



On the CAE Agenda Q1/Q2-2023 – Financial Services

The role and focus of internal audit (IA) in financial services is ever-evolving. This installment of the KPMG’s On the CAE Agenda series provides quick insights into what IA leaders within financial services are currently hearing, considering, doing, and discussing with their stakeholders across the core elements of their CAE agenda.



Hot topics in internal audit and key focus areas for financial services

- Auditing in an inflationary environment (e.g., interest rate risk and counterparty credit risk)
- Adequacy of risk management, contingency, and business continuity plans
- Providing real time feedback to Board and Audit Committee regarding effectiveness of current risk management process
- Data enabled continuous monitoring on emerging risks and uncertainties
- Asset / Liability management with a focus on liquidity, capital, and stress testing
- Auditing digital platforms and complex AI models
- Resolution and recovery planning
- Mergers and Acquisitions with a focus on integration activities (e.g., pre and post legal day 1, MRA/MRIA issue validation)
- Data, Reporting, and Cybersecurity
- Digital payment platforms and processes (including digital assets)
- Climate & sustainability impact on the business (ESG strategy and reporting)
- Fraud risk management and financial crimes
- Business continuity and operational resiliency
- Governance over modern delivery (e.g. Agile, DevOps)

Q1/Q2 spotlight on:

Digital acceleration

- IA’s role in the company’s data quality and governance journey
- Adoption/use of AI technologies
- [Data-driven enterprise & IA risk assessment](#)

New ways of working

- Balancing in-person versus virtual work to continue fostering growth
- Overall shift in competencies and skill sets needed given shifts in IA delivery model (e.g. enterprise acumen and cultural and behavioral awareness)
- Becoming a talent engine for the organization (e.g. rotational programs, guest auditors, career pathing) and retention of talent

Operating model agility

- Challenging IA’s operational model (e.g., centers of excellence, data & analytics, transformation)
- Regulatory impacts: Timely understanding of key regulatory change and assessing management preparedness for evolving regulatory expectations
- [Real-time Agile risk assessments and continuous monitoring](#) (e.g. impact from global events)

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