

Webinar | Human Capital, diversity, and talent management: how to manage this growing risk? | Key messages

The webinar has welcomed up to 362 attendees and took place on April 26, 2022.

It was facilitated by Ruth Prickett, Editor of Audit & Risk Magazine at IIA UK & Ireland.

We welcomed as speakers: Marta Luaces Calpe, Head of Internal Audit of Europe, Latin America and Africa and Dermot Byrne, Head of Audit for the department of Public Expenditure Reform in Ireland.

1. How to attract and retain internal auditors?

Covid has accelerated the market evolution that became more competitive and candidates look for more flexibility. There is also a need to manage by objective (not by presence), to find new ways to achieve commitments and loyalty of the employees.

In large groups, geographical mobility is facilitated.

The career path is important and we can send auditors to the business, after few years of audit experience. For the recruitment, it can be the other way around: giving training about internal audit practices to people coming from the business.

Some best practices that can help:

- clear definition of the vision and principles of internal audit
- internal audit functions open to new skills, diversity elements
- very detailed "on boarding" program for new auditors
- training and monitoring
- remuneration package in line with the market
- talent identification and adequate promotion process
- exit interview to identify key reasons of leaving and analyze them
- creation of an internal audit community.....

2. What are the skills for an internal auditor in the future?

Manual tasks are disappearing and we need internal auditors to operate the "machines", the artificial intelligence.

Soft skills remain key to gain confidence and trust from the Management, the auditees and the Governing Body.

Flexibility, adaptability, communication are essential.

There is a need to mix "specialists" profiles to cover all areas needed.



3. How to consider that companies “comply” with diversity?

Diversity is very broad: it includes concepts such as gender, disability, age, race, ethnicity, nationality, religion, mental health.....

Internal audit can play an advisory role (ex-ante) and audit the implementation of “diversity” criteria (ex post): selection process that includes non-discrimination measures, clear and measurable objectives for variable pay, absence of discrimination in remuneration, career.

The vision statement should include the objectives (equitable and fair, innovation, considering the public as a whole...)/

Tone at the top is very important and the cooperation with other departments such as HR is key.

It is also important to report regularly on progress in these areas.

4. How can internal auditors assist the governing body managing human capital?

It is crucial to understand the current culture and not to be too ambitious: behaviors are not easy to translate.

In less advanced companies, internal audit can act as a trusted advisor and cooperate with HR or specific workgroups to help for the development of the frameworks (retention, commitment,....).

In more advanced companies, internal audit can evaluate the initiatives developed and ensure that they have been implemented properly. They can assess the KPIs and ensure that they are reliable, pertinent and sufficient for decision making but also that they are sufficient and timely for the governing body.

Concrete examples where internal audit can contribute:

- identification of required talents,
- recruiting, equity, inclusion and pay equality
- hybrid teams
- health and wellness

And the conclusions of the audit can be very useful for the HR departments.

