PROTIVITI'S VISION – THE NEXT-GENERATION OF INTERNAL AUDITING

Machine Learning (ML) Artificial Intelligence (AI)

Process Mining

Robotic Process Automation (RPA)

Advanced Analytics

Enabling Technology

IA Strategic Vision

Organisational Structure

Resource & Talent Management

Aligned Assurance

Governance

Continuous Monitoring

Reporting

Agile Audit Approach

Dynamic Risk Assessment

Methodology

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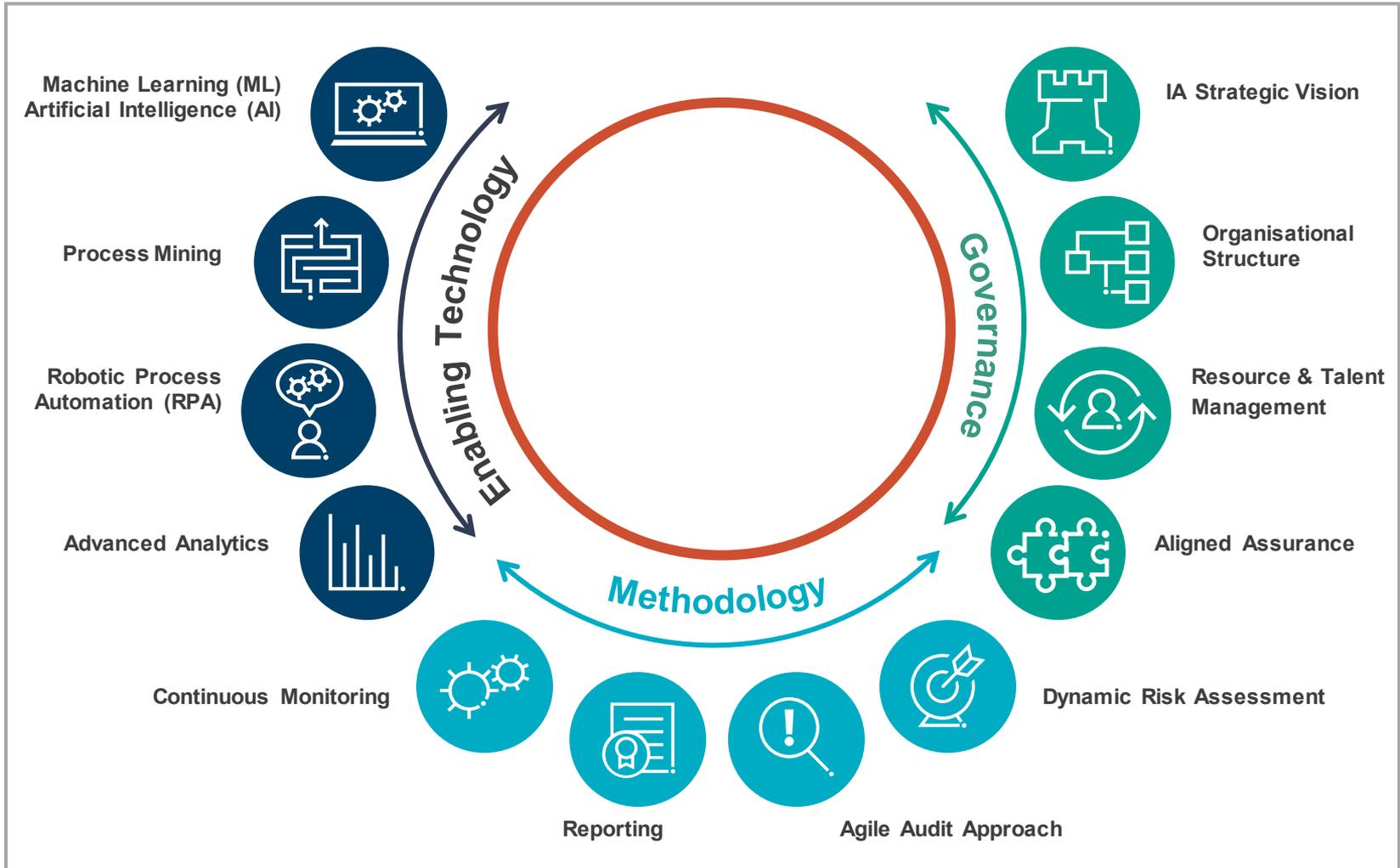
METHODOLOGY

Continuous Monitoring, Reporting, Agile Audit Approach and Dynamic Risk Assessment

THE NEXT-GENERATION OF INTERNAL AUDITING
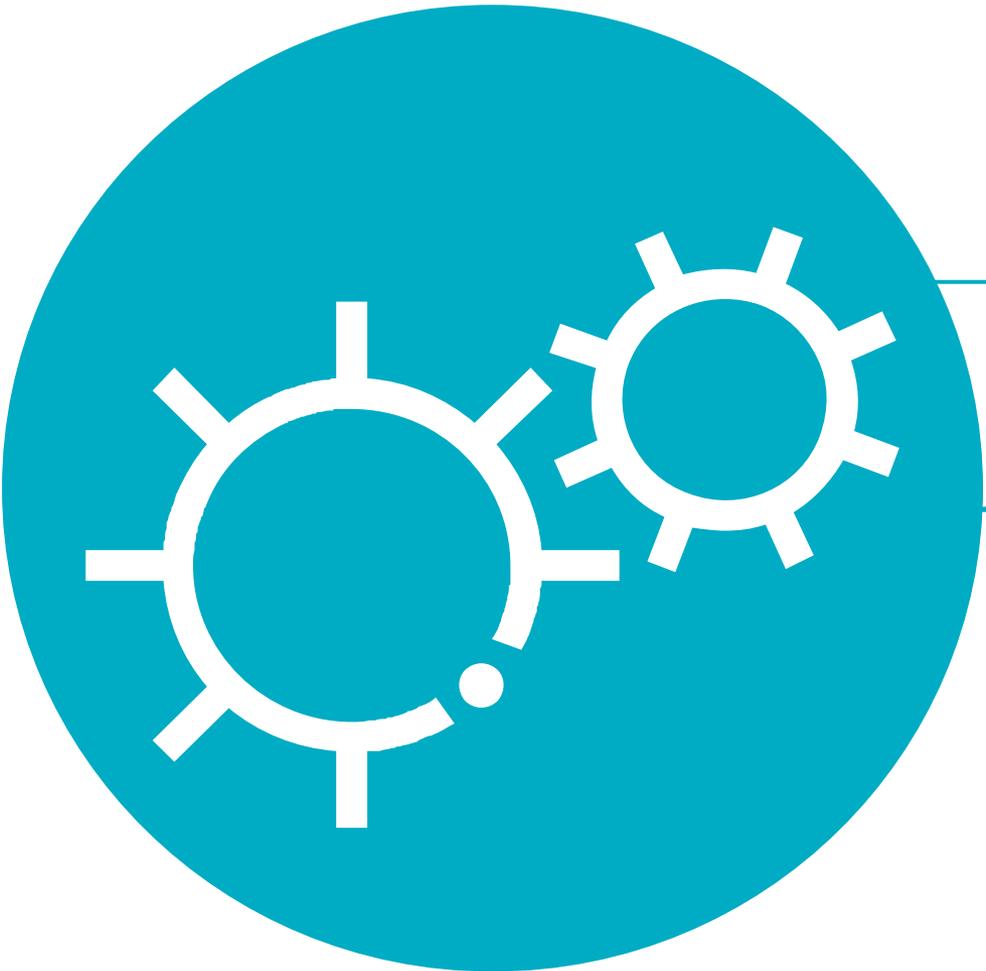
Continuous Monitoring – One Pager

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CONTINUOUS MONITORING

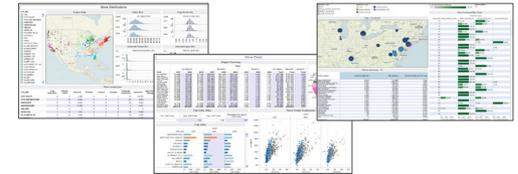| Continuous Monitoring	METHODOLOGY

Continuous Monitoring is the practice of reviewing business processes on a real-time basis to determine whether those processes are performing at the desired level of effectiveness and/or efficiency.

Continuous Monitoring is not a new concept, but historically, organisations have largely failed to realise its full potential because of a lack of sufficient technology, data, or innovative thinking. But times have changed.

With today's dynamic risk environment and greater prevalence of data, **there is both the need and the opportunity to enhance the organisation's audit approach through use of continuous monitoring** by leveraging cutting-edge, enabling technology elements such as Machine Learning, Process Mining, RPA, and Advanced Analytics.

"Continuous Monitoring" vs. "Continuous Auditing"

Continuous Monitoring

Continuous Monitoring includes any effort to monitor one or more business processes on a continuous basis and can be performed by the first, second, or third line of defense on any process or risk discipline. For IA functions, individual elements that are reviewed via continuous monitoring can be supplemented by other audit methods as applicable. Furthermore, effective use of continuous monitoring enables IA functions to synchronise seamlessly with the first and second lines of defense to identify and opine on real-time risk trends.

Continuous Auditing

Continuous Auditing is a specially structured audit that relies entirely on continuous monitoring elements. Historically, these audits have been performed primarily in the IT space.

Benefits to the IA function:

- Real-time insights on control effectiveness and risk mitigation with little or no support from human audit resources required.
- Increased coverage and the elimination of sample risk through review of 100% of risk and control populations.
- Data and insights collected help support/drive the dynamic risk assessment process and overall audit lifecycle, from planning through fieldwork and execution.
- Insights gained help ensure audit resources are being deployed in the most optimised manner resulting in increased coverage for the same cost.
- Increased collaboration and coordination with the first and second lines of defense.
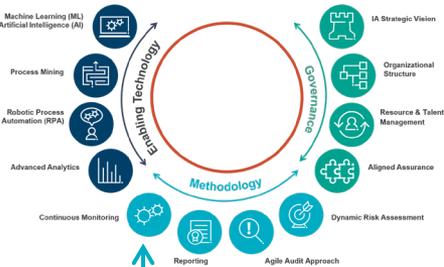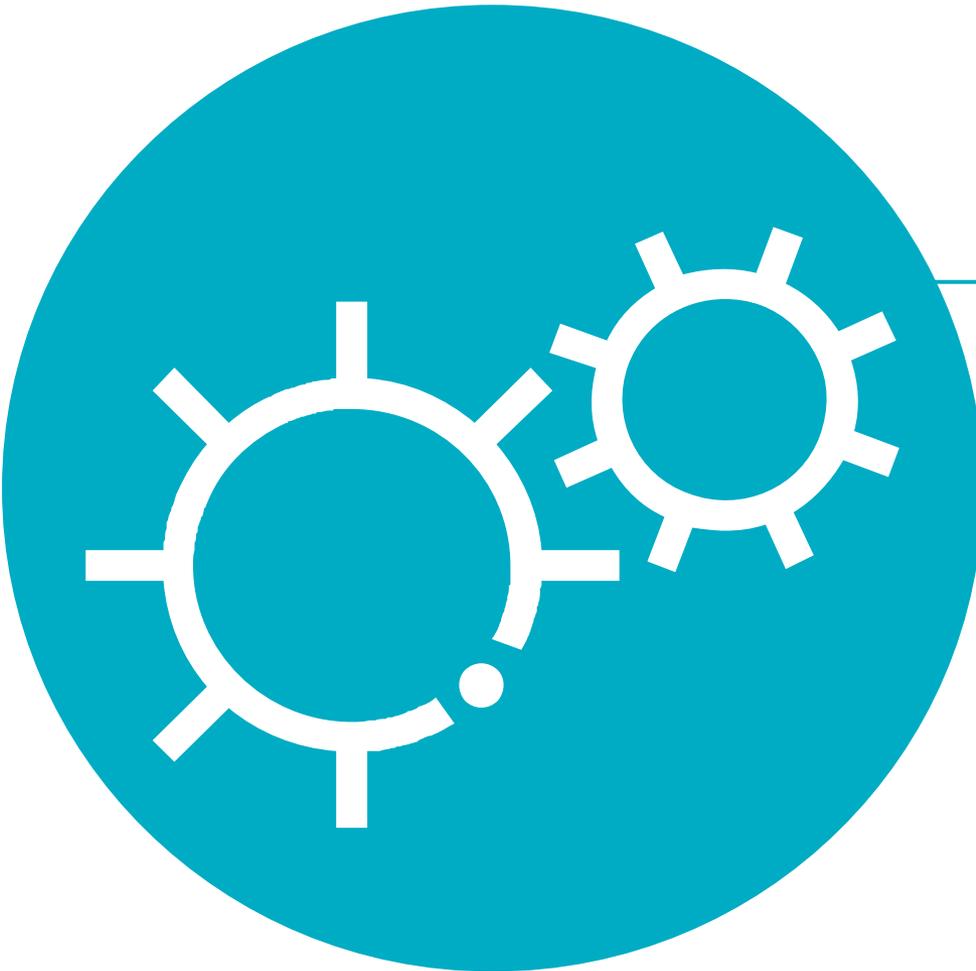
Call to Action:

- Next Generation Internal Audit organisations should seek to adopt a robust Continuous Monitoring program in order to optimise the efficiency and effectiveness of their audit operations and facilitate deployment of audit resources to more strategic efforts. **Organisations should work to create a technology roadmap that includes the necessary data and functionality to facilitate a continuous monitoring program.**

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THE NEXT-GENERATION OF INTERNAL AUDITING

Continuous Monitoring – Three Pager

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CONCEPT, BENEFITS AND CALL TO ACTION

Continuous Monitoring	METHODOLOGY

What is Continuous Monitoring?

Continuous Monitoring (CM) is the practice of reviewing business processes on a real-time basis to determine whether those processes are performing at the desired level of effectiveness and/or efficiency. Regarding CM as an auditing approach, this type of review is more accurate, comprehensive, efficient, and insightful than traditional sample-based testing.

Continuous Monitoring is not a new concept, but historically, organisations have largely failed to realise its full potential because of a lack of sufficient technology, data, or innovative thinking.

Benefits

- Proactive monitoring of control effectiveness and risk mitigation with little or no support from human audit resources required.
- Increased coverage and the elimination of sample risk with the potential to review 100% of risk and control populations.
- Data and insights collected help support/drive the dynamic risk assessment process and overall audit lifecycle, from planning through fieldwork and execution.
- Insights gained help ensure audit resources are being deployed in the most optimised manner resulting in increased coverage for the same cost.
- Increased collaboration and coordination with the first and second lines of defense.

Call to Action

Internal Audit organisations should evaluate opportunities to implement CM as part of a strategy that seeks to maximise the potential of audit resources (i.e. data, technology, and people) to achieve coverage over risk. CM can be used to either replace onerous manual tasks or increase coverage in areas that are less easily evaluated by human resources.

In addition to having a strategic conversation about existing capabilities, organisations should invest in enhancing existing capabilities by creating a technology roadmap that includes the necessary data and functionality to facilitate a more effective continuous monitoring program.

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FEATURES, KEY SUCCESS FACTORS, AND INTERDEPENDENCIES ON NEXT GEN IA ELEMENTS

Continuous Monitoring	METHODOLOGY

Components/Features

- CM monitors individual data elements on an ongoing basis and can alert auditors in the event pre-defined thresholds are tripped or specific criteria is satisfied.

- By leveraging data and technology to directly assess risk, Internal Audit can strategically deploy human resources to review and assess exceptions and results of CM, or audit areas that don't have CM capability.

- The ability to review entire populations of data can lead to a more strategic conversation with business leaders and executives about risk appetite, risk acceptance and business objectives.

Key Success Factors

Best Practices

- CAE's should use CM as an opportunity to think strategically about the way audit resources are deployed to provide assurance and achieve coverage
- Begin with a pilot program on risk areas that have either a stable data set or clearly defined risk indicators

Common Challenges / Roadblocks

- Lack of sufficient technology, data, or coordination among departments
- Organisational resistance to change or innovative thinking
- Insufficient planning, sponsorship, or strategic design in the development of a CM program or tool

Interdependencies on other Next Generation Internal Audit Elements

- CM results should be fed into Dynamic Risk Assessments, which allows the audit plan to adapt to changes in business risk profile.
- CM and Dynamic Risk Assessments should operate in lockstep with each other, informing and strengthening the other.

- Automating transactional control monitoring and testing via RPA can help achieve additional coverage.
- CM should operate as a component of Internal Audit's overall strategic vision.

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APPROACH

Continuous Monitoring   **METHODOLOGY**

Roadmap Approach

Organisations should work to create a technology roadmap that includes the necessary data and functionality to facilitate a continuous monitoring program, *focused on a three-phased approach:*

| Phase I – Visualise, Pilot, Buy-In	Phase II – Adjust, Deploy, Monitor	Phase III – Sustain, Enhance, and Repeat
• Define a high-level process, considering inputs, activities, and outputs • Pilot CM program for a particular business area / process • Link the program to strategic audit objectives • Identify key stakeholders and obtain executive buy-in for the program	• Adjust CM program after conducting pilot to incorporate feedback from stakeholders, feature upgrades, and lessons learned. • Identify other business areas that may leverage CM tool ahead of broader deployment • Monitor performance of CM program post-deployment	• Develop repeatable policies and procedures to produce a sustainable CM program • Enhance CM program to align with strategic objectives of the audit function • Lead future deployments of CM program to other applicable business areas
Questions to consider:	**Questions to consider:**	**Questions to consider:**
• How does your audit function acquire data? • How does your audit function obtain access to information on a real-time basis? • What are your estimated expenditures arising from performance of manual controls? • Is your audit organisation addressing internal controls in an efficient manner through the right data and technology?	• What data and technology capabilities does your audit function have in place? • How does your audit function use data to inform your risk perspective?	• What specific requirements must the CM program possess to meet your audit function's dynamic business needs? • How does your audit function use technology to create sustainable processes?

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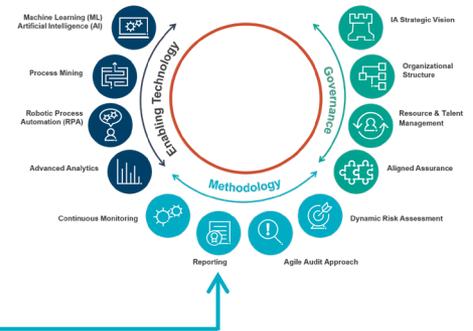
High Impact Reporting – One Pager

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SIMPLIFIED AND HIGH IMPACT REPORTING

Simplified and High Impact Reporting	METHODOLOGY

Relevant, Risk-Informed, Concise, Insightful

Effective communication is essential to demonstrating the value Internal Audit delivers to its internal and external stakeholders. Leading audit functions will recognise that **simplified and high impact reporting** is not achieved through a single process, but rather through optimising many aspects of Internal Audit's approach such as risk assessment, audit execution methodology and use of data. This provides a solid foundation for effective communication that is:

Relevant

Consideration of the multiple stakeholder groups and customising the message and mode of communication to the needs of those groups, is where high impact reporting starts.
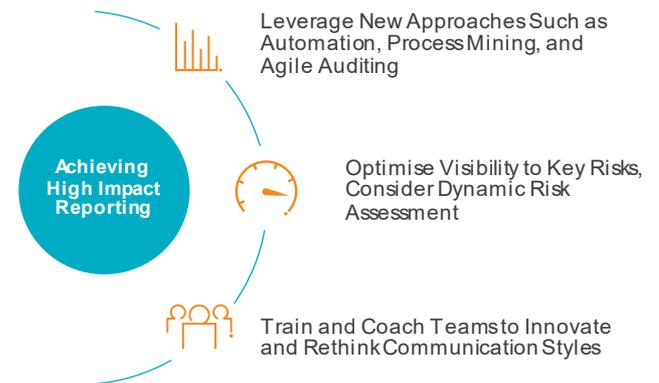
Risk-Informed

Internal Audit must be keyed into risks important to the organisation (e.g. dynamic risk assessment). Often these risks link to execution of the organisation's business strategy, operations, compliance activities or financial goals.

Concise

Rethink the way messages are communicated. Innovate to make better use of data and visual appeal, getting the message across quickly to key stakeholders.

Insightful

Management must see value in the message being delivered, rather than being told what they already know. Fresh, valuable insights will increasingly require new approaches such as automation, dynamic risk assessment, agile audit techniques, and process mining.

Achieving High Impact Reporting

- Leverage New Approaches Such as Automation, Process Mining, and Agile Auditing
- Optimise Visibility to Key Risks, Consider Dynamic Risk Assessment
- Train and Coach Teams to Innovate and Rethink Communication Styles
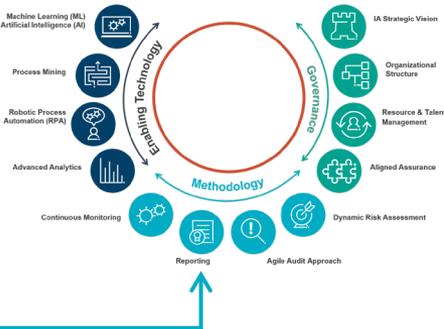
Simplified and High Impact Reporting…

…is not a single process. It is the culmination of all of Internal Audit's activities leading to the right type of communication tailored to each stakeholder group to achieve maximum impact.

Call to Action:

- In light of these objectives, take a fresh look at the reporting coming out of your department – not just audit reports, but the range of communication touchpoints including audit planning memos, audit committee decks, executive summaries, and risk assessment reporting. Are these communications having enough of an impact? Does the audit committee and executive management fully appreciate the value Internal Audit brings? Often the answer is "no", exposing opportunity to optimise how your department communicates with key stakeholders.

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THE NEXT-GENERATION OF INTERNAL AUDITING

High Impact Reporting – Three Pager

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SIMPLIFIED AND HIGH IMPACT REPORTING

Simplified and High Impact Reporting	METHODOLOGY

Internal Audit demonstrates its value by communicating effectively -- utilising **simplified and high impact reporting**. This is the culmination of all Internal Audit's activities leading to the right type of communication tailored to each audience to achieve maximum impact. Communications occur in a variety of forms to stakeholders with different needs and expectations, including audit reports, risk assessments, audit committee presentations and reports to regulators. Next-generation Internal Audit functions communicate what stakeholders need to know and allow them to drill down to the details as needed.

Wide Range of Benefits:

Using **simplified and high impact reporting**, Internal Audit can more effectively serve as a change agent by persuading the right stakeholders to take informed actions timely through stronger, more practical, harder-hitting observations and recommendations, leading to a higher level of assurance. According to our *2019 Internal Audit Capabilities and Needs Survey*, improving stakeholder experience is the primary reason audit organisations want to improve reporting.

Internal stakeholders can, in turn, use Internal Audit's reporting to effectively pinpoint the organisation's risk areas, identify growth opportunities, and recognise emerging issues or trends --- leading to a more valuable and useful management agenda.

Getting There:

Leading Internal Audit functions will recognise that **simplified and high impact reporting** is not achieved through a single process, but rather through optimising many aspects of Internal Audit's approach such as risk assessment, audit execution methodology and use of data. As the tools available to Internal Audit functions are rapidly changing and sometimes linked to new technologies and concepts, we have found that organisations with a digital leader are significantly more likely to achieve the core attributes of high impact reporting. Those attributes are outlined below.

Risk-Informed   **Concise**

Relevant   **Insightful**

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SIMPLIFIED AND HIGH IMPACT REPORTING

Simplified and High Impact Reporting	METHODOLOGY

Relevant

Consider who the audience is and customise the message and mode of communication specifically to their needs. For example, themes, trends and summaries are appropriate for an audit committee, while management will often need the details. If information cannot be acted upon by the audience, it is likely not relevant to that group. It may be too high level, too detailed, not in their scope of responsibility, or not put in the correct context.

Roadblocks

- Not understanding your audience's needs, biases, and responsibilities
- Inability to clarify the importance of the message to the stakeholder

Solutions

- Interact and collaborate with your stakeholders on a regular basis to properly understand their concerns and needs
- Consider other factors beyond risks, such as opportunities, strategic insight, and management agenda
- Add possible consequences to any exceptions or risk exposures presented to the stakeholders
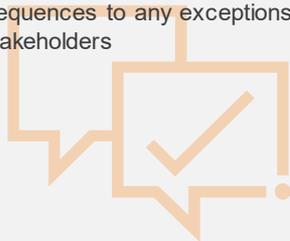
Risk-Informed

Internal Audit must understand the risks that are important to the organisation so that stakeholders understand those risks as well. Often, risks are linked to execution of the organisation's business strategy, operations, compliance activities or financial goals. Weaving risk consideration into Internal Audit's reporting activities leads to better, faster decisions that improve operations and address root cause issues.

Roadblocks

- Failure to maintain up-to-date view of risks important to the organisation
- Key risks are not linked to audit's message and findings

Solutions

- Align Internal Audit's risk universe with second line functions
- Flag audits, reports, and findings with the related risks in Internal Audit's database --- allowing them to be easily searchable for future needs
- Leverage technology and data analytics to achieve Dynamic Risk Assessment, providing live-view of pertinent risks
- Engage with executive stakeholders regularly in discussions of emerging and trending risks in the organisation
- Investigate how automation and continuous monitoring can be used to enhance audit's existing risk assessment approach

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SIMPLIFIED AND HIGH IMPACT REPORTING

Simplified and High Impact Reporting	METHODOLOGY

Concise

Less is sometimes more. The use of new technologies and methodologies within IA is not meant to increase the volume of data – it should present less information with higher value. To achieve this in our reporting, Internal Audit functions need to rethink the way information is collected and summarised. Find ways to use visuals and graphical representation of data to get the point across. Consider what the stakeholders need to know and where possible, leave it to them to drill down to the details.

Roadblocks

- Resources are lacking creativity and not thinking 'outside the box'
- Misunderstanding of stakeholder needs

Solutions

- Survey the stakeholders to understand what current information is important to them and what other information they would like to have
- Train and coach teams to innovate and rethink communication styles
- Remove unnecessary narrative from reports, and use sparse wording in presentations
- Always include executive summaries in reports
- Find opportunities to summarise data in visually appealing ways that support your message
- Aggregate findings into a single theme message where possible, rather than keeping less important ones separate

Insightful

The quality of reporting is directly related to the quality of audit findings and core messages, which in turn are driven by the quality of execution methodologies and resources. Stakeholders should see unique value in the messages being delivered by Internal Audit, rather than being told what they already know. For many departments, new approaches and technologies will be needed to drive better insights.

Roadblocks

- Inability to obtain relevant information or data
- Limited breadth and depth of audit coverage

Solutions

- Look beyond scope inherent in an individual report by "connecting the dots" of findings to better identify patterns, insights, emerging risks and trends
- Collaborate with Subject Matter Experts to help provide industry insight and objective perspective
- Consider using Robotic Process Automation, Advanced Analytics, Process Mining, and Agile Audit Approach to identify high value audit findings and root cause issues

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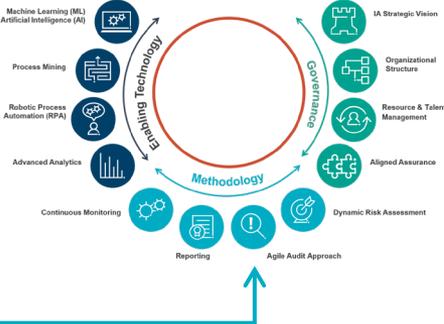
Agile Audit Approach – One Pager

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AGILE AUDIT APPROACH

Agile Audit Approach	METHODOLOGY

An **Agile Audit Approach** utilises a framework that is based on iterative and sustainable development, where requirements and solutions evolve through collaboration between cross-functional audit teams focused on quality. Internal Audit and its stakeholders are focused on a common goal of risk mitigation through responding to changing and emerging business needs and directions while simultaneously working to meet business and regulatory commitments.

Factors Impacting Internal Audit

Global forces	Industry trends	Enterprise Factors
• Digital Speed • Big Data • Workforce • Cyber	• Regulatory Environment • Disruption	• Imperatives • Innovative Spirit

The greatest risk is stagnancy – disruption of IA is imperative and not optional. Stakeholder demands continue to change rapidly.

| Business Pain Points	Auditor Pain Points
• Feeling of re-educating Audit team • Rules of engagement may differ across audits • Numerous, disparate requests; flurry of questions at end • "Black Box" -uncertainty until draft report	• Limited time for research and education prior to engagement • Information not available timely • Elongated delivery cycle times • Waterfall report reviews and revisions • No break between audits–"run" from one to the next

Potential Benefits of Agile

- Increases efficiency through reduced cycle times between requirement and delivery
- Allows for deeper insights into strategic issues and risks as well as responsive/forward looking/anticipates changing and emerging risks

- Applies risk-based principles to audits
- Streamlines documentation for audit execution and reporting
- Has ability to use the right resources at the right time
- Has higher engagement from the Team during execution

Call to Action/Getting Started

- Develop a clear definition of what Agile is and is not
- Brainstorm on the current pain points faced by the IA Team and determine how to apply Agile principles to current practices
- Differentiate Agile from the current internal audit life cycle approach, e.g., identify "must haves" and "want to haves"
- Identify audits to pilot Agile

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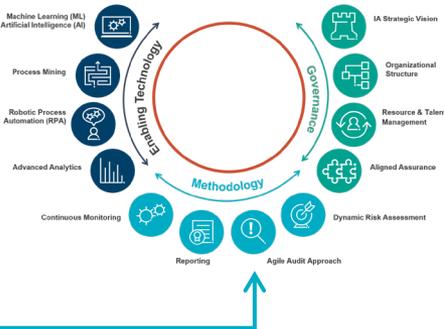
Agile Audit Approach – Three Pager

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AGILE AUDIT APPROACH

	METHODOLOGY

What is Agile Audit Approach?

An Agile Audit Approach utilises a framework that is based on iterative and sustainable development, where requirements and solutions evolve through collaboration between cross-functional audit teams focused on quality. Internal Audit and its stakeholders are focused on a common goal of risk mitigation through responding to changing and emerging business needs and directions while simultaneously working to meet business and regulatory commitments.

Benefits

- **Deeper insights**. An iterative incorporation of feedback and retrospective meetings can lead to higher-quality audit insights, increased communication between auditors and the business also improves the quality of findings.
- **Reduced cycle time**. Rapid iterations during the project result in early insight generation and action from management.
- **Increased Engagements**. Auditees are engaged more thoroughly and consistently throughout projects and agile methods that include regular meetings facilitate communication and entail interactions upfront, limiting the amount of back and forth during the engagement.

Call to Action

- Develop a clear definition of what Agile is and is not
- Brainstorm on the current pain points faced by the IA Team and determine how to apply Agile principles to current practices
- Differentiate Agile from the current internal audit life cycle approach, e.g., identify "must haves" and "want to haves"
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AGILE AUDIT APPROACH
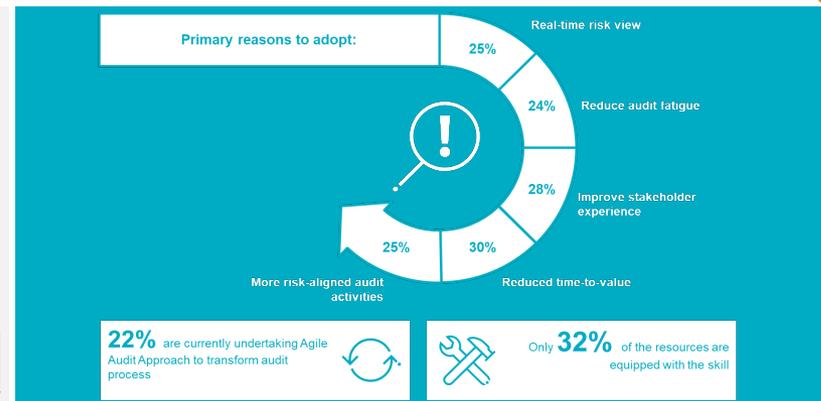
Header	METHODOLOGY

Components/Features

Core Elements of Agile:

- Iterative and Incremental Development
- Backlogs
- Sprint
- Scrum meetings

Supporting Elements of Agile:

- Cross-functional Teams
- Continuous Integration
- Project Information Dashboards

Primary reasons to adopt:

- Real-time risk view — 25%
- Reduce audit fatigue — 24%
- Improve stakeholder experience — 28%
- Reduced time-to-value — 30%
- More risk-aligned audit activities — 25%

22% are currently undertaking Agile Audit Approach to transform audit process

Only **32%** of the resources are equipped with the skill

Key Success Factors

- Establish an agile mindset
- Empower your people to innovate
- Seek quick wins
- Embrace change
- Determine capabilities needed for long-term successful adoption
- Integrate adaptability into the design
- Leverage emerging technologies

Interdependencies on other Next Gen IA Elements

- Dynamic Risk Assessment tends to be ineffective in absence of Agile Audit approach.
- Agile Auditing can be leveraged to achieve fresh valuable insights and high impact reporting.

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AGILE AUDIT APPROACH

Header	METHODOLOGY

Approach

Who is Implementing Agile?

- The concept continues to attract a lot of interest and discussion within financial services.
- Cross industry segments with elevated interest levels in Financial Services.

Alignment with our Approach?

- Our consulting approach to internal audit aligns closely with the agile concepts.
- Agile introduces SDLC terms that can be formalised around the consulting approach. As a result we are well positioned to help our client.
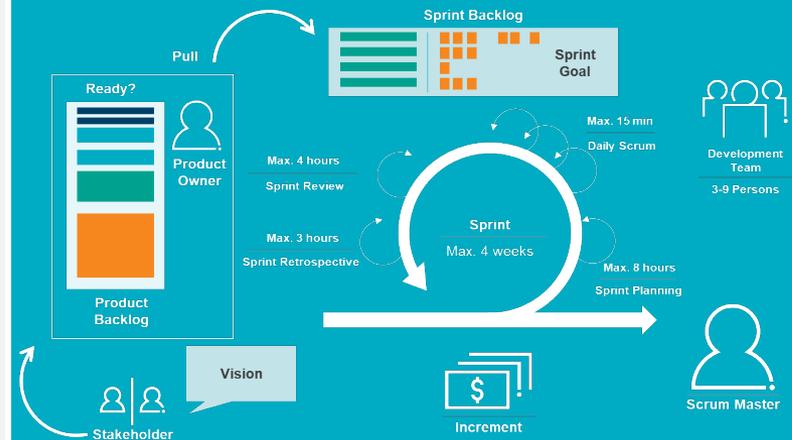
How can we Help?

- Knowledge sharing among client and prospects
- Program designs
- Implementation assessment and pilot
- Business as usual assistance

SCRUM FRAMEWORK

Sprint Backlog
Sprint Goal
Pull
Ready?
Product Owner
Max. 15 min
Daily Scrum
Development Team
3-9 Persons
Max. 4 hours
Sprint Review
Sprint
Max. 4 weeks
Max. 8 hours
Sprint Planning
Max. 3 hours
Sprint Retrospective
Product Backlog
Vision
Stakeholder
Increment
Scrum Master

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THE NEXT-GENERATION OF INTERNAL AUDITING

Dynamic Risk Assessment – One Pager

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DYNAMIC RISK ASSESSMENT

Dynamic Risk Assessment	METHODOLOGY

Analysing the risks related to the execution of strategies is a key foundation but no longer sufficient to anticipate and manage change and influence planned assurance activities. Organisations are looking to enhance their risk assessment programs to generate relevant information regarding risk factors and opportunities that can support risk-informed decisions, scenario planning, forecasting, and support their Audit function. A dynamic risk assessment approach designed to be increasingly precise and adaptive to emerging risks and proactively measures and projects key existing risks enables organisations to

- Identify changing risk trends in real-time
- Quantitatively measure and prioritise risk
- Drive the most effective use of assurance coverage
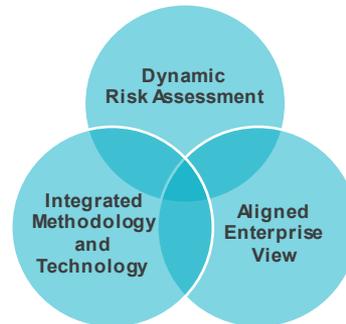
Dynamic Risk Assessment

Integrated Methodology and Technology

Aligned Enterprise View

Agile

The term Agile should not only speak to the frequency in which risk assessments are performed, it should also reflect the evolving assessment considerations used, and the influential impact it has on driving internal audit's priorities.

Integrated

Without being closely integrated to other next-generation internal audit processes, dynamic risk assessments are at risk of being inaccurate (due to poor continuous monitoring) or of being ineffective (due to an agile audit approach or high-impact reporting).

Aligned

Internal audit's dynamic risk assessment process should be aligned with or help drive a consistent view of risk across the three lines of defense and be aligned to addressing the organisation's objectives.

Call to Action:

- Audit organisations that desire to enhance and transform their organisation should continually seek to adapt their risk assessment approach to more effectively quantify risk in a rapidly evolving business environment and execute relevant assurance work to align with key organisational risks and priorities.

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THE NEXT-GENERATION OF INTERNAL AUDITING

**Dynamic Risk
Assessment – Three Pager**

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DYNAMIC RISK ASSESSMENT

Components/Features

- **Agile** – The term Agile should not only speak to the frequency in which risk assessments are performed, it should also reflect the evolving assessment considerations used, and the influential impact it has on driving internal audit's priorities.

- **Integrated** – The risk assessment activity must be closely aligned to other next-generation internal audit processes, leveraging agile auditing and continuous monitoring.

- **Aligned** – The view of risk across the three lines of defense must be consistent and aligned to measure and monitor the achievement of the organisation's objectives.

Key Success Factors

- **Establish a Common Language –** Each area of an organisation utilises risk information in their decision-making processes. Having a common vocabulary regarding risk will facilitate the seamless transfer of information and a common understanding of risk across the three lines of defense. For example, a "high" rated risk should invoke the same meaning to everyone within the organisation.

- **Focus on Incremental Improvements –** Dynamic risk assessment will not occur over night. Incremental and agile improvements will allow for the risk assessment process to improve over time. Calibration of risk assessment results can assist with identifying opportunities for further refinement, especially regarding the use of various quantitative and qualitative risk factors.

Interdependencies on other Next Gen IA Elements

- **Continuous Monitoring** – Real-time data from an effective continuous monitoring is a critical input for a dynamic risk assessment model. The quality of dynamic risk assessment results will only be as good as the inputs to the process.

- **High-Impact Reporting** – In order to effectively communicate results of risk assessment, reporting must clearly and succinctly deliver messaging. High-impact risk assessment reporting will drive risk-informed decisions and the partnership between the business and internal audit.

- **Agile Audit Approach** – If the results of a dynamic risk assessment model do not have an impact on internal audit's assurance plan, the full potential of the model cannot be realised. An agile audit approach is crucial to leveraging dynamic risk assessment results into actionable outcomes.

- **Governance & Enabling Technology** – Robust governance and enough enabling technology are also required to ensure that dynamic risk assessments can be effectively executed. Without the appropriate people, processes, and tools, the best designed dynamic risk assessment methodology can not be implemented.
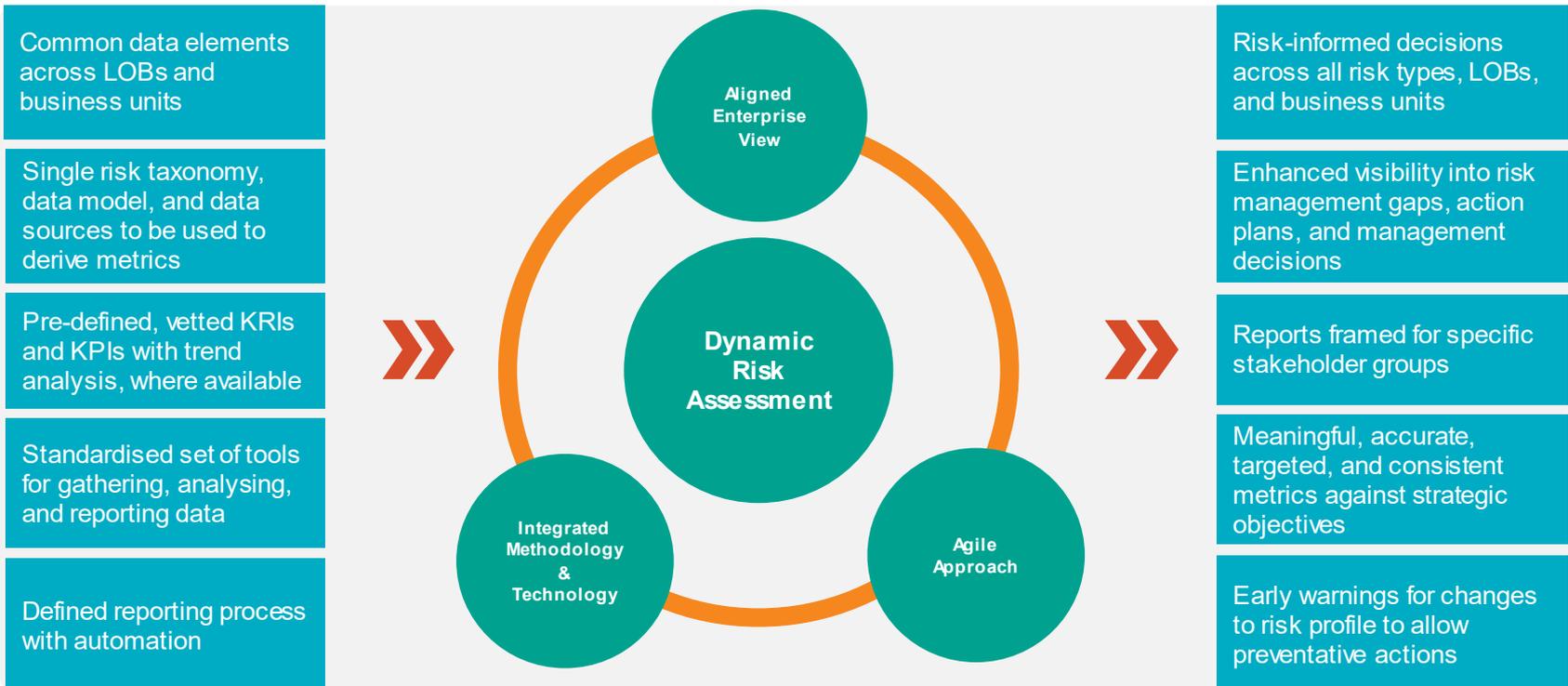
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DYNAMIC RISK ASSESSMENT

Approach

To adapt the risk assessment approach to more effectively quantify risk in a rapidly evolving business environment, on a real time basis, and execute relevant assurance work to align with key organisational risks and priorities, internal audit should adopt and align to the following key components of the organisation's risk management framework:

- Common data elements across LOBs and business units
- Single risk taxonomy, data model, and data sources to be used to derive metrics
- Pre-defined, vetted KRIs and KPIs with trend analysis, where available
- Standardised set of tools for gathering, analysing, and reporting data
- Defined reporting process with automation

Dynamic Risk Assessment
- Aligned Enterprise View
- Integrated Methodology & Technology
- Agile Approach

- Risk-informed decisions across all risk types, LOBs, and business units
- Enhanced visibility into risk management gaps, action plans, and management decisions
- Reports framed for specific stakeholder groups
- Meaningful, accurate, targeted, and consistent metrics against strategic objectives
- Early warnings for changes to risk profile to allow preventative actions

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DYNAMIC RISK ASSESSMENT

Dynamic Risk Assessment	METHODOLOGY

Challenges

- Lack of available technology
- Ensuring consistency of implementation across organisation
- Balancing qualitative and quantitative data
- Ongoing maintenance of risk assessments

- Using results to affect change
- Maintaining data governance
- Adapting with the organisation
- Alignment between IA, compliance, and operations

Risks Associated

- **Inconsistencies Across Lines of Defense** – lack of common risk taxonomy or view on risk within the enterprise
- **Inconsistencies in Evaluating Different Lines of Business** – no mechanism to quantify risk across business units or risk categories
- **Form Over Substance** – not making incremental progress while striving to develop the perfect risk assessment
- **Changing Data Models** – not adapting to changing data sources and KPI's within the business

- **Inaction from Results** – not leveraging dynamic results to dynamically impact assurance work or management reporting
- **Losing Professional Judgement** – solely relying on quantitative results and eliminating qualitative evaluation
- **Value Proposition to the Organisation –** Ability to operationalise dynamic risk assessment vs. the perceived benefit of existing processes

Lessons Learned

- **Open Lines of Communication** – Establish open lines of communication across the organisation to coordinate on changes to risk taxonomy, review emerging risks, and drive effective risk management.
- **Iterate Development and Maintenance** – Focus on the incremental implementation of a dynamic risk assessment model. By leveraging a solid foundational risk assessment model and iteratively adding dynamic components, incremental benefits will help inspire future change.

- **Leverage Automation** – To get the most out of a dynamic risk assessment, automation should be utilised where applicable to force auditor accountability and reduce time spent on manual risk assessment updates.
- **Drive Accountability** – Without appropriate accountability for maintaining risk assessments and taking required actions as a result, performance KPIs should be established to ensure auditors are consistently applying dynamic principles.

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