

Welcome!

IIA Atlanta May Chapter Meeting



The better the question. The better the answer. The better the world works.

Today's agenda

9:00-9:05	Welcome remarks
9:05-9:50	Understanding and leveraging technology in a meaningful way Facilitated session co-presented by EY & Cox
9:50-10:00	Break
10:00-10:55	Maintaining an effective Internal Audit function when change is the only constant Interactive panel
10:55-11:00	Closing remarks

Hosted by



Opening remarks



George Markley

Vice President, Risk and
Assurance

Cox Enterprises

Understanding and leveraging technology in a meaningful way for Internal Audit



The better the question. The better the answer. The better the world works.



Shape the future
with confidence

Introducing the speakers



Steve Jackson

Partner, Risk Consulting,
EY



Simon Wong

Senior Manager, Risk
Consulting, EY

What we will discuss today

1

The case for case

2

Technology trends for Internal Audit

3

Practical use cases

4

Enabling adoption success

The case for change

A digitizing world

As the global economy rapidly digitalizes, an estimated 70% of new value created over the coming decade will be based on digitally-enabled platform business models.



The case for change



Organizations are managing evolving consumer expectations, new partnerships, dynamic ecosystems, changing industry boundaries, **disruptive business models** and new competitive domains.



Every industry is changing, and the **cycles of change are moving ever faster**.



Industry convergence is touching every market segment.



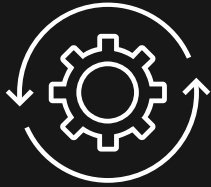
From technology and climate, to geopolitics and trade, the **outside landscape is changing** dramatically and creating **new risks and opportunities** for all organizations.



Operating models are shifting - the nature of work is changing due to technological advances; employees have **new tools like ChatGPT** at their fingertips for everyday use.

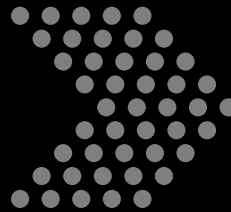
What will the IA mandate be?

IA of the past

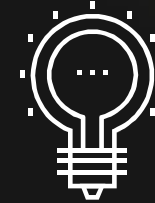


Reactive + Policing

- ▶ Focus on assurance and base level of trust
- ▶ Look primarily at historical data to draw conclusions
- ▶ Raise awareness on current/past issues



IA of the future



Proactive + Partnering

- ▶ Focus on strategic topics and engage in strategic discussions and problem solving
- ▶ Use predictive and real time data to drive insights and business value
- ▶ Anticipate the future/industry trends and the impact on the business

Technology trends for Internal Audit

Last 5 years of automation focus in Internal Audit

Testing procedures

- ▶ Data analytics for efficient, comprehensive testing
- ▶ Machine learning for anomaly detection and risk analysis
- ▶ Robotics process automation (RPA) for repeatable activities

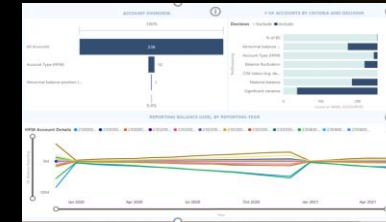
Workflow management

- ▶ Platforms like AuditBoard and Workiva for streamlined audit processes
- ▶ Power Automate for custom, automated workflows

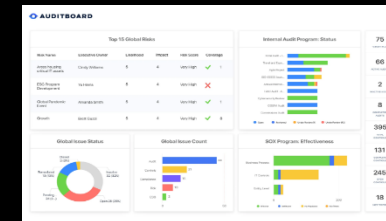
Status reporting

- ▶ Real-time insights with dashboarding and visualization tools like Power BI
- ▶ Interactive dashboards for audit tracking and risk monitoring

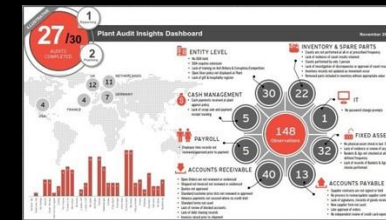
Common Examples



Automated account reconciliation testing of high-risk accounts, based combination of factors such as abnormal balance



Centralized management of audit testing and request workflows for efficiency and visibility



Visualizing data for management and Board reporting to focus more on creating insights

Looking ahead – leveraging Generative AI's multifaceted power

Information overload

Decision complexity

Risk mitigation

Content creation

Resource constraints

Search and summarize

AI-powered search algorithms and natural language processing (NLP) techniques accelerate decision-making by quickly retrieving data and providing content summaries

Content interpretation, theme identification and thematic mapping

Efficient knowledge extraction, structured organization, data governance and robust security safeguard valuable information assets

Knowledge extraction, curation and management

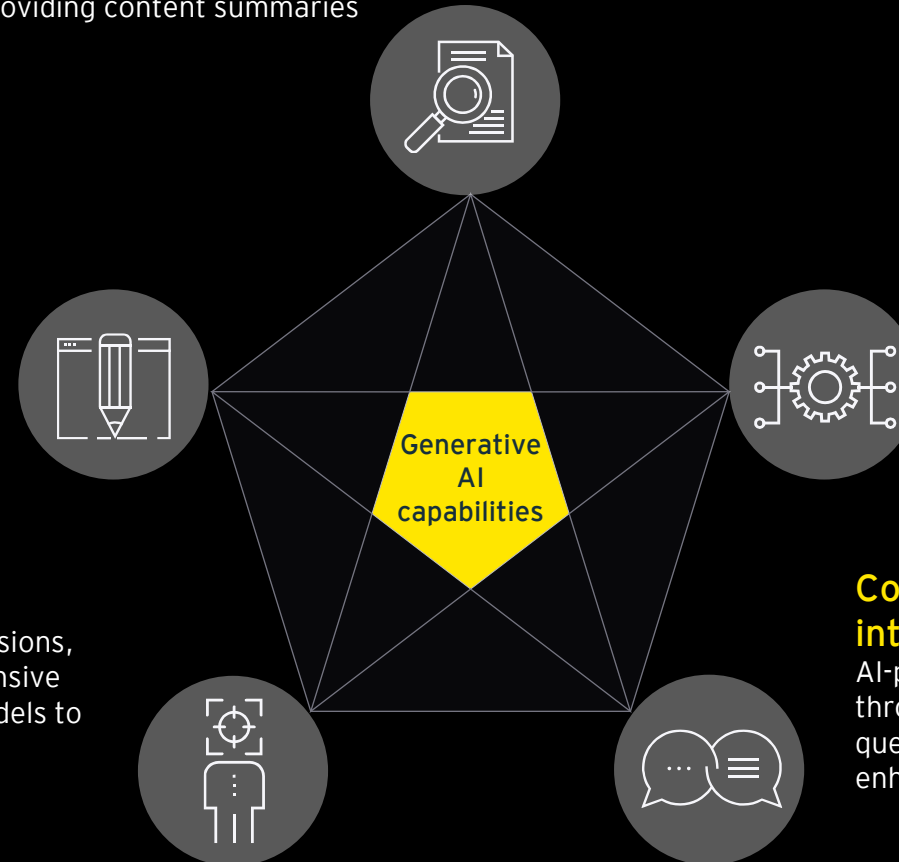
Analyze and categorize content, identifying recurring themes and trends for easier access and relevance across diverse fields through thematic mapping

Reviewing and decision-making (as an AI agent)

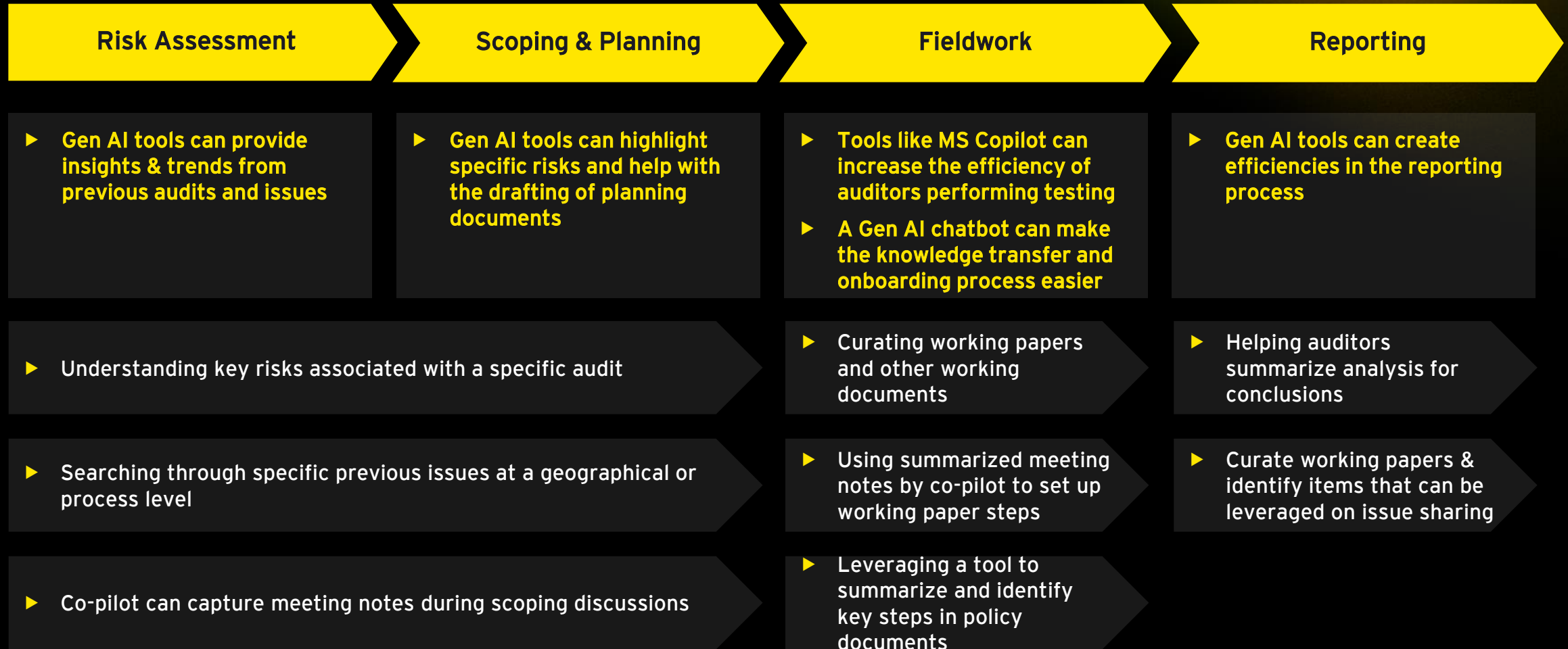
AI decision agents review and recommend decisions, integrating diverse data sources for comprehensive support, utilizing AI/machine learning (ML) models to provide insights and strategies

Content generation and user interface (chatbot)

AI-powered chatbots provide human-like communication through NLP algorithms, offering content generation, query responses and personalized interactions for enhanced user experiences and 24/7 support



Gen AI opportunities for Internal Audit



Practical use cases

Evolution of technology use cases



Crawl

0% - 10%

Basic task automation like data entry, email response, calendar schedule automation, and setting up recurring tasks.



Walk

10% - 30%

Enhanced capabilities for risk assessment, connecting different applications for workflow management, and research with generative AI.



Run

30% - 70%

Advanced AI-driven document review, report drafting, and transcription of walkthrough meetings to update process documentation.



Fly

70%+

Predictive analytics, trend identification, and fully integrated automation with AI for process documentation and control testing updates.

Applying technology use cases across the IA lifecycle

Automation is becoming more “real” and more “accessible” for internal audit departments of all sizes

Planning and assessment



Internal Risk Assessment:

- ▶ Process mining
- ▶ Bespoke analytics (descriptive, customized)
- ▶ Foundational analytics (descriptive, standardized)

External Risk Assessment:

- ▶ Geographical risk factors (external risk map)
- ▶ External analytics (e.g., digital media, other sources)

Stakeholder needs:

- ▶ Virtual collaboration
- ▶ Intelligent meeting record

Execution and documentation



Descriptive analytics:

- ▶ Risk and control review via process mining
- ▶ Data driven audit execution via bespoke or foundational analytics

Predictive analytics:

- ▶ Scenario modeling via advanced analytics
- ▶ Risk impact predictions

Digital auditing:

- ▶ Control and testing automation through Robotics Process Automation (RPA)

Reporting and communication



- ▶ IA dashboard reporting
- ▶ IA video reporting
- ▶ Report intelligence
- ▶ Digital boardroom

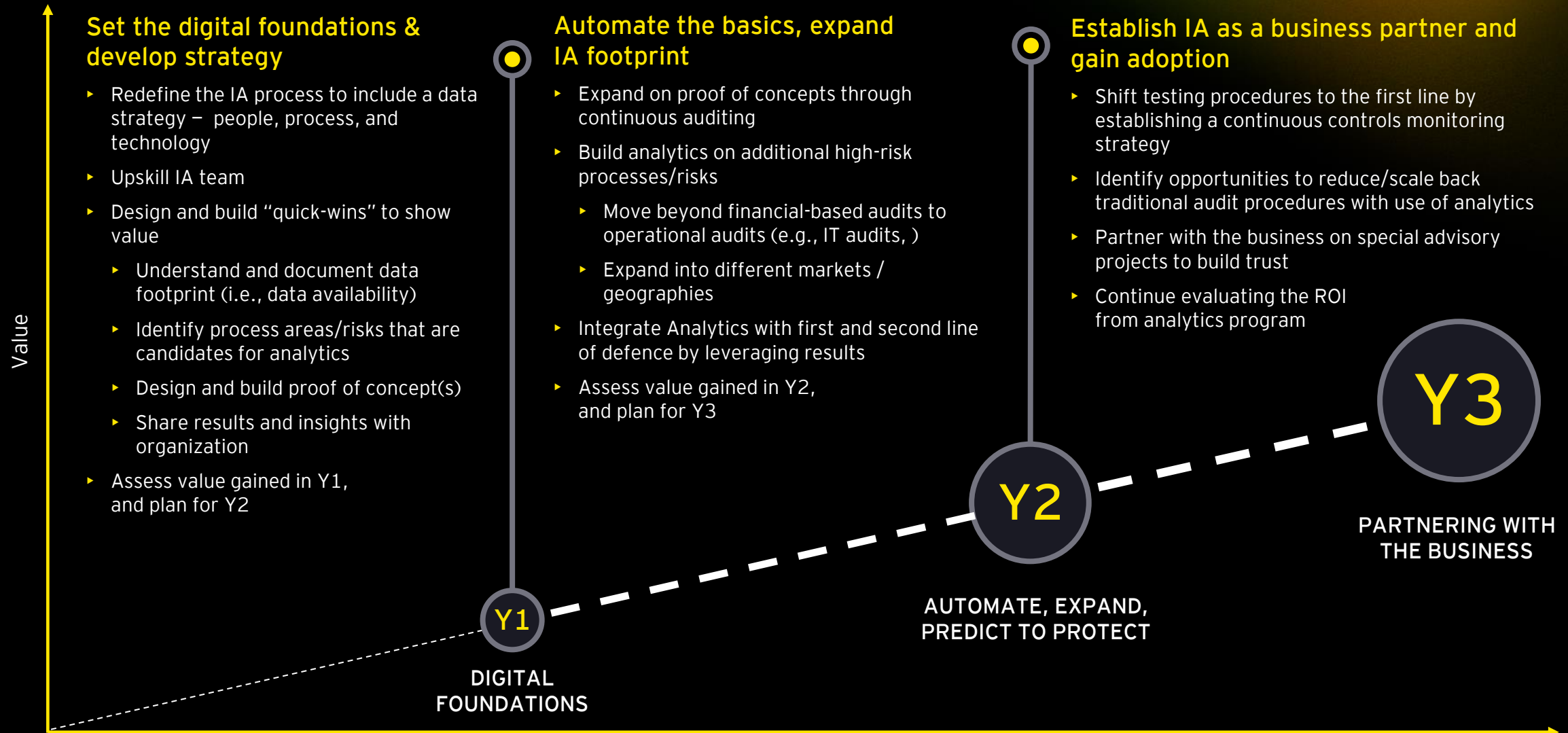
Follow-up



- ▶ Virtual assistant to support IA knowledge management and provide statistics (e.g., chat/voice bot)
- ▶ Process automation for recurring follow-up activities (email-reminder, status tracking)
- ▶ Intelligent meeting record
- ▶ Continuous benchmarking and IA function comparison
- ▶ Continuous auditing (e.g., weekly, monthly) via monitoring dashboards
- ▶ Predictive risk alert (safety-net integration)

Enabling adoption success

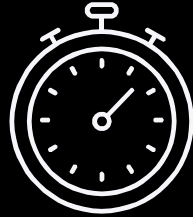
Technology transformation is a journey that provides incremental value over time



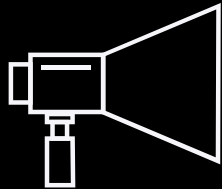
What resources do you need to transform?



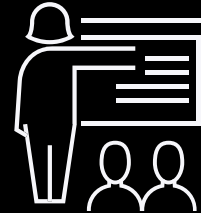
Executive
sponsorship



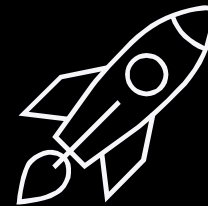
Dedicated
time



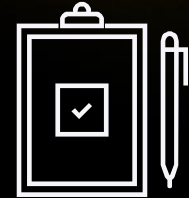
Awareness
of available
solutions



Training



Someone
to help me get
started



Any
other?

Q&A and wrap-Up

**Maintaining an
effective Internal
Audit function when
change is the only
constant**



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Introducing the speakers



Bill Stahl

Sr. Director, Enterprise
Risk & Internal Audit,
Inspire Brands



Karen Wolfe

Director, Internal Audit,
NCR Voyix



Pat Noll

General Manager,
Corporate Audit,
Delta Air Lines



Ana Krivic

Director, Internal Audit
and ERM, Rollins