

On the CAE Agenda - First half of 2024

The role and focus of internal audit (IA) is ever-evolving. This installment of the *KPMG On the CAE Agenda* series provides quick insights into what IA leaders were hearing, doing, and discussing with their stakeholders across the core elements of their business agendas during the final quarter of 2023, and the trends they believe will continue to drive discussion throughout the first half of 2024.





Hot topics in IA and key focus areas

- Cybersecurity (e.g., Securities and Exchange Commission ruling/disclosure, <u>ransomware incident response</u>, phishing, data theft)
- · Third-party risk management
- · Auditing digital platforms and complex artificial intelligence (AI) models
- Risks and opportunities from impact of generative AI (i.e., operations, products)
- · Business continuity and disaster recovery
- Information technology (IT) resiliency (ability of an organization to maintain acceptable service levels when there is upskilling a disruption of critical operations, IT ecosystem)
- Business transformation support (e.g., ERP or EPM implementation, digitization)
- ESG strategy and reporting (e.g., data governance)
- · Climate change impact on the business
- Economic and geopolitical uncertainties
- Auditing in an inflationary environment (e.g., cost recovery audits and risk prioritizations)
- Fraud risk assessment
- Global Internal Audit Standards (Released January 2024 by Institute of Internal Auditors)

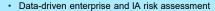
Spotlight on:

New ways of working

- Need for more specialized or mature capabilities around technology, data analytics, and insights (generative AI)
- Overall shift in competencies and skill sets needed given shifts in IA delivery model (e.g., enterprise acumen and cultural and behavioral awareness)
- Upskilling IT and enterprise technology acumen

Data, analytics, and insights

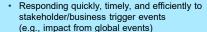




- Need for more specialized or mature capabilities around technology, data, and insights
- IA's role in the company's data quality and governance journey
- Challenging IA's operational model (e.g., centers of excellence, data and analytics, transformation)

Operating model agility

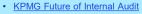




 Exploring opportunities for cost reduction through shared services or offshore resources while not reducing coverage or quality Shared services

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