

# Banking Forum 2019

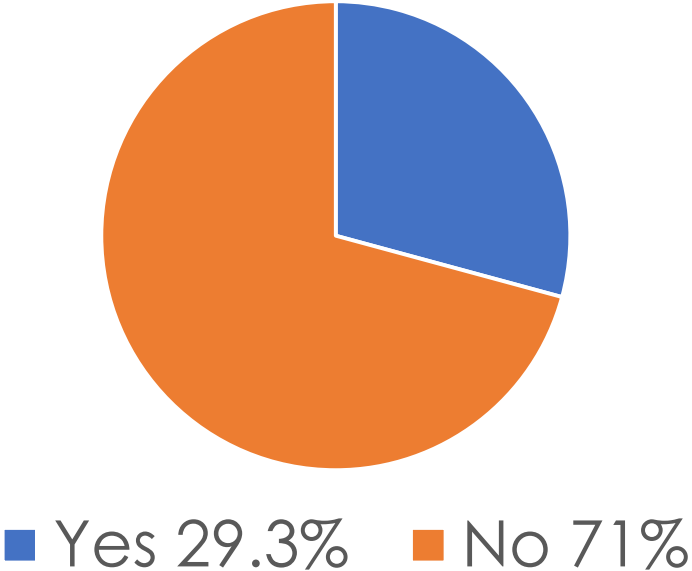
## Slido Results

# Breakout session 1:

## Skills & rotation of the internal auditors

# Do you have a «Guest Auditor» ‘ Programme for the colleagues from the Business joining for specific audits?

Average from each breakout session:



### Breakout session 1:

Yes = 38%

No = 63%

### Breakout session 2:

Yes = 25%

No = 75%

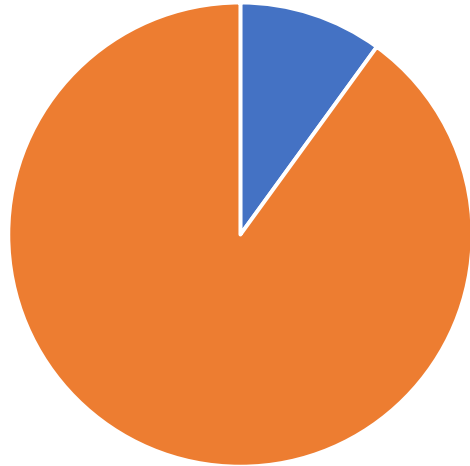
### Breakout session 3:

Yes = 25%

No = 75%

# Does your Bank have a mandatory rotations programme, requiring senior staff in the Business to rotate into control functions?

Average from each breakout session:



■ Yes 10.3% ■ No 89.6%

## Breakout session 1:

Yes = 0%

No = 100%

## Breakout session 2:

Yes = 15%

No = 85%

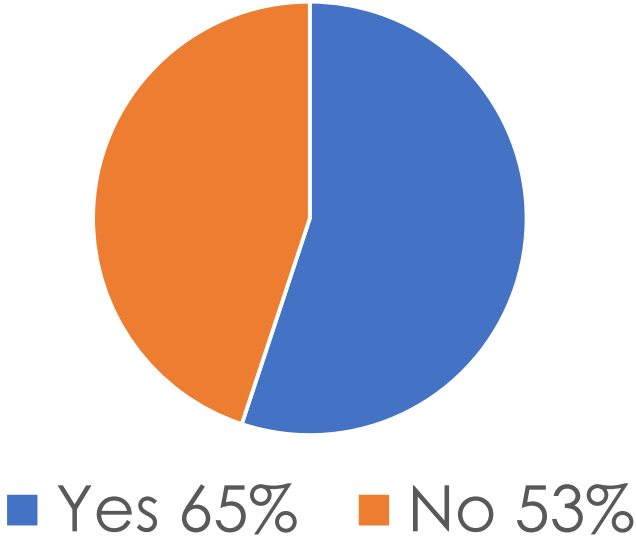
## Breakout session 3:

Yes = 16%

No = 84%

# Does the Audit Department have a Graduate intake? (Either as part of the Bank's graduate programme or separately)

Average from each breakout session:



### Breakout session 1:

Yes = 29%

No = 71%

### Breakout session 2:

Yes = 59%

No = 50%

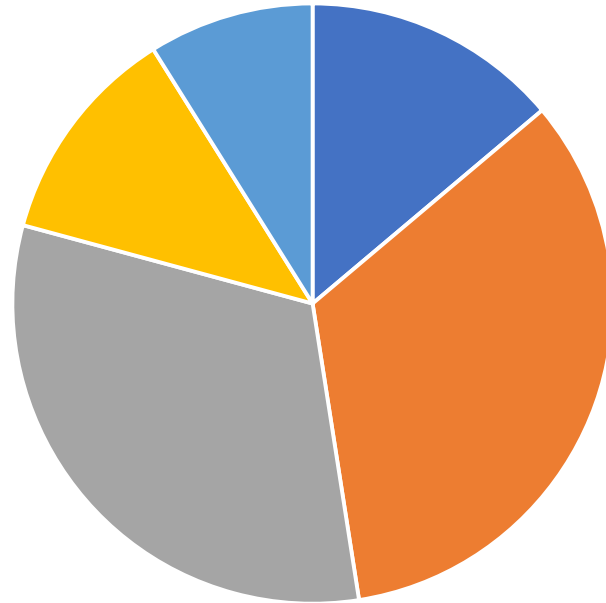
### Breakout session 3:

Yes = 62%

No = 38%

# What percentage of your staff come from a non-audit background?

Average from each breakout session:



■ <10% = 14%   ■ 10-25% = 34%   ■ 25-50% = 32%  
■ 50-75% = 12%   ■ >75% = 9%

## Breakout session 1:

<10% = 19%

10-25% = 33%

25-50% = 29%

50-75% = 10%

>75% = 10%

## Breakout session 2:

<10% = 8%

10-25% = 38%

25-50% = 31%

50-75% = 15%

>75% = 8%

## Breakout session 3:

<10% = 15%

10-25% = 30%

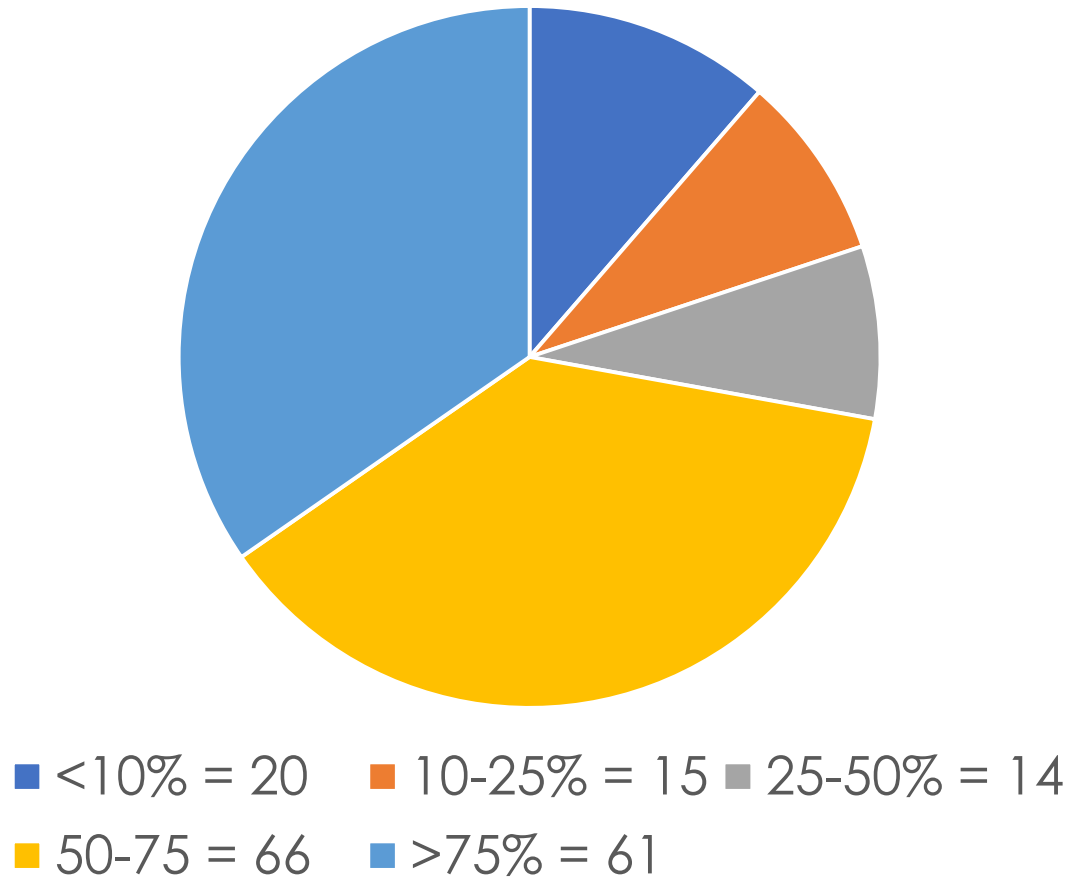
25-50% = 35%

50-75% = 10%

>75% = 10%

# What percentage of leavers from your department move to other roles within the Bank?

Average from each breakout session:



## Breakout session 1:

<10% = 29%

10-25% = 24%

25-50% = 10%

50-75% = 10%

>75% = 29%

## Breakout session 2:

<10% = 21%

10-25% = 7%

25-50% = 7%

50-75% = 36%

>75% = 29%

## Breakout session 3:

<10% = 10%

10-25% = 15%

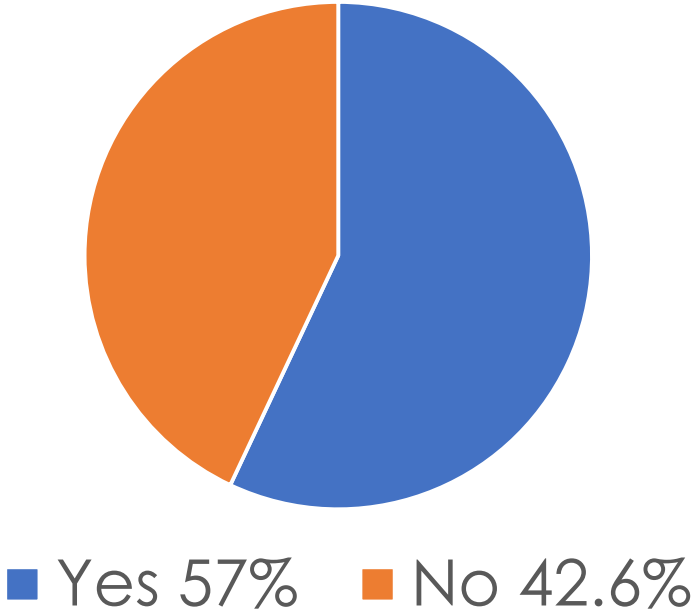
25-50% = 25%

50-75% = 20%

>75% = 30%

# Do you have a documented skills gap analysis for your department?

Average from each breakout session:



### Breakout session 1:

Yes = 62%

No = 38%

### Breakout session 2:

Yes = 57%

No = 43%

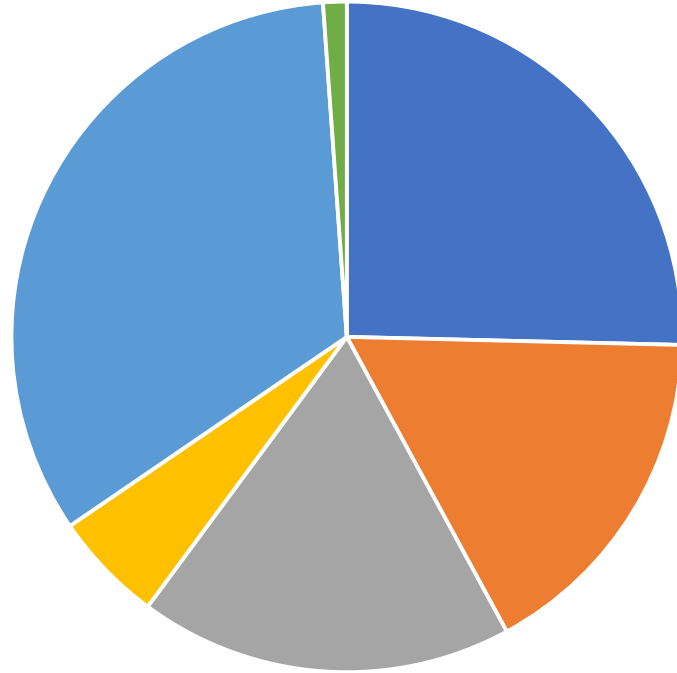
### Breakout session 3:

Yes = 53%

No = 47%

# Which skills are you most short of today?

Average from each breakout session:



■ Data Analytics = 38%

■ Cyber Security = 25.3%

■ Quantitative Modelling = 27%

■ Digital = 8.3%

■ Business Acumen = 0%

■ Other = 1.7%

## Breakout session 1:

Data Analytics = 38%

Cyber Security = 14%

Quantitative Modelling = 29%

Digital = 14%

Business Acumen = 0%

Other = 5%

## Breakout session 2:

Data Analytics = 29%

Cyber Security = 36%

Quantitative Modelling = 36%

Digital = 0%

Business Acumen = 0%

Other = 0%

## Breakout session 3:

Data Analytics = 47%

Cyber Security = 26%

Quantitative Modelling = 16%

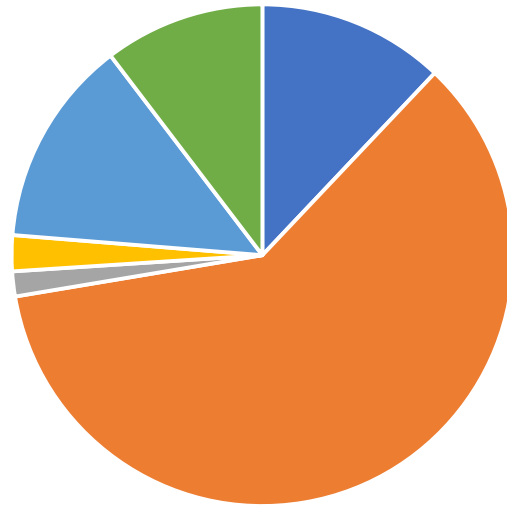
Digital = 11%

Business Acumen = 0%

Other = 0%

# Which of the following areas do you think it will be most important for IAFs to have sufficient skills to in the future?

Average from each breakout session:



- Robotic Process Automation = 12%
- Artificial Intelligence = 60%
- Blockchain = 1.6%
- Fintech Partnerships = 2.3%
- Open Banking 13.3%
- Other = 10.3%

## Breakout session 1:

Robotic Process Automation = 29%  
Artificial Intelligence = 28%  
Blockchain = 0%  
Fintech = 0%  
Open Banking = 14%  
Other = 19%

## Breakout session 2:

Robotic Process Automation = 7%  
Artificial Intelligence = 79%  
Blockchain = 0%  
Fintech = 7%  
Open Banking = 0%  
Other = 7%

## Breakout session 3:

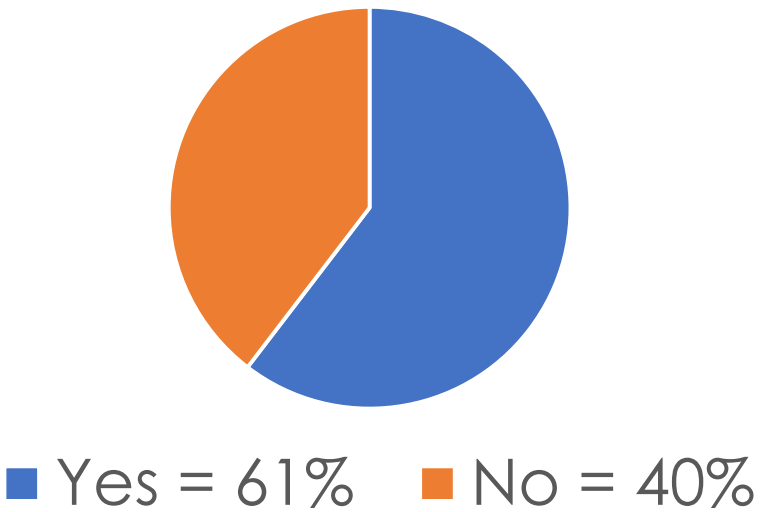
Robotic Process Automation = 0%  
Artificial Intelligence = 63%  
Blockchain = 5%  
Fintech = 0%  
Open Banking = 26%  
Other = 5%

# Breakout session 2:

## Audit Function effectiveness evaluation

# Does your Audit Committee conduct a formal assessment of the IAF each year?

Average from each breakout session:

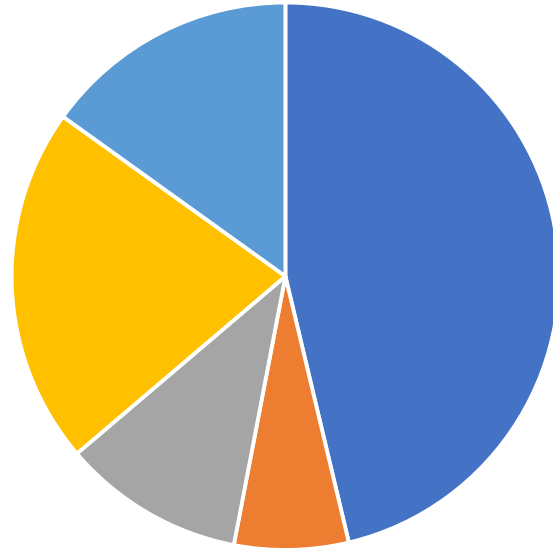


- Breakout session 1:**  
Yes = 67%  
No = 33%
- Breakout session 2:**  
Yes = 47%  
No = 53%
- Breakout session 3:**  
Yes = 68%  
No = 32%



# If yes, is this based on (select the most relevant):

Average from each breakout session:



- IAF Self-assessment = 46%
- Feedback from the Business = 6.7%
- Evaluation by external audit = 10.7%
- Evaluation by a 3rd Party = 21%
- Other = 15%

## Breakout session 1:

IAF Self-assessment = 50%  
Feedback from the business = 14%  
Evaluation by external audit = 7%  
Evaluation by a 3<sup>rd</sup> party = 29%  
Other = 0%

## Breakout session 2:

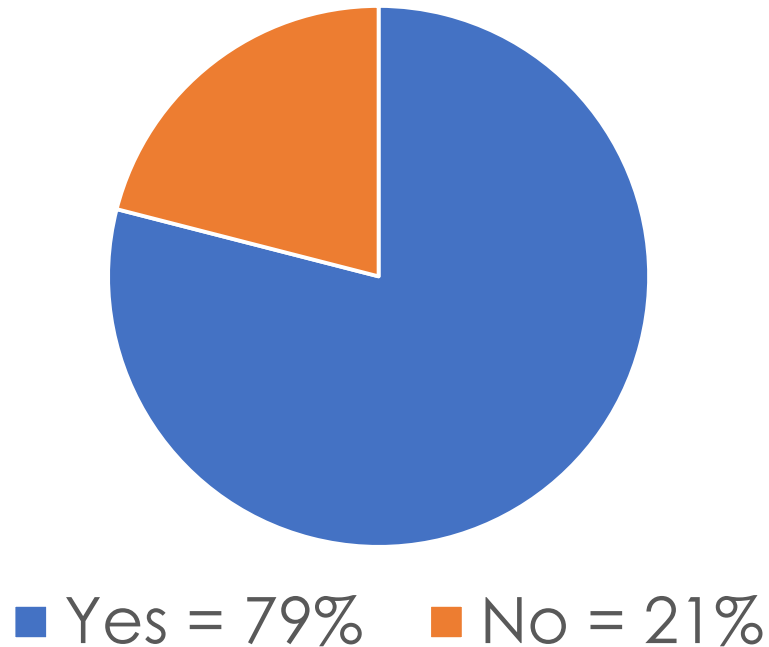
IAF Self-assessment = 44%  
Feedback from the business = 6%  
Evaluation by external audit = 25%  
Evaluation by a 3<sup>rd</sup> party = 25%  
Other = 0%

## Breakout session 3:

IAF Self-assessment = 45%  
Feedback from the business = 0%  
Evaluation by external audit = 0%  
Evaluation by a 3<sup>rd</sup> party = 10%  
Other = 45%

# Does your AF have an agreed set of KPIs that are tracked by Management and the Audit Committee?

Average from each breakout session:



## Breakout session 1:

Yes = 85%

No = 15%

## Breakout session 2:

Yes = 74%

No = 26%

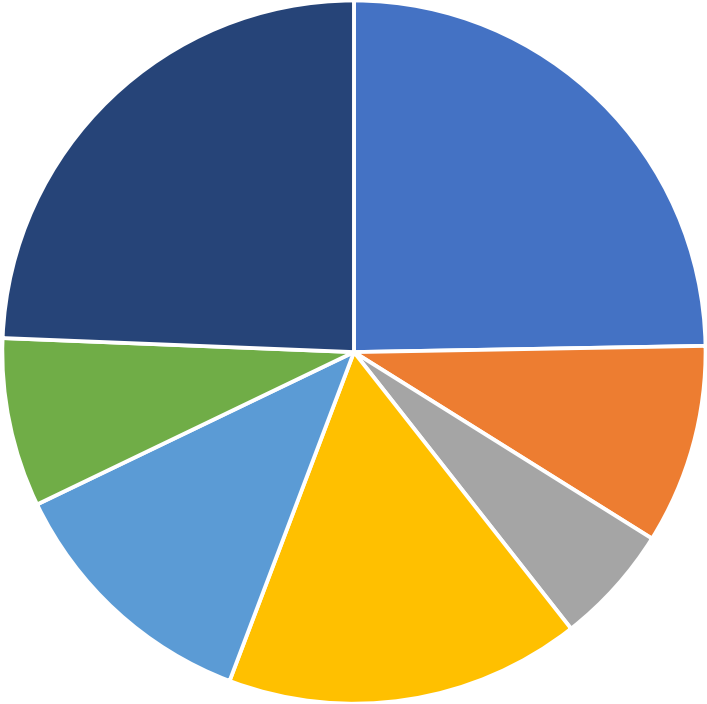
## Breakout session 3:

Yes = 79%

No = 21%

# What do you believe are the most important criteria in assessing the effectiveness of an IAF (please select 3 answers)?

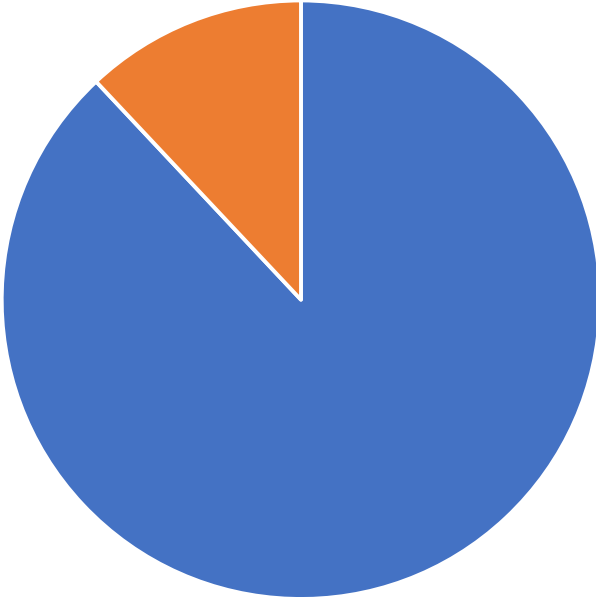
Average from each breakout session:



- Completing the Audit Plan – i.e. Audit Reports Issued (volume, quality and timeliness) = 70%
- Timely closure of open findings by Management = 26%
- Timely validation to confirm closure of findings by the IAF = 15.6%
- Impact of audit work on the agenda of the Board Audit and Board Risk Committee = 46.3%
- Quality of Board Reporting = 34.3%
- Results of Internal QA Functions Work = 22%
- Results of external reviews, on-site inspections or external quality reviews. = 69%

# Do you receive regular feedback on the performance of your function?

Average from each breakout session:



■ Yes = 88%   ■ No = 12%

### Breakout session 1:

Yes = 100%

No = 0%

### Breakout session 2:

Yes = 89%

No = 11%

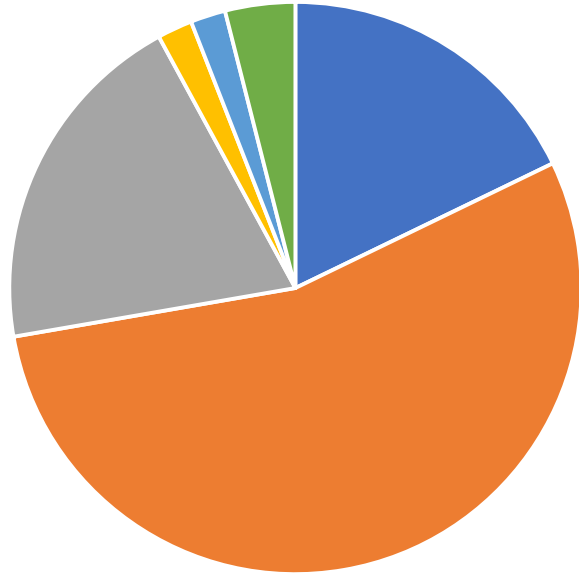
### Breakout session 3:

Yes = 74%

No = 26%

# If yes, please specify from whom?

Average from each breakout session:



- CEO = 18%
- Audit Committee = 55%
- Senior Management = 20%
- External audit = 2%
- Regulator = 2%
- Other = 4%

## Breakout session 1:

CEO = 21%  
Audit Committee = 64%  
Senior Management = 14%  
External Audit = 0%  
Regulator = 0%  
Other = 0%

## Breakout session 2:

CEO = 22%  
Audit Committee = 61%  
Senior Management = 6%  
External Audit = 0%  
Regulator = 6%  
Other = 6%

## Breakout session 3:

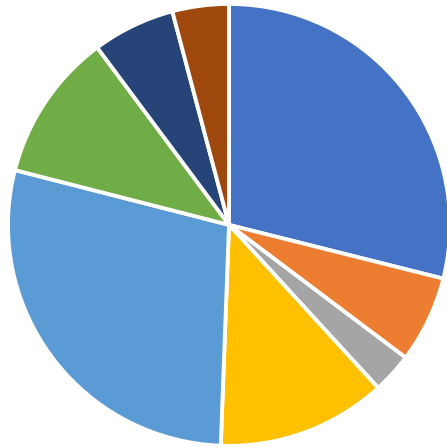
CEO = 11%  
Audit Committee = 39%  
Senior Management = 39%  
External Audit = 6%  
Regulator = 0%  
Other = 6%

# **Breakout session 3:** General role of the internal audit function in the future

# What are biggest risks to the future of established Banks?

## Please select 3

Average from each breakout session:



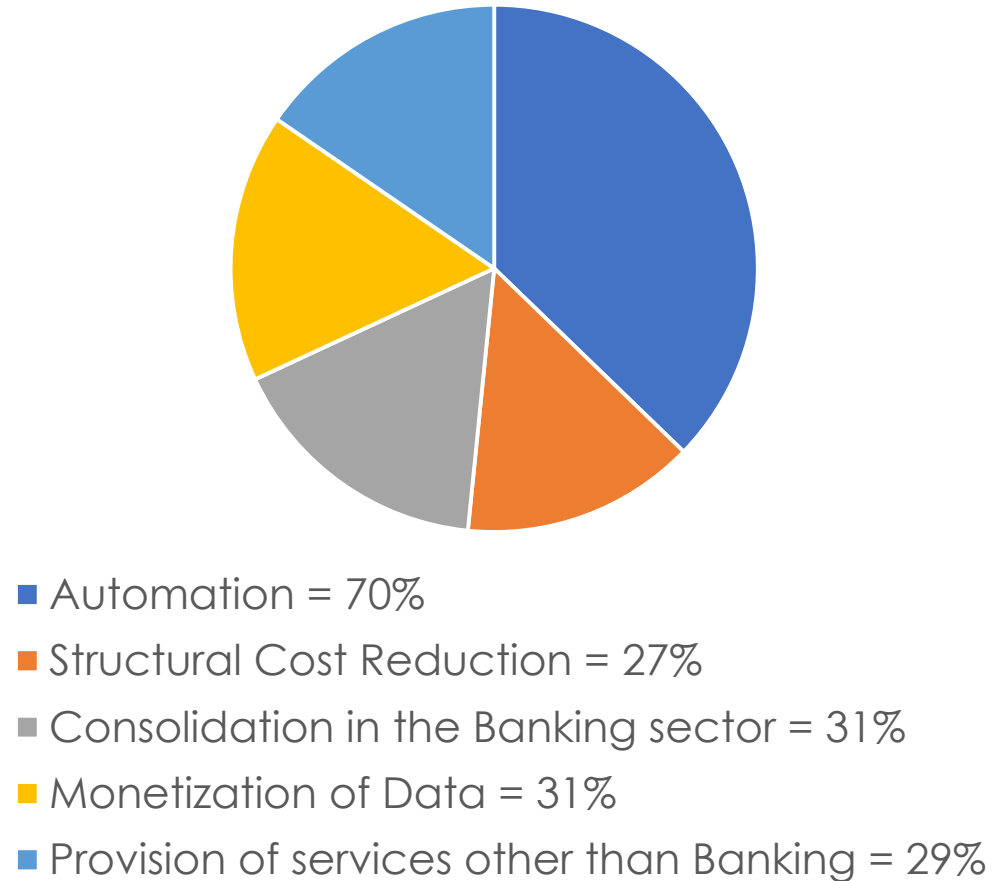
- Business Model Risk = 56%
- Sustainability = 12.3%
- Competition from Fintechs = 5.7%
- Competition from Big techs = 24%
- Cyber Security = 55%
- Poor Data Quality = 21%
- Conduct Risk = 11.7%
- Reputational Risk for established Banks = 8%

Poll Option:	Breakout Session 1:	Breakout Session 2:	Breakout Session 3:
<b>Business Model Risk</b>	42%	73%	54%
<b>Sustainability</b>	13%	9%	15%
<b>Fintech Competition</b>	8%	9%	0%
<b>Big tech Competition</b>	17%	9%	46%
<b>Cyber Security</b>	79%	41%	46%
<b>Poor Data Quality</b>	13%	27%	23%
<b>Conduct Risk</b>	13%	14%	8%
<b>Reputational Risk for established banks</b>	8%	9%	8%

# What are the biggest opportunities for Banks in the future?

## Please select 2

Average from each breakout session:



### Breakout session 1:

Automation = 75%

Structural Cost Reduction = 25%

Consolidation in the Banking Sector = 33%

Monetisation of data = 29%

Provision of other services other than banking = 25%

### Breakout session 2:

Automation = 64%

Structural Cost Reduction = 27%

Consolidation in the Banking Sector = 32%

Monetisation of data = 27%

Provision of other services other than banking = 32%

### Breakout session 3:

Automation = 71%

Structural Cost Reduction = 21%

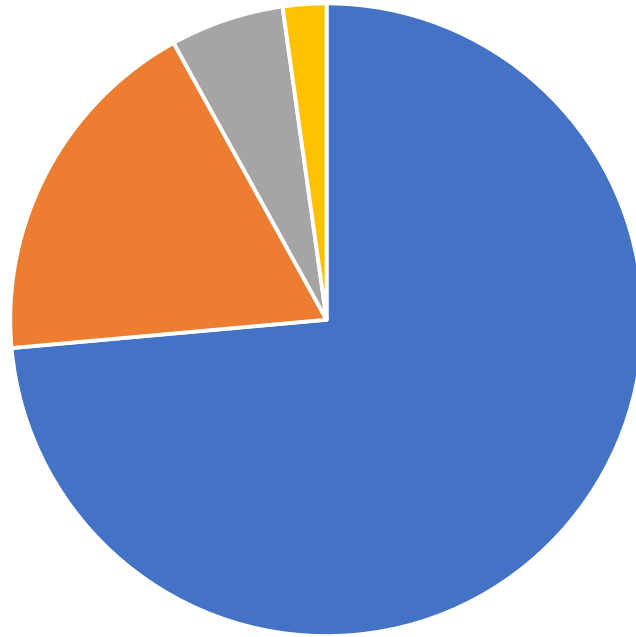
Consolidation in the Banking Sector = 29%

Monetisation of data = 36%

Provision of other services other than banking = 29%

# Will the role of Internal Audit have changed in 10 years time?

Average from each breakout session:



■ Yes = 76%                      ■ Somewhat = 19%  
■ Not much = 6%                ■ No = 2.3%

## Breakout session 1:

Yes = 82%  
Somewhat = 18%  
Not much = 0%  
No = 0%

## Breakout session 2:

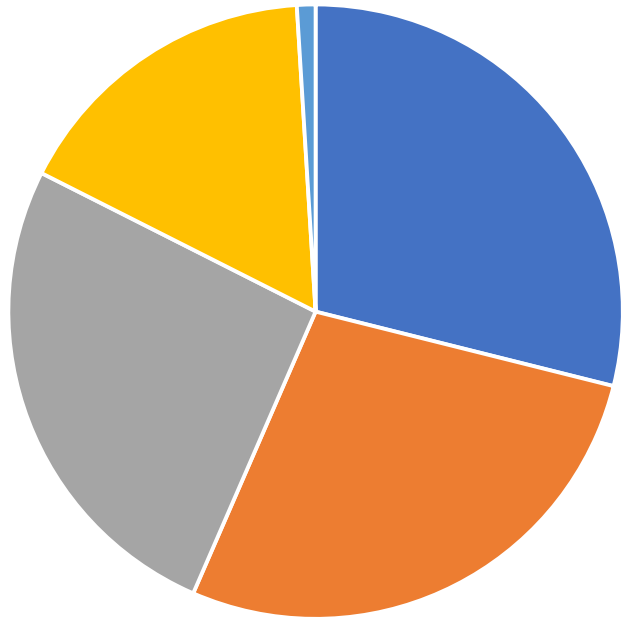
Yes = 74%  
Somewhat = 17%  
Not much = 19%  
No = 0%

## Breakout session 3:

Yes = 71%  
Somewhat = 21%  
Not much = 0%  
No = 7%

# In 10 years time, IA will spend most of their time doing: (choose up to 3)

Average from each breakout session:



- Continuous Monitoring of the Bank's data = 68%
- A mix of traditional audits and data analytics = 65%
- Oversight of the 2nd Line of Defence = 61%
- Predominately governance reviews 39%
- No significant change from today = 2.3%

## Breakout session 1:

Continuous monitoring of bank's data = 68%  
A mix of traditional audits and data analytics = 64%

Oversight of 2<sup>nd</sup> line of defence = 59%

Predominantly governance reviews = 32%

No significant change from today = 0%

## Breakout session 2:

Continuous monitoring of bank's data = 64%  
A mix of traditional audits and data analytics = 68%

Oversight of 2<sup>nd</sup> line of defence = 73%

Predominantly governance reviews = 41%

No significant change from today = 0%

## Breakout session 3:

Continuous monitoring of bank's data = 71%  
A mix of traditional audits and data analytics = 64%

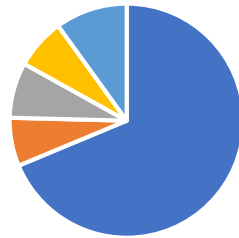
Oversight of 2<sup>nd</sup> line of defence = 50%

Predominantly governance reviews = 43%

No significant change from today = 7%

# How to start preparing IA?

Average from each breakout session:



- New resources/skills = 69%
- New tools = 6.7%
- New methodologies = 7.7%
- New subjects to audit = 7%
- New assurance process = 10%

## Breakout session 1:

New resources / skills = 87%  
New tools = 4%  
New methodologies = 0%  
New subjects to audit = 9%  
New assurance process = 0%

## Breakout session 2:

New resources / skills = 55%  
New tools = 9%  
New methodologies = 9%  
New subjects to audit = 5%  
New assurance process = 23%

## Breakout session 3:

New resources / skills = 64%  
New tools = 7%  
New methodologies = 14%  
New subjects to audit = 7%  
New assurance process = 7%