



On the CAE Agenda Q1/Q2-2024 – 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 were hearing, doing, and discussing with their stakeholders across the core elements of their business agendas during the first half of 2024, and the trends they believe will continue to drive discussion throughout the rest of the year.



- ### Hot topics in IA and key focus areas for financial services
- Cybersecurity (e.g., Securities and Exchange Commission ruling/disclosure, ransomware incident response, phishing, data theft)
 - Data Governance and a consolidated data strategy
 - Talent transformation, retention, and skillset assessment
 - Risk Governance in evolving and uncertain economic and geopolitical environments
 - Financial Crimes Programs, including CFT and OFAC compliance
 - Dynamic and well supported risk assessment methodologies
 - Third-party risk management
 - Risks and opportunities from impact of generative AI (i.e., operations, products)
 - Information technology (IT) and Operational Resilience
 - Change Management (i.e., significant changes in leadership, operations, risk management frameworks, and business activities)
 - ESG strategy and reporting (e.g., data governance)
 - Global Internal Audit Standards (Released January 2024 by Institute of Internal Auditors, and effective for 2025)
 - Regulatory scrutiny on heightened standards and intensified supervision and examination
 - Enterprise wide risk and control self assessments and issues management

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



- Adoption/use of AI technologies in IA
- Data-driven enterprise and IA risk assessment
- Need for more specialized or mature capabilities around technology, data, and insights
- IA’s role in the company’s data quality and governance journey
- Enhancing IA’s operational model (e.g., centers of excellence, data and analytics, transformation)

Operating model agility



- Creating more concise, impactful reporting
- Responding quickly, timely, and efficiently to stakeholder/business trigger events (e.g., impact from global events)
- Exploring opportunities for cost reduction through shared services or offshore resources while not reducing coverage or quality

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