Digital Upskilling Lunch & Learn

September 2021

pwc

Agenda

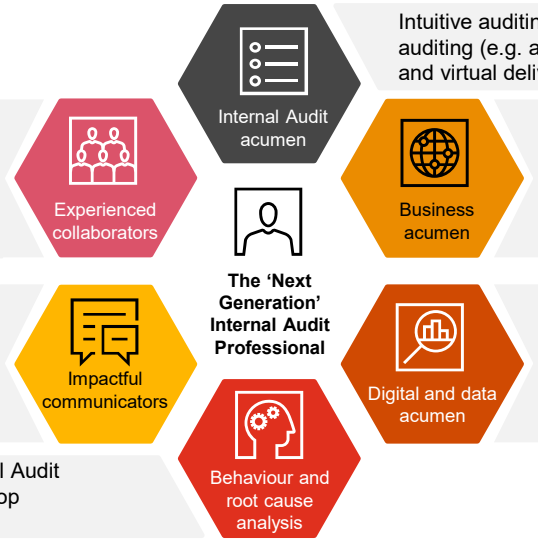
- Welcome & introductions
- Polling question
- Audit workflow automation, e.g. Digital Actions Manager
- Continuous Controls Monitoring, e.g. Continuous Monitoring Platform
- Structured form data capture, e.g. Connected Risk Engine
- Natural language processing & Machine Learning
- Data analytics and visualisation
- Polling question
- Questions

Why does digital and data acumen matter?

How should Internal Audit respond?

Building the ‘Next Generation’ Internal Audit Professional

The concepts explored earlier will require internal auditors to re-think the way they approach delivering services across the Internal Audit lifecycle and lead their teams, day in day out.



Intuitive auditing that challenges the traditional approach through contemporary auditing (e.g. agile, continuous controls monitoring, real-time feedback, remote and virtual delivery, collaborative reporting

Effective collaboration with stakeholders remotely through communication technologies.

Effective use of personal networks across the other lines of defence and subject matter experts to bring maximum value and insight.

To facilitate better conversations with business leaders and to help identify where risks lie. Improved business acumen could be achieved through secondments to high priority business process areas in response to BAU strains.

Ability to communicate with impact while leveraging virtual communications and data visualisation to effectively communicate to stakeholders remotely.

Able to articulate data, cyber security and technology risks.

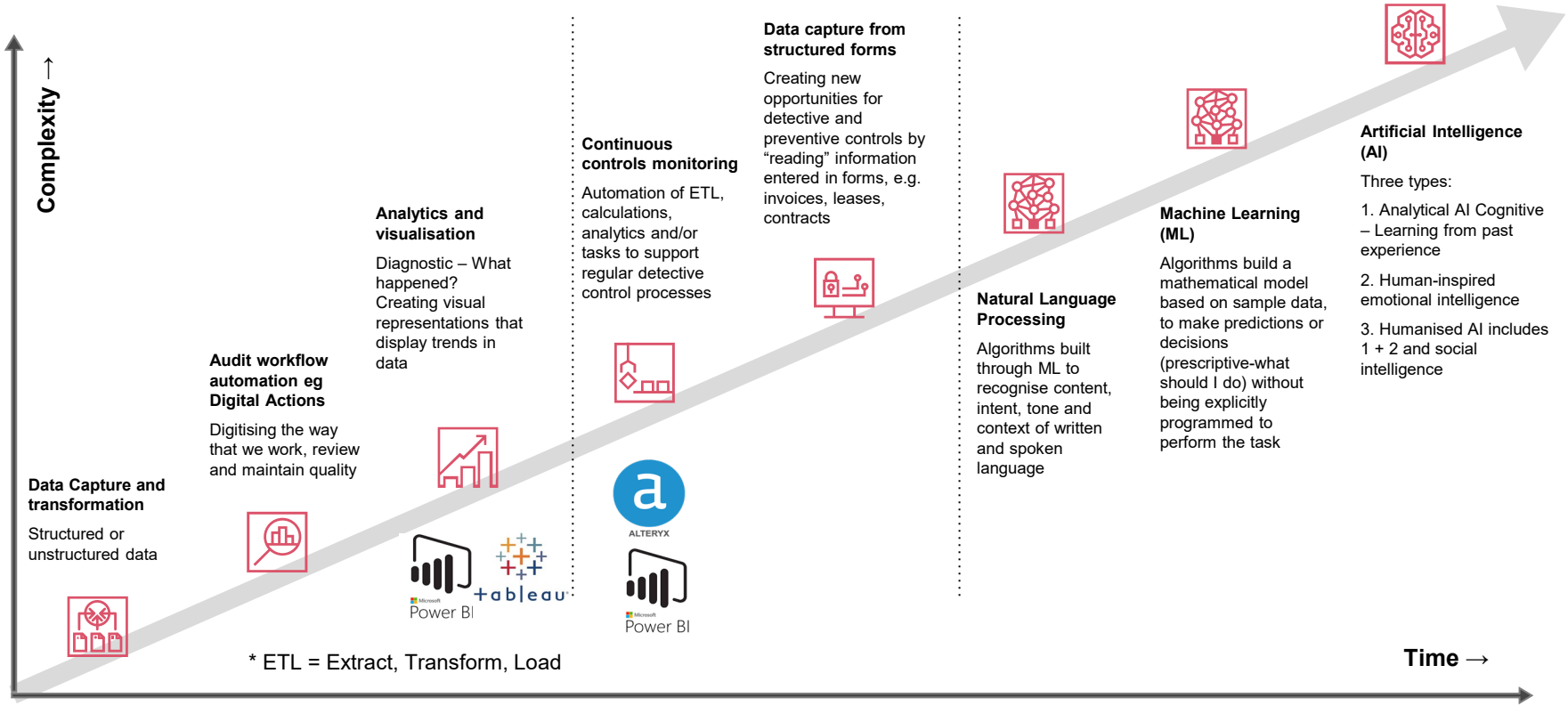
Adopting a ‘digital first’ mindset throughout the audit engagement. Upskilling the team to improve understanding of data sources, data quality, insights and analytics capabilities.

Ability to combine leading technology with human insight Internal Audit professionals need this mix to draw out root cause to then develop pragmatic solutions that get to the heart of issues.

WHY

Individual Internal Audit Leaders will be key to the successful transformation of the Internal Audit function in the ‘New-format’ working environment. In this environment, a digital-first mindset is required in all aspects of work. We all need to challenge ourselves to ensure we have the right mindset to leverage technology in efficiency completing our audits and to effectively communicate and collaborate with stakeholders throughout the audit lifecycle.

The use of digital tools, as shown on a maturity curve, informs the audit approach

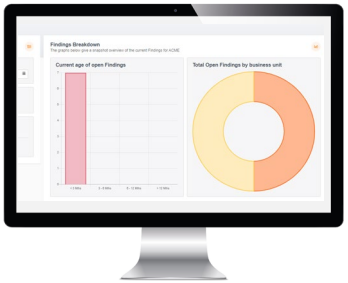


Audit workflow automation

Digital actions manager

Product goal

Simplify the process of tracking internal audit recommendations



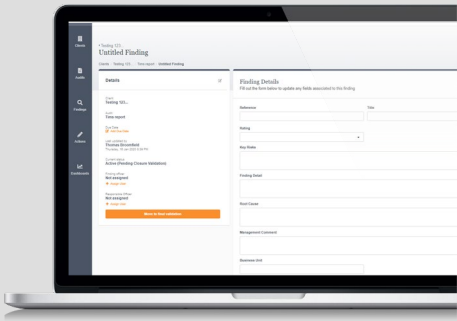
centralised platform designed to automate the Internal Audit **recommendation tracking** process.

Enables **periodic follow-up** of Internal Audit actions via **automated reminders** and provides **real-time dashboard** reporting.

Creates increased confidence with a guided workflow, providing actionable insights in a clear manner,

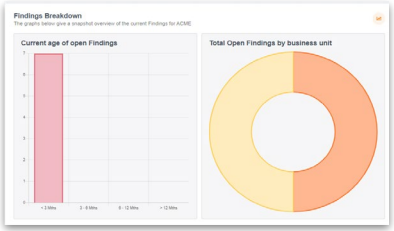
Enhances quality by reducing risk of manual error with automated tracking

Reduces the time required by the auditor and the auditee

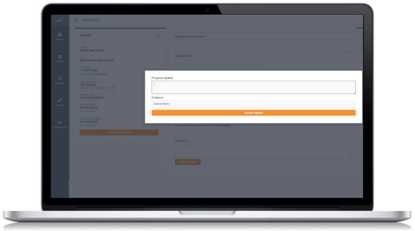


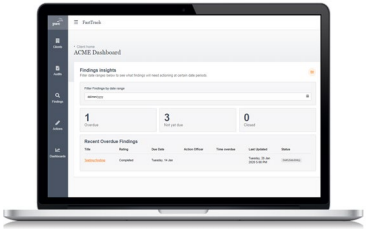
Key features

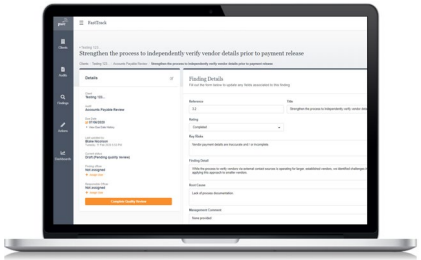
Insights and **tracking**

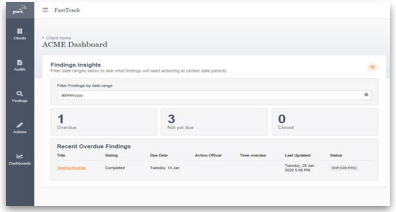


Workflow management



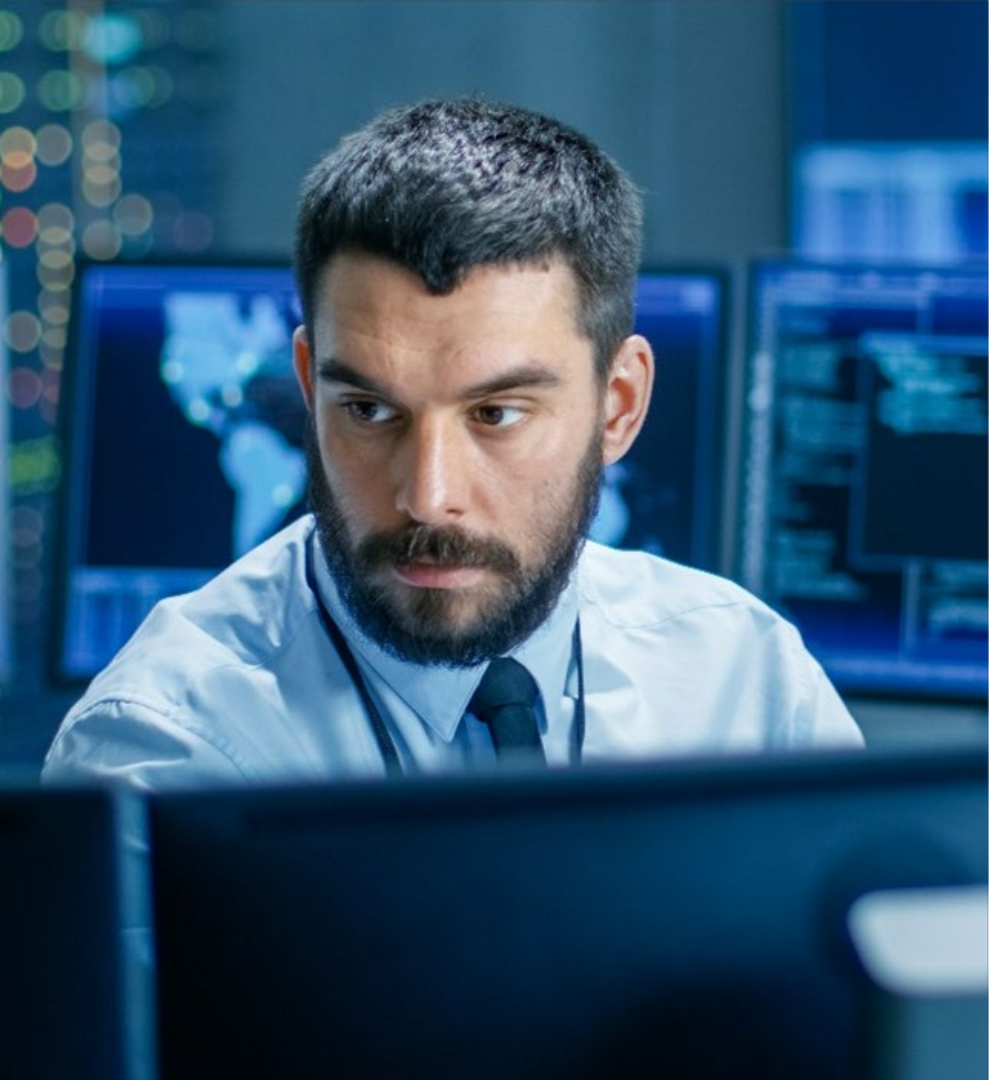






Data **capture** and **storage**

Simplified experience



Continuous Monitoring Platform

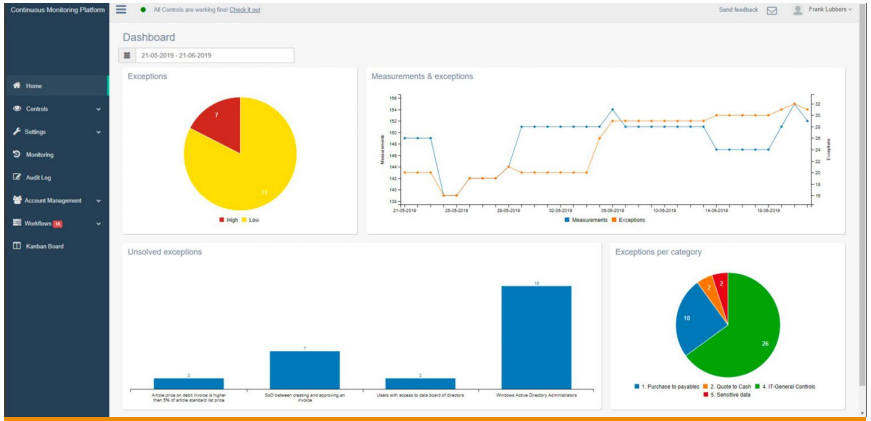
Continuous monitoring platform

Insights and **tracking**

- **Real time** monitoring tool
- **Full population** of transactions and data.
- Monitoring across **numerous processes**
- Setup in **3 to 4 hours**
- Application **independent**

Automatically analyses processes, transactions and master data, allowing for real-time insights on organizational controls

Dashboards highlight exceptions, which are handled by the responsible business through workflows, making compliance part of the day-to-day business



- Intervals (min, hour, etc)
- Full population, no samples
- Focus on exceptions
- Digital sources required

Continuous monitoring platform

Third Party Assurance

Automated real time third party assurance using continuous monitoring

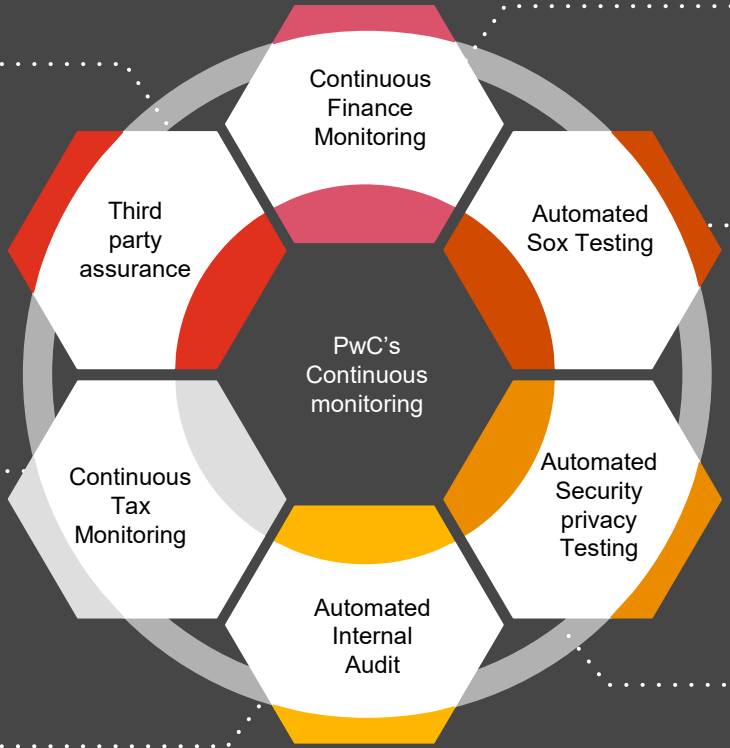
SOC 1 (ISAE 3402) & SOC 2

Continuous Tax Monitoring

Real time tax insights Being in control in an automated and data driven way

Automated Internal Audit

Automated real time internal audit procedures
Follow up and remediation of exceptions based on workflows



Continuous Finance Monitoring

Automated testing of IT-controls Real time monitoring of client environment

Automated SOx testing

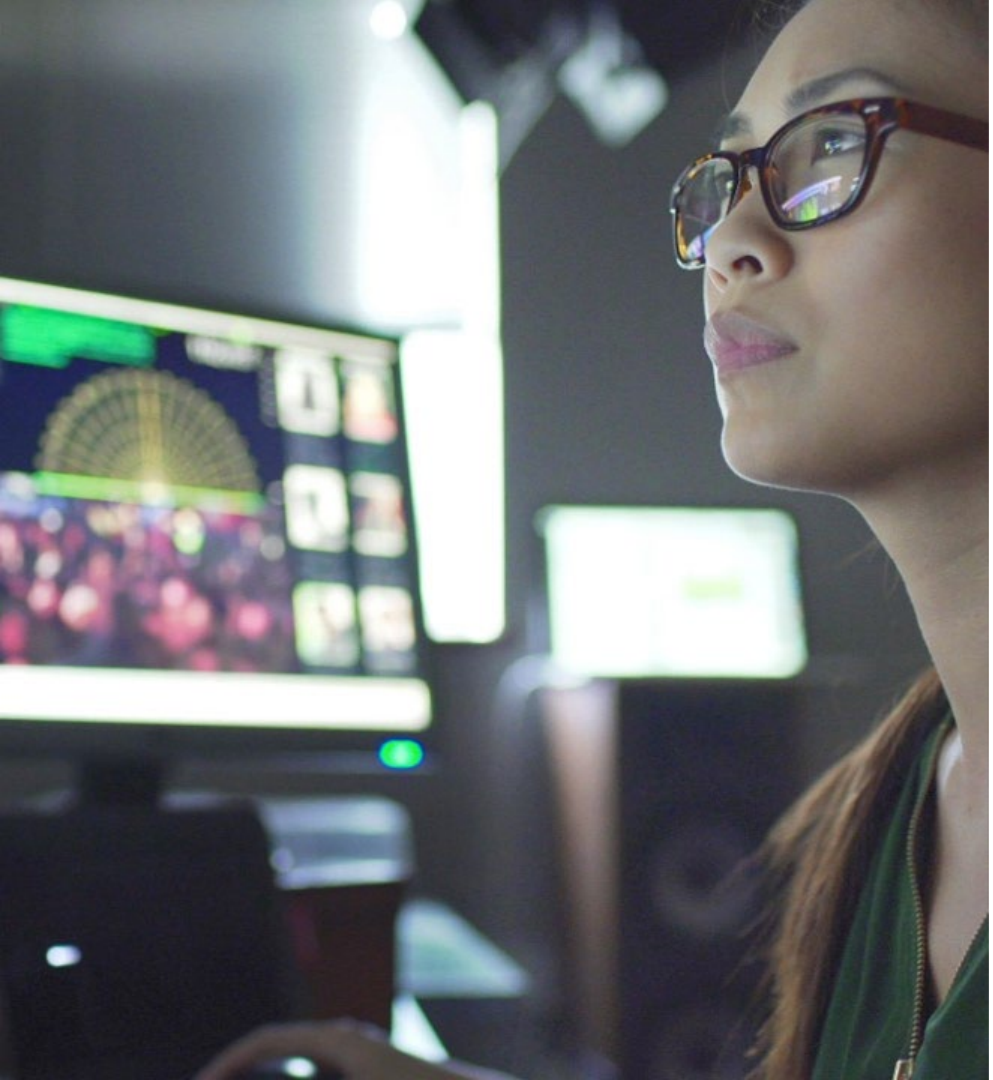
Real time insights in SOx control framework
Use reporting for external stakeholders

Automated Security & Privacy

Testing GDPR trust services (certification & assurance)

ISO 270001;2013

DigiD /BIG / BIR / NEN7510

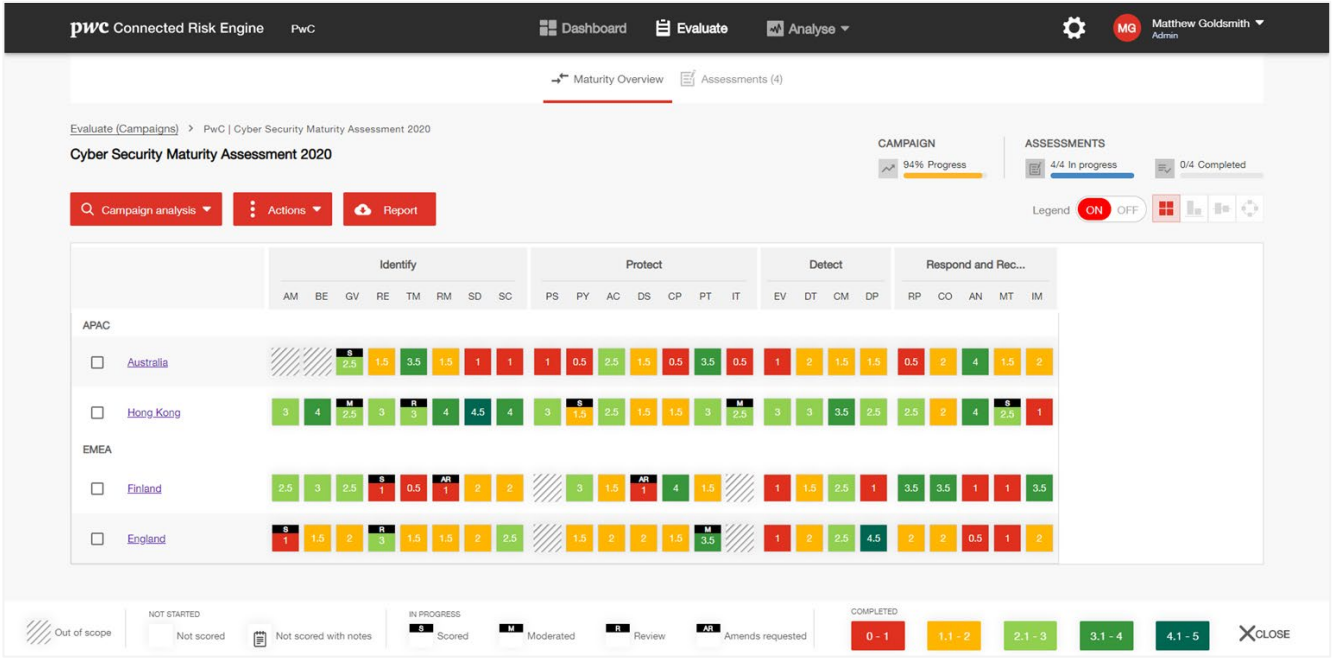


Structured form data capture

Connected risk engine

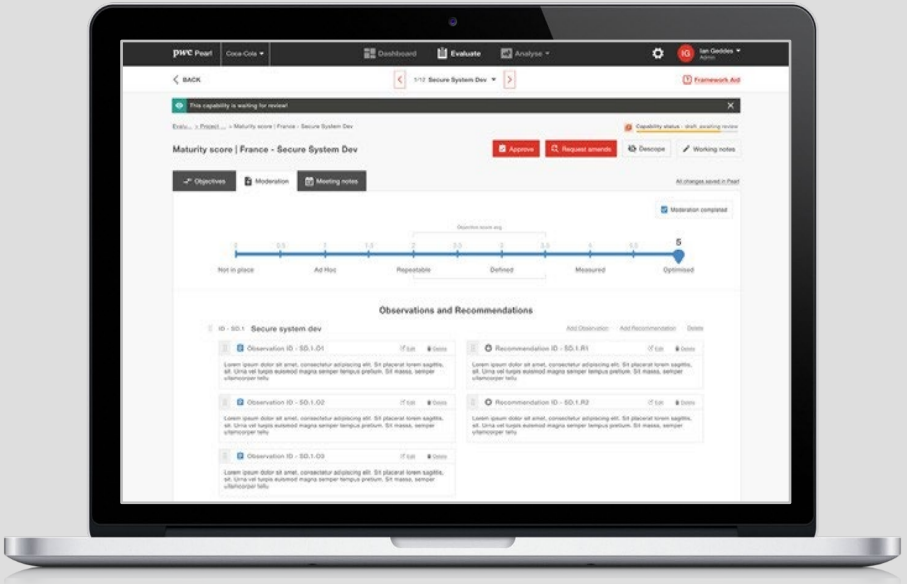
What is it?

Maturity assessment platform for frameworks then enables work collaboration, analysis and visualization of the assessment, analyse and visualise results, benchmark by industry and provide dynamic reporting.



Key features

- **Benchmarking** organisations against their peers
- **Centralised system** to keep track of every part of the assessment
- Reporting and **visualisation**
- **Score** and review all of the assessment data
- **Dashboard** summarising the results of an assessment
- Year on year **trend analysis**



Natural language processing and ML

Project perspectives

Project portfolio governance

Establish a portfolio-wide view of **project sentiment**. Compare stakeholder engagement and project confidence across your portfolio, and **identify risk** areas for deep-dive reviews and continuous improvement.

Ongoing project health checks

Empower **project teams** to conduct regular **pulse checks** and to give their **people a voice** throughout the delivery of complex projects.

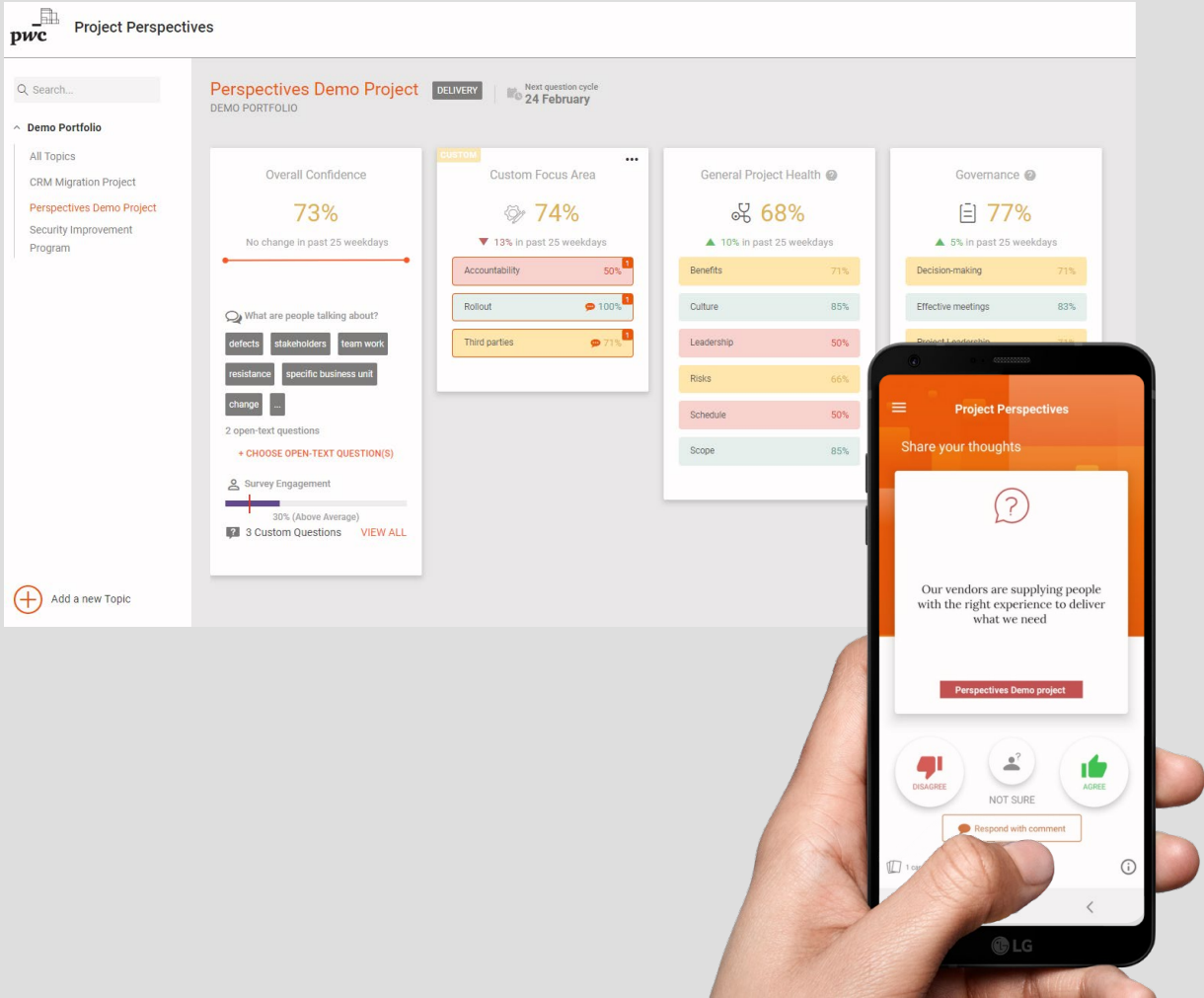
Accelerated insights

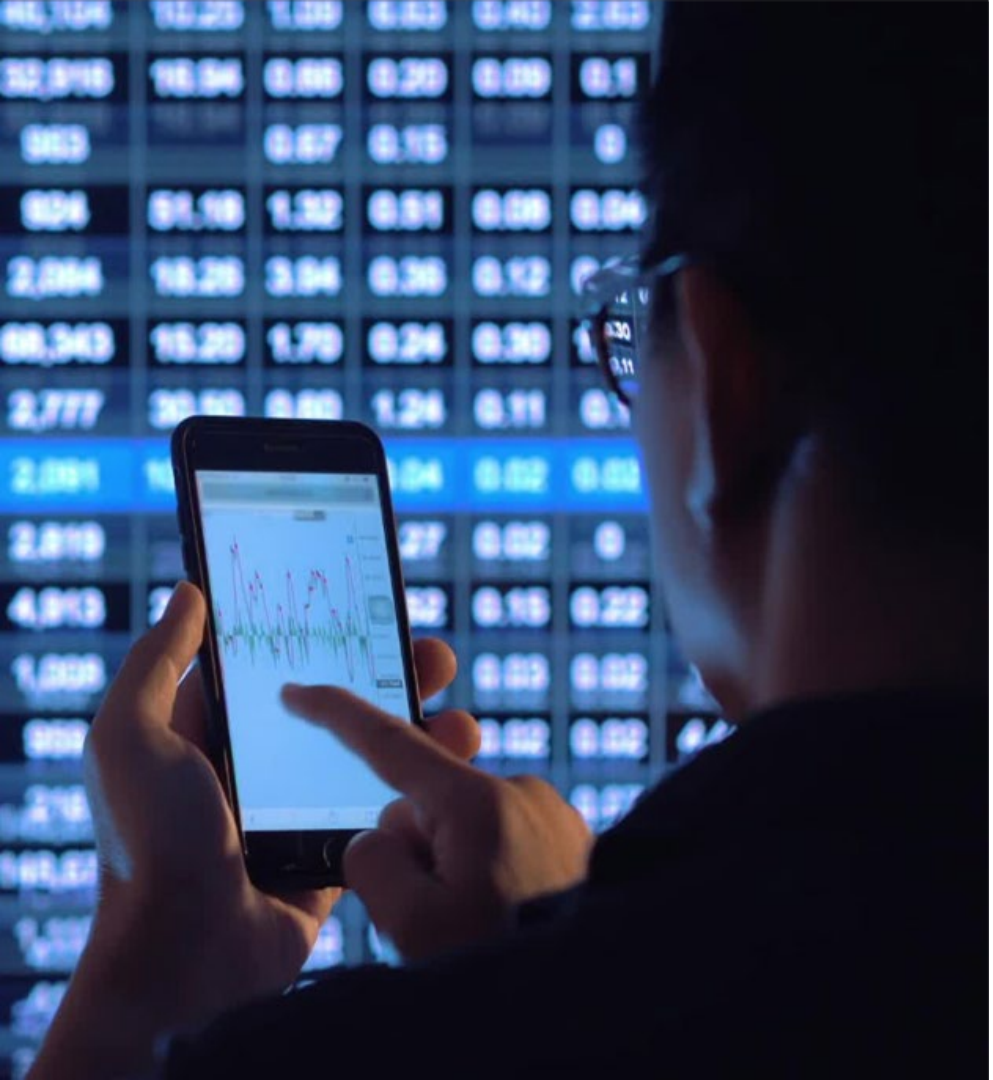
Use the Perspectives Platform to **augment** your next **project assurance** activity and uncover the big issues.

Key features

Our core Project Delivery Confidence Model contains 14 key Focus Areas, each with a library of questions that are expertly designed to get to the core challenges facing your Clients project.

- Overall **project health** (series of focus areas, one of which is project health
- Ability to select from series of focus areas depending on where you are in lifecycle or your key **areas of concern/risk**
- Framework of domain of questions, different sets however it comes back to a **common set of domaines** so you can still drive **insights/analysis** etc.





Data analytics and visualisation

How to approach data visualisation

Goal

Enable Insight

Pillars

Principles

1 Trigger rapid processing	2 Maximise data-ink ratio	3 Highlight important items
4 Facilitate meaningful comparisons	5 Provide focus	6 Maximise context
7 Remove ambiguity	8 Don't lie	9 Harness intuition

Maximise data-ink ratio

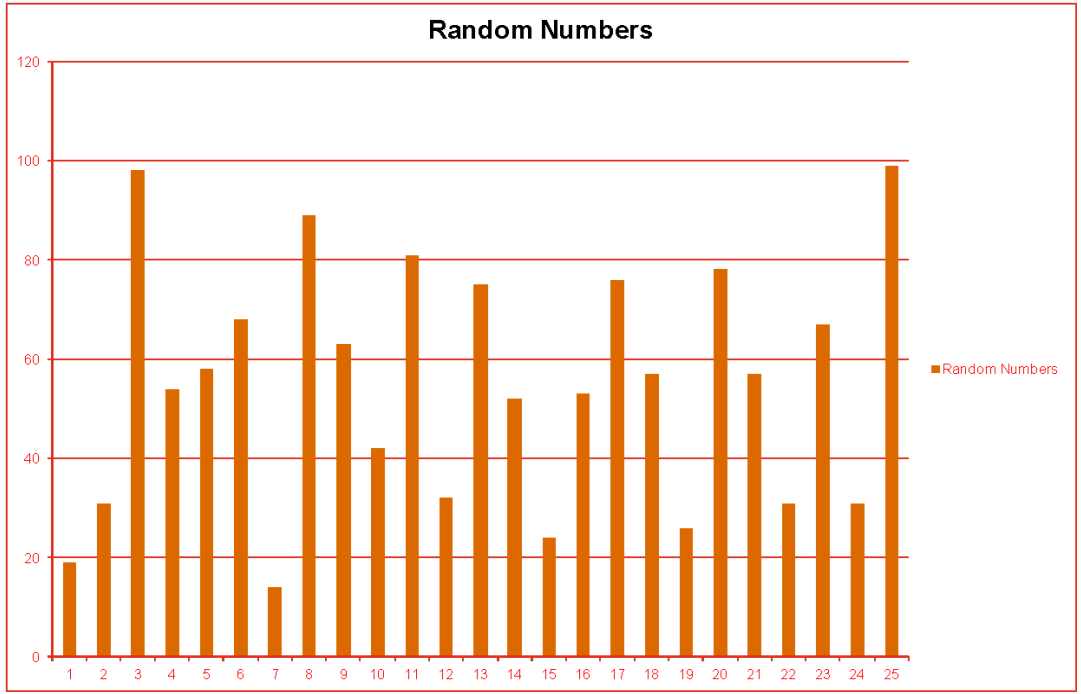
The data-ink ratio is a concept created by Edward Tufte that helps us to design in a way that does not cause information overload for viewers

$$\text{Data-ink ratio} = \frac{\text{Data-ink}}{\text{Total ink}}$$

The red items represent non-data ink

If these items were deleted, or at the very least pushed into the background, you would not lose much information

For information that must remain, using grey is a helpful way to maximise the data-ink ratio without completely removing non-data ink items.

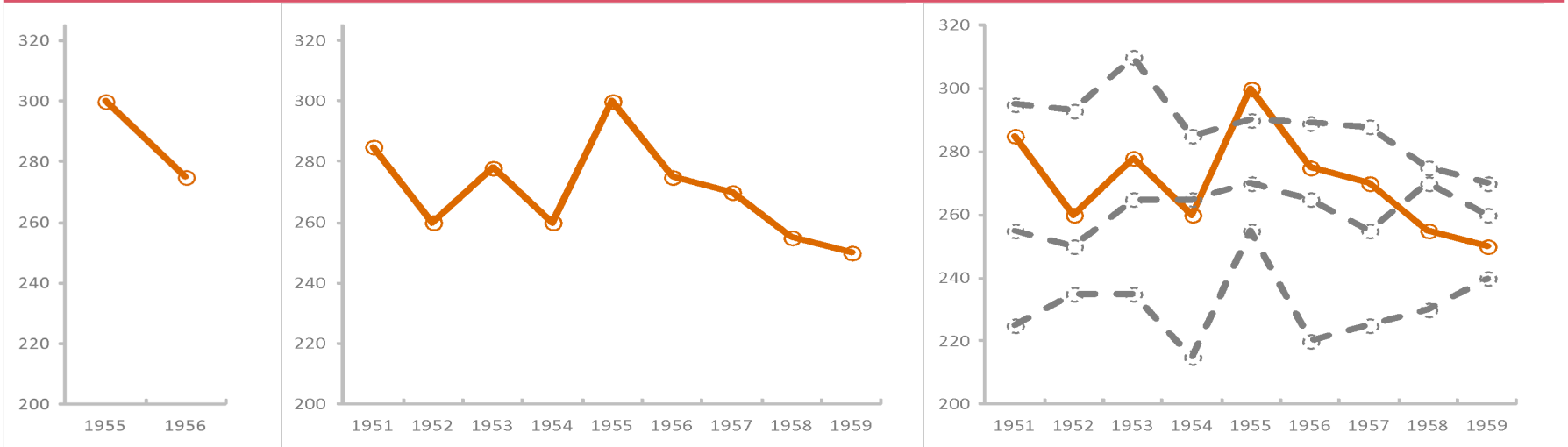


Adapted from internal PwC training

Maximise context

The more context provided within a visualisation, the more ability a viewer will have to draw insights

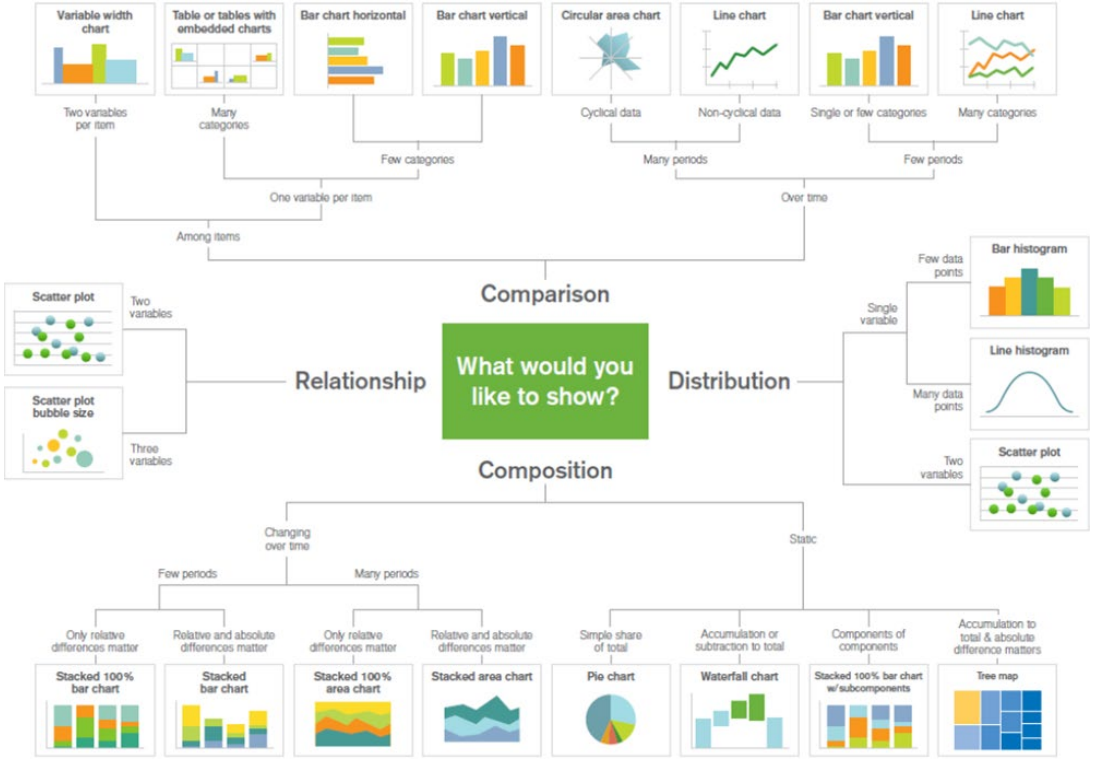
In this case, providing more data is the simplest way to drive insights



Adapted from internal PwC training

Think before you chart

The key to developing an effective visualisation is to know what message you want to convey before you begin.



From Qlik blog “Third Pillar Of Mapping Data To Visualizations: Usage”, accessed September 2021
https://www.qlik.com/blog/third-pillar-of-mapping-data-to-visualizations-usage

Summary

DO

1. Maximise the data-ink ratio
2. Maximise content
3. Think before you graph
4. Provide commentary or pop out boxes to support the visualisation

Don’t

1. Create a graph with no context
2. Make ambiguous graphs with unnecessary effects
3. Provide misleading visualisations (don’t lie!)

Thank You

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