Observations based on a qualitative survey of large financial institutions (assets under management greater than $50 billion)

ROLES & RESPONSIBILITIES

Our survey results indicate that Professional Practices Groups:

- **Are...**
  - Independent
  - Integrated and aligned
  - Focused
  - Overarching
  - Systematic

- **Set...**
  - Strategy
  - Priorities
  - Methodology
  - Policies and procedures
  - Standards
  - Approach

- **Perform...**
  - Quality assurance
  - Stakeholder reportings
  - Data aggregation
  - Resource management

- **Provide...**
  - Tools
  - Guidance
  - Training
  - Metrics
  - Scheduling
  - Technological tools

- **Add Value in...**
  - Relationship management
  - Risk assessment
  - Issue tracking
  - Implementing best practices

The functional groups within Professional Practices commonly focus on the roles of:

- Strategy/methodology
- Quality assurance
- Training
- Talent management
- Reporting
- Technology support
- Data analysis
**STRUCTURE**

- **PPGs can range from 7 to 80+ staff members**
  - Assets Under Management > $500 billion
    - Internal audit headcount = 1,000+ professionals
    - PPGs range from 40 to 80+ professionals
  - Assets Under Management < $500 billion
    - Internal audit headcount = 100-900+ professionals
    - PPGs range from 7 to 40 professionals

- PPGs report directly to the Chief Audit Executive, with inherent link to the board of directors

**CHALLENGES**

- **Resource Management/People Retention**
  - Focus on best ways to retain top talent. Determine how to most effectively manage, track and report on Internal Auditor utilization rates. Ensure right skill sets are in place to execute on objectives.

- **Analytics and Methodologies**
  - Enhance dynamic risk assessment capabilities driven by data analysis. Develop methodology that provides risk-based coverage across universe and meets underlying requirements at legal entity and country level.

- **Reporting**
  - Track audit plan (actual vs. budget) and monitor against the risk assessment. Enhance board reporting on Internal Audit results, and improve overall reporting on Internal Audit objectives and business functions.
THE ROAD AHEAD

Current Key Initiatives

- Continuous monitoring/data analytics
- Implementation of GRC tool
- Reliance strategy on 1st and 2nd lines of defense
- Assess/meet heightened regulatory standards
- Staffing/talent management
- Expanding/enhancing quality assurance program

- Dynamic/continuous risk assessment
- Identifying/reporting thematic control issues
- Streamline audit process/simplify execution
- Expanding validation of regulatory findings
- Enhanced management and board reporting
- Developing standard guidance/procedures for specific topics (fraud, governance)

Focusing on Future Innovations

Holistic issue identification and evaluation

Identify an issue in one area, have a methodology to inquire consistently if it could be a problem somewhere else.

Horizontal partnering with other assurance and consulting providers

PPGs seek to cross borders of the enterprise and work with different teams to accomplish a goal – for example, Sales, IT Security, Risk Management, Legal.

Global audit coverage by a unified team

PPGs establish processes to bring together global teams with embedded auditors, including offshored or co-sourced providers, to provide a consistent, value-added approach to audit and risk management.