven valuable in the growing number of internal audit transformation efforts underway.

For example, CAEs as well as the group responsible for designing the next-generation function need to appreciate the difficulty of the endeavour. In most cases, developing a next-generation internal audit function requires

changes to every major component of the function – from processes, to enabling technologies, to the skills and resources within the function, to how the function is structured and managed. What's more, an individual organisation's vision for next-generation internal audit will change over time as new business objectives, risks and technologies materialise once the new function begins to take form. For this reason, an effective next-generation audit function must be adaptable – that is, flexible enough to respond to disruptions that are unforeseen today.

Adaptability is amongst several key success factors CAEs and innovation teams should consider as they move forward. The others include the following actions.

- **Establish an agile mindset.** To succeed, next-generation efforts require an internal audit culture that embraces change and the need to be agile. Instilling this mindset throughout the function calls for a clear message from the CAE that continued long-term success requires change. This enabler is not unique to internal audit groups, but it represents a formidable hurdle for many of them to overcome.
- **See the forest.** Keep in mind that the purpose of this transformation effort is to fundamentally change and seek to continually improve how all internal audit work is performed. While many initiatives within the larger effort will produce swift efficiency gains, those short-term benefits should not distract from the bigger picture. It is incumbent on the leader of the innovation effort to sustain the long-term vision so that the focus on incremental improvements does not result in the implementation of point solutions versus more holistic change required to bring about much larger benefits.
- **Empower your people to innovate.** Regardless of whether your internal audit function is 1,000 strong or a team of five, you must encourage and empower every member of the internal audit group to pursue innovations and work with the team to implement them. Encourage your team not only to adopt a mindset of innovation, but also to submit ideas for improvements and innovations. In addition, be sure to reward their experimentation. The key is to drive innovation throughout the internal audit function – innovation should not be a top-down exercise.

“CAEs and internal audit leaders need to adopt a mentality and capabilities oriented toward becoming more data- and technology-enabled. Currently, many lack a long-term strategy to transform internal audit into a data-driven function that makes use of leading technology solutions. Those that fail to focus on incorporating analytics, robotics and other emerging technologies into their auditing practices risk falling behind. As organisations continue to pursue digital transformation with increasing urgency, they expect a similar level of data and technology enablement within internal audit to drive the delivery of more efficient audits, deeper insights and increased risk assurance.”

Andrew Struthers-Kennedy
Managing Director
Leader, IT Audit Practice,
Protiviti

“One of the most significant challenges CAEs and internal audit leaders face is a shortage of talent with the knowledge and expertise to advance the use of analytics and technology-enabled auditing and approach it in a more sophisticated manner.”

Christine Fitzgerald

Director, Internal Audit and Financial Advisory, Protiviti

- **Seek quick wins.** While the internal audit innovation team should keep the big picture in mind (in other words, becoming a next-generation internal audit function), it is helpful to start the implementation of the plan with a single project that is carefully selected for its high potential to demonstrate visible success – in other words, generate a quick “win” rather than taking on too much at once. For example, as the function begins to implement agile auditing, it makes sense to do so in a part of the business (e.g., software development within IT) already familiar with agile methodologies. On the other hand, launching the implementation effort by introducing new technologies and/or methodologies to a complex auditing area – such as, in financial services, Comprehensive Capital Analysis and Review (CCAR) stress testing and Dodd-Frank Act Stress Testing (DFAST) – can bog down the effort at a point where it is crucial to demonstrate success and progress.
- **Recognise two sets of ripple effects.** As internal audit teams innovate and implement changes to auditing processes, they must recognise two after-effects. First, any change to one phase of the auditing lifecycle is likely to affect other phases. For example, changes to how a particular audit is executed may alter the volume and nature of information that the audit work produces, which may create the need for essential changes to how the audit work is reported. Second, changes throughout the auditing life-cycle may necessitate related changes to processes, enabling technologies and skill sets within the organisation’s two other lines of defence. Auditors tasked with designing the next-generation function should understand and continually assess how their work affects operational management as well as risk management and compliance. Finally, a key to addressing both of these after-effects is active and open dialogue with internal and external stakeholders. Data- and technology-enabled auditing can help here, driving greater efficiencies in auditing and communications with stakeholders.
- **Integrate adaptability into the design.** Given the current pace and magnitude of change, the notion of defining how the internal audit function should look and operate can be an intimidating proposition. Clearly, it is impossible to anticipate (1) every change that will materialise in the near- and long-term; and (2) how those shifts will affect auditing operations. For this reason, it is useful to develop an adaptable internal audit function, one that is routinely experimenting with new

technologies and approaches and can, relatively easily, incorporate new technologies, risk management techniques, and other business processes as they emerge and as the broader organisation evolves as part of its own transformation efforts and in response to rapidly changing external forces. This is where a culture of innovation, embedded in the audit function and all team members, becomes so important. Every team member can have good ideas and should be encouraged and empowered to develop and share them.

Transforming Internal Audit – The Time Is Now

Internal audit functions will soon look and operate very differently than they do today. In our view, CAEs and internal audit leaders should not delay in starting to reshape their groups into a next-generation internal audit function.

As the current pace of innovation accelerates, the current challenges internal audit functions confront while delivering on their core mission will only intensify. By choosing to disrupt their functions proactively rather than waiting passively to be disrupted, future-minded CAEs will boldly take their functions to new frontiers of performance.

It's time to start thinking differently. Internal audit ...are you ready?



ABOUT PROTIVITI

Protiviti is a global consulting firm that delivers deep expertise, objective insights, a tailored approach and unparalleled collaboration to help leaders confidently face the future. Protiviti and our independently owned Member Firms provide consulting solutions in finance, technology, operations, data, analytics, governance, risk and internal audit to our clients through our network of more than 70 offices in over 20 countries.

We have served more than 60 percent of *Fortune* 1000® and 35 percent of *Fortune* Global 500® companies. We also work with smaller, growing companies, including those looking to go public, as well as with government agencies. Protiviti is a wholly owned subsidiary of Robert Half (NYSE: RHI). Founded in 1948, Robert Half is a member of the S&P 500 index.

Protiviti is proud to be a Principal Partner of The IIA. More than 700 Protiviti professionals are members of The IIA and are actively involved with local, national and international IIA leaders to provide thought leadership, speakers, best practices, training and other resources that develop and promote the internal audit profession.



INTERNAL AUDIT AND FINANCIAL ADVISORY

We work with audit executives, management and audit committees at companies of virtually any size, public or private, to assist them with their internal audit activities. This can include starting and running the activity for them on a fully outsourced basis or working with an existing internal audit function to supplement their team when they lack adequate staff or skills. Protiviti professionals have assisted hundreds of companies in establishing first-year Sarbanes-Oxley compliance programmes as well as ongoing compliance. We help organisations transition to a process-based approach for financial control compliance, identifying effective ways to appropriately reduce effort through better risk assessment, scoping and use of technology, thus reducing the cost of compliance. Reporting directly to the board, audit committee or management, as desired, we have completed hundreds of discrete, focused financial and internal control reviews and control investigations, either as part of a formal internal audit activity or apart from it.

One of the key features about Protiviti is that we are not an audit/accounting firm, thus there is never an independence issue in the work we do for clients. Protiviti is able to use all of our consultants to work on internal audit projects – this allows us at any time to bring in our best experts in various functional and process areas. In addition, we can conduct an independent review of a company's internal audit function – such a review is called for every five years under standards from The IIA.

Amongst the services we provide are:

- Internal Audit Outsourcing and Co-Sourcing
- Financial Control and Sarbanes-Oxley Compliance
- Technology Assurance and Advisory
- Internal Audit Next-Generation Transformation
- Data- and Technology-Enabled Auditing

PROTIVITI INTERNAL AUDIT AND FINANCIAL ADVISORY PRACTICE – CONTACT INFORMATION

Brian Christensen

Executive Vice President,
Global Internal Audit
+1.602.273.8020
brian.christensen@protiviti.com

Michael Brauneis

Managing Director
North American Leader, Financial
Services Industry Practice
+1.312.476.6327
michael.brauneis@protiviti.com

AUSTRALIA

Adam Christou

+61.03.9948.1200
adam.christou@protiviti.com.au

BELGIUM

Jaap Gerkes

+31.6.1131.0156
jaap.gerkes@protiviti.nl

BRAZIL

Raul Silva

+55.11.2198.4200
raul.silva@protiviti.com.br

CANADA

Ram Balakrishnan

+1.647.288.8525
ram.balakrishnan@protiviti.com

CHINA (HONG KONG AND MAINLAND CHINA)

Albert Lee

+852.2238.0499
albert.lee@protiviti.com

Michael Thor

Managing Director
North American Leader, Internal Audit
and Financial Advisory for the
Financial Services Industry
+1.317.510.4685
michael.thor@protiviti.com

Barbi Goldstein

Managing Director
+1.212.603.8351
barbi.goldstein@protiviti.com

FRANCE

Bernard Drui

+33.1.42.96.22.77
b.drui@protiviti.fr

GERMANY

Michael Klinger

+49.69.963.768.155
michael.klinger@protiviti.de

INDIA

Sanjeev Agarwal

+91.99.0332.4304
sanjeev.agarwal@protiviti.com

ITALY

Alberto Carnevale

+39.02.6550.6301
alberto.carnevale@protiviti.it

JAPAN

Yasumi Taniguchi

+81.3.5219.6600
yasumi.taniguchi@protiviti.jp

Andrew Struthers-Kennedy

Managing Director
Leader, IT Audit Practice
+1.410.454.6879
andrew.struthers-kennedy@protiviti.com

Scott Jones

Managing Director
+1.213.327.1442
scott.jones@protiviti.com

MEXICO

Roberto Abad

+52.55.5342.9100
roberto.abad@protiviti.com.mx

MIDDLE EAST

Sanjeev Agarwal

+965.2295.7770
sanjeev.agarwal@protiviti.com

THE NETHERLANDS

Jaap Gerkes

+31.6.1131.0156
jaap.gerkes@protiviti.nl

SINGAPORE

Sidney Lim

+65.6220.6066
sidney.lim@protiviti.com

UNITED KINGDOM

Lindsay Dart

+44.207.389.0448
lindsay.dart@protiviti.co.uk

PROTIVITI GLOBAL MARKET LEADERS

ARGENTINA

Pablo Giovannelli
+54.11.5278.6345
pablo.giovannelli@protivitiglobal.com.pe

AUSTRALIA

Garran Duncan
+61.3.9948.1200
garran.duncan@protiviti.com.au

BAHRAIN

Arvind Benani
+973.1.710.0050
arvind.benani@protivitiglobal.me

BRAZIL

Raul Silva
+55.11.2198.4200
raul.silva@protivitiglobal.com.br

CANADA

David Dawson
+1.647.288.4886
david.dawson@protiviti.com

CHILE

Soraya Boada
+56.22.573.8580
soraya.boada@protivitiglobal.cl

CHINA (HONG KONG)

Albert Lee
+852.2238.0499
albert.lee@protiviti.com

CHINA (MAINLAND)

David Cheung
+86.21.5153.6900
david.cheung@protiviti.com

FRANCE

Bernard Drui
+33.1.42.96.22.77
drui@protiviti.fr

GERMANY

Michael Klinger
+49.69.963.768.155
michael.klinger@protiviti.de

INDIA

Sanjeev Agarwal
+91.124.661.8600
sanjeev.agarwal1@protivitiglobal.in

ITALY

Alberto Carnevale
+39.02.6550.6301
alberto.carnevale@protiviti.it

JAPAN

Yasumi Taniguchi
+81.3.5219.6600
yasumi.taniguchi@protiviti.jp

KUWAIT

Sanjeev Agarwal
+965.2242.6444
kuwait@protivitiglobal.me

MEXICO

Roberto Abad
+52.55.5342.9100
roberto.abad@protivitiglobal.com.mx

NETHERLANDS

Anneke Wieling
+31.20.346.0400
anneke.wieling@protiviti.nl

OMAN

Shatha Al Maskiry
+968 24699402
shatha.maskiry@protivitiglobal.me

PERU

Marco Villacorta
+51.1.208.1070
marco.villacorta@protivitiglobal.com.pe

QATAR

Andrew North
+974.4421.5300
andrew.north@protivitiglobal.me

SAUDI ARABIA

Saad Al Sabti
+966.11.2930021
saad.alsabti@protivitiglobal.me

SINGAPORE

Sidney Lim
+65.6220.6066
sidney.lim@protiviti.com

UNITED ARAB EMIRATES

Arindam De
+9714.438.0660
arindam.de@protivitiglobal.me

UNITED KINGDOM

Peter Richardson
+44.20.7930.8808
peter.richardson@protiviti.co.uk

UNITED STATES

Brian Christensen
+1.602.273.8020
brian.christensen@protiviti.com

VENEZUELA

Gamal Perez
+58.212.418.46.46
gamal.perez@protivitiglobal.com.ve



THE AMERICAS

UNITED STATES

Alexandria
Atlanta
Baltimore
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Charlotte
Chicago
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