GRMI'S 2018 INTERNAL AUDIT SURVEY

In Association with

IIA INDIA

Global Risk Management Institute

Associate Partner

The Institute of Internal Auditors India

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Foreword from Chair, IIA National Conference – Mumbai 2019

NAGESH PINGE

Chair, IIA National Conference Mumbai 2019 & Global Committee Member of International Internal Auditor Standards Board of IIA

The Internal Audit survey 2018 is a unique initiative taken up by the Global Risk Management Institute ("GRMI") in partnership with The Institute of Internal Auditors , India, amongst the IIA members / CXOs, CAEs and Risk Leaders. The survey is based on the role of Internal auditors & risk professionals in the strategic decision making process and how investments in training, skill development and technology can play a key catalyst role in strengthening the effectiveness of IA function. The survey has derived some valuable learnings, insights and food for thought for risk leaders as well as budding risk professionals. The survey brings out the significant play risk professionals can have in the strategic decision making process of organizations and how wearing a risk lens can make them more sought after. The survey additionally brings out the fact that though cutting edge technology has amazing potential to enhance effectiveness of risk professionals, there is also a glaring need to enhance the skill sets of young risk professionals in a structured manner. Skill enhancement needs to be not only around use of available tools and techniques, but also about application in the context of risk management assignments that one undertakes in order to be change catalysts and drive value.

GRMI has also been instrumental in identifying this need and creating a structured education programme in risk management to address a skill set gap that exists in a larger context in terms of a GRMI has also been instrumental in identifying this need and creating a structured education programme in risk management to address a skill set gap that exists. Their program by providing experiential learning in risk management would look to develop outstanding risk intelligent professionals for corporates and consulting firms. This would definitely be an invaluable service to the business and internal audit community.

I would sincerely thank all the respondents who participated in the survey and the senior leaders who spared time to share their valuable insights. A special thanks to GRMI for taking up this wonderful initiative.

Nagesh Pinge *is an Expert in Ethics, Corporate Governance, Risk Management & Internal Audit. In a career spanning 35 years, he has worked with many organizations of repute. He retired from Tata Motors in November 2016 as "Chief-Internal Audit, Risk Management & Ethics". Prior to that he was Chief Internal Audit of Reliance Retail Ltd & JSW Steel Ltd. Mr. Pinge has also worked for ICICI Bank & its Group Companies in Risk Management (Chief Risk Officer), Regulatory Compliance and Internal Audit (Group Head-Internal Audit).*

He is currently an Independent Director on Arvind Fashions Limited (Member Audit Committee & Risk Management Committee), Motilal Oswal Trustee Limited(Member Audit Committee), MCX Clearing Corporation Limited (Risk Management Committee, Nomination & Remuneration Committee & Chairman-Audit Committee), Inventia Healthcare Limited (Member-Audit Committee & Chairman-Nomination & Remuneration Committee) & NKGSB Co-Op Bank Limited.

Foreword from Founder and Mentor, GRMI

SUBHASHIS NATH
Founder & Mentor
Global Risk Management Institute Founder, Axis Risk Consulting, now Genpact Enterprise Risk Consulting LLP

As the Mentor at Global Risk Management Institute ('GRMI'), I am delighted to share our first Internal Audit Survey in collaboration with Institute of Internal Auditors, India. It brings forth thought provoking insights into how risk & internal audit professionals in corporates can elevate their roles in their individual organizations and also how consulting professionals can get engaged/ consulted by corporate CXOs for more of their key and strategic decision making.

Some of the key themes that stand out are as follows:

Internal Audit professionals will be a lot more valued if they can continue to focus on applying a more comprehensive risk lens. The ask really would be to look beyond the traditional approaches and start thinking about what if scenarios as against business as usual situations;

There is clear appreciation of the need to quite significantly increase the pace of adoption of advanced technologies - artificial intelligence, machine learning, behavioral science, to make the risk & internal audit professionals a lot more relevant;

Adoption of technology and ability to apply a risk lens also comes up with need for deeper business domain understanding and also need for more structured and continuous skillset enhancement roadmap for most professionals;

We hope the results will allow you to benchmark yourselves and focus your attention on areas where you find yourselves being below leading practices and how by bringing about some changes in your approach to embracing digital disruption and skill set enhancement of your team members you may be able to get yourself to a leader position.

I would like to thank all the respondents for making time to respond to the survey and also the set of senior professionals who made time to have live interaction with the GRMI research team and provide some incredibly insightful and qualitative perspectives to enrich the survey results. GRMI looks forward to continuing this survey on an annual basis as agreed with IIA India, and would request more professionals in the risk and internal audit fraternity to participate to allow GRMI to provide even more rich output basis insights of more representative respondent set.

Subhashis Nath *is a Senior Global Partner and Executive Director at Axis Risk Consulting Services Pvt Ltd, a Genpact Company. He was the founder partner of Axis Risk Consulting in September, 2004. Prior to Axis, he spent nearly 2 years with the Global Center of Excellence of Ernst & Young, and about 9 years with Arthur Andersen. He was part of the core team that built Risk Consulting practice of Arthur Andersen in India. Subhashis has been focusing on Enterprise Risk & Compliance for the last 20+ years and brings deep domain knowledge around specific solutions, such as Anti Corruption, ERM, Third Party Risk Management, Internal Audit & SOX. He has experience in building Centres of Excellence for global majors, along with implementing hybrid delivery model, combining on-shore and off-shore solution delivery.*

Survey Methodology

The 2018 Survey on Role of Risk & Internal Audit Professionals in Strategic Decision Making, is sponsored by the Global Risk Management Institute, Gurugram in collaboration with the Institute of Internal Auditors, India. The survey was conducted involved 26 questions with responses involving a mix of multiple choice & ranking of parameters methodology. The questions were structured around four themes:

- ***Role of internal audit & risk professionals in strategic decision making process;***
- ***Role of technology in enhancing the role of internal audit and risk professionals and making them more effective and efficient?***
- ***Is the internal audit community investing adequate time and resource in training and skill set enhancement of young professionals?***
- ***Contribution in driving efficiency in overall cost of controllership in organizations.***

The questionnaire was circulated to senior internal audit and risk management professionals from both corporates and consulting organizations, with respondents from large and mid sized operations, to ensure we got a representative view. The survey was circulated to 250+ professionals. Responses were received from over 100 professionals. Given the nature of questions and themes covered in the survey, it was important to ensure that the respondents had the necessary experience level and exposure to multiple facets of risk management to not skew the scores and the resultant potential conclusions. This required us to eliminate about 20% of the responses. The experience profile of the final respondents that have been considered for the results shared in the subsequent pages are as follows:

- ***54% of these responses were professionals with 15-25 years of work experience;***
- ***46% responses were from professionals with 25-42 years of work experience.***
- ***The respondents fairly equitably represented views of corporates and consulting organizations.***

To get deeper insights as well as gain qualitative perspective on the various themes, the academic team of GRMI also spoke to ~12 senior risk leaders. Their views have been appropriately incorporated in the analyses provided across various themes in the subsequent pages and also captured verbatim in many cases to retain the original message as picked up during discussions with these leaders.

Summary of Respondents

ORGANISATION CATEGORY	NUMBER OF RESPONDENTS
Large Consulting firms	7
Small Consulting firms	22
Large Corporates	32
Small Corporates	21
Total	82

• ACC Limited • Allcargo Logistics Limited • Apollo Hospitals Enterprise Limited • Andhra Pradesh Grameena Vikas Bank • Arvind Fashions Limited • Ashok Leyland Limited • BCCL • BDO India LLP • Bennett Coleman & Co. Limited • Berger Paints India Ltd- British Paints Division • Cholamandalam Ms General Insurance Company Limited • CNK & Associates LLP • Dalmia Bharat • DCM Shriram Limited • Deloitte • DHFL • EFL • Electronic And Power Control Co. • Felix Advisory Private Limited • Flipkart • Ernst & Young • Fortis Healthcare Limited • Genpact • Godrej Group • Grant Thornton • GSC • Gulf Oil International • Haribhakti & Co. LLP • JSW Steel Limited • Lavasa Corporation Limited • Lodha Group • Khandhar Mehta & Shah • K S Aiyar & Co • Magma Fincorp Limited •Mahindra HZPC Limited • Metro Brands Limited (Formerly Metro Shoes Limited) • MJunction Services Limited • Mukund & Rohit • Nigam Consultancy • O P Rathi & Co. • Parekh Shah & Lodha • PKC Advisory • PKF Sridhar & Santhanam LLP • RAMASWAMY T S • RGN Price & Co. • SBI • SCV & Co LLP • Shahi Exports Pvt. Limited • Siemens Limited • Singhvi, Dev & Unni • Srei Equipment Finance Limited • Standard Chartered Bank • Sudit K Parekh & Co., Chartered Accountants • Sun Pharmaceuticals Industries Limited • Tata Capital • Tata Capital Limited • Tata Capital Financial Services • Tata Capital Financial Services Limited • Trent Limited • Tata Housing • Tata Motor Finance Limited • The Indian Hotels Company Limited • Thyssenkrupp India Pvt. Limited • TIAA • TNM & CO. • TNT India Pvt. Limited • Trent Hypermarket Pvt. Limited • Vidyadharan & Associates • Waycool Foods & Products P Limited

GRMI Brainstorming Room

Executive Summary

With increase in complexities in the business environment, enhanced expectation investors and oversight by regulators, there is a pressing need for organizations to review and transform operations towards enhancing operations excellence and effectiveness. It also requires organizations to identify and evaluate risk implications in more of their key and strategic decisions. This enables them to reduce uncertainties, be better prepared to deal with non business as usual scenarios and also drive competitive advantage by generating value. These demanding expectations require organizations to have risk professionals take on roles beyond what many of us viewed as role of traditional internal auditors. They require risk leaders and risk professionals to be catalysts for change and enablers of value creation.

Purely going by the responses, there appears to be greater level of engagement of risk professionals by their CXOs versus what the consulting firms seem to experience. This potentially could be an indicator of the business domain depth of internal risk teams, which when coupled with their risk perspective makes them more valuable for the business leaders versus consulting firms. That said it might be worth evaluating whether internal risk leaders and teams have as much exposure to industry and global leading practices on risk management to provide the best advise to their business leaders. Irrespective, there is a very consistent and resounding view across all respondents that an ability to bring in a 360 degree risk lens effectively will make risk and internal audit teams more sought after by CXOs and also put them on a steeper growth trajectory.

There is an unanimous view that technology including artificial intelligence, machine learning and cutting edge analytic tools has potential to enhance the role of risk professionals and make them more effective and efficient. However, majority of respondents believe that currently technology is not being adequately leveraged. Risk professionals may be there in terms of applying traditional analytics tools to historical data, but there is some distance to be covered in terms of applying advanced analytics, and behavioral patterns on near real time data to potentially predict what can go wrong.

Risk & internal audit professionals need to develop strong technical domain skills including understanding of end to end business processes & industry nuances and be updated with evolving audit methodologies and techniques. Majority of our survey respondents believe that their teams & organizations are not investing adequate time and resources in training young professionals. Hence, there is a need for continued & structured skill set enhancement to help them earn a seat on the table for key & strategic decision discussions.

Majority of the respondents also believe that they are unable to leverage work done across various controllership components (lines of defence) and drive efficiency in costs. However, better role definition, clarity of tone from the CXOs and richer quality of risk professionals may help in improving this scenario.

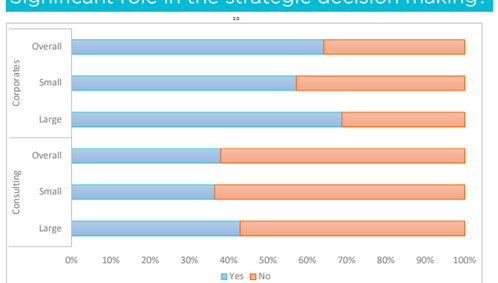
ARE INTERNAL AUDIT & RISK PROFESSIONALS PLAYING SIGNIFICANT ROLE IN THE STRATEGIC DECISION MAKING PROCESS?

In the current complex and uncertain business environment, there is a need for business leaders to apply a 360-degree risk lens to their decision making process on a regular basis to be successful. With discussions around risk considerations now moving from backend to the Board level discussions, risk professionals who have the ability to bring in the risk lens are now actively engaged in key business decisions. Such decisions need to be continuously challenged with the right set of questions to identify, measure and address evolving risks.

Risk professionals and internal auditors can hence play a significantly more critical role if they could bring in their risk perspective. This can be enabled by their holistic understanding of the risks impacting the industry, overall company operations, and more granularly their business processes & technology landscape.

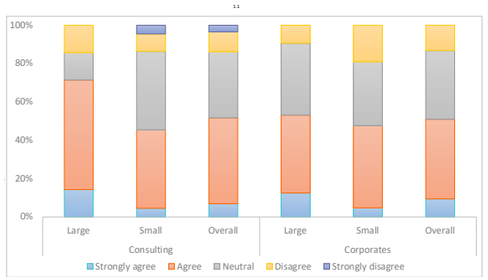
1.0) 62% of respondents from corporates believe that risk professionals are now playing a significant role in the strategic decision making process as compared to only 36% of respondents from consulting. While corporates currently are inclined to using in-house risk professionals for participation in strategic decisions, however the ability of external risk advisors to demonstrate thought leadership, relevant and nuanced industry, business and technology knowledge could increase their engagement by corporate leadership and Boards.

Significant role in the strategic decision making?



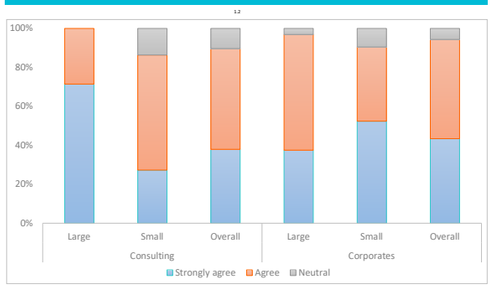
1.1) 70% of respondents from large consulting firms believe that they are being engaged by CXOs in strategic decisions, as against only 42% of the small consulting firms. This may be a resulting from the nature of clientele, scope of work, and also skill sets to bring in the risk lens.

Engaged by CXOs in strategic decision making?



1.2) Ability of IA professionals to provide a risk perspective in leadership discussions is likely to drive a significant change. More than 90% of respondents across categories believe it is likely to make them more valuable for the CXOs.

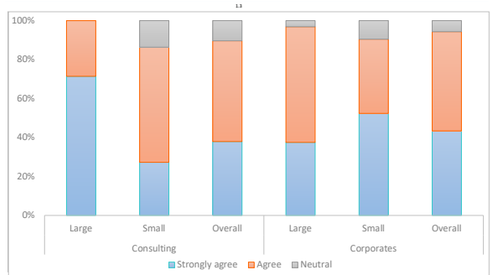
Risk perspective would make role more valuable?



ARE INTERNAL AUDIT & RISK PROFESSIONALS PLAYING A SIGNIFICANT ROLE IN THE STRATEGIC DECISION MAKING PROCESS?

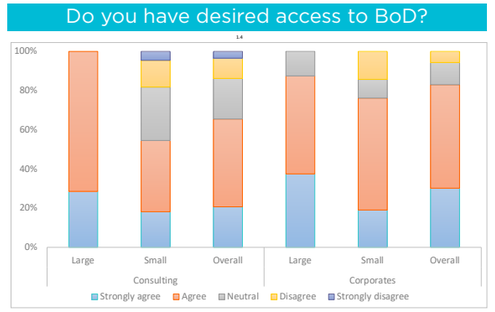
1.3) Ability of IA professionals to bring in more comprehensive risk perspective is likely to put them on a steeper career growth trajectory. 80% of the respondents across categories believe that more advanced risk based assessment capabilities and communication abilities would provide them better visibility and increase acceptance by the business leaders.

Risk perspective leads to steeper growth path?



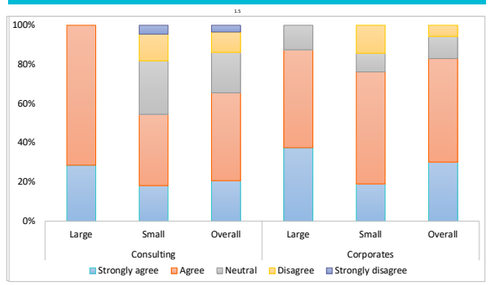
1.4) In-house teams in corporates are likely to have greater access to the Audit Committee and Board of Directors which is reflected with more than 80% respondents believing in the same. While only 50% of the respondents from consulting firms with limited size and scale believe that they have access to Audit Committee and Board of Directors versus an unanimous view on access of larger firms, the quality of access may be worth evaluating even in case of the larger firms, while for the smaller firms it could be linked to their scope of engagement discussions.

Do you have desired access to BoD?



1.5) Only 60% of the small consulting firms believe that they enjoy true independence vis-à-vis more than 80% from larger consulting firms and corporates. This may be driven by their inability to bring in thought leadership, and inability to walk away from engagements. This could also reflect a significant skill set enhancement opportunity for IA professionals from smaller firms, and need for scaling up of smaller firms to give them the confidence to demonstrate greater independence.

Do you have independence to draw conclusions?



Nirupam Haldar, Independent Consultant

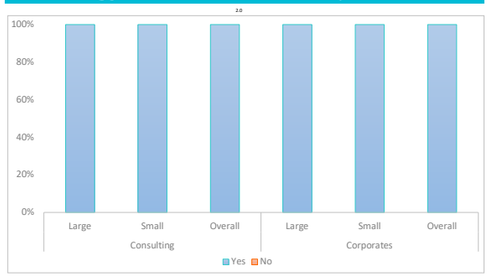
"Risk professionals should take the initiative to identify unaddressed impactful risks, measure the impact and probability of such risks and submit a proactive report to management; those who call the shots are bound to listen to you and involve you in strategic discussions."

DO YOU BELIEVE THAT TECHNOLOGY CAN PLAY A KEY ROLE IN ENHANCING THE ROLE OF INTERNAL AUDIT AND RISK PROFESSIONALS AND MAKING THEM MORE EFFECTIVE AND EFFICIENT?

Effective application of artificial intelligence, machine learning and cutting edge analytics has the potential to significantly reduce manual effort that goes into risk management assignments. Robotics, corroborative logic based audit analytics, machine learning enabled false positive elimination, intelligent sample selection and real-time interactive dash boarding and reporting could be effective efficiency levers going forward.

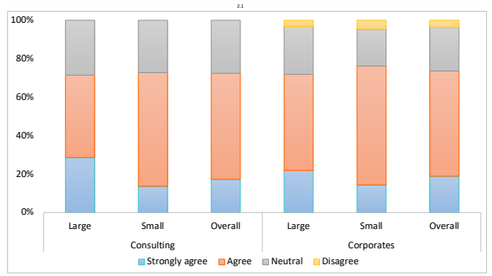
2.0) In a resounding way all respondents have unanimously confirmed that technology will enhance the role of risk professionals and make them more effective and efficient.

Technology enhances role of risk professionals?



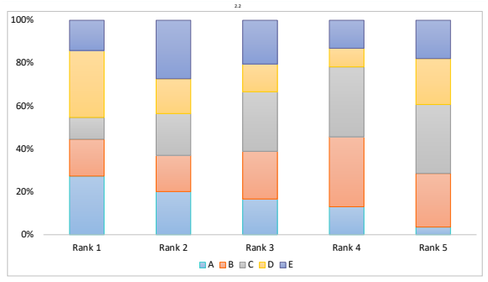
2.1) With the industry serving more and more of global clients with operations in countries across the globe, language neutralization capability comes in very handy, specially to address operations across Europe, Latin America and Asia Pacific regions. 72% of respondents from consulting and 74% of respondents from corporates believe that it has the potential to enable multi-continent servicing and also , drive standardization in processes.

Significant scope for language neutralization?



2.2) Respondents believe that the benefits derived from the effective use of technology / data analytics will enable more enhanced fraud detection and enable increased coverage by moving away from traditional sampling. But surprisingly regulatory compliance ranked bottom as an area offering digitalization opportunities, and this may well be worth some introspection considering how globally regulatory compliance is using data analytics and digital tech very extensively.

Ranking for scope of leveraging technology



A: Fraud detection B: Driving Regulatory compliance C: Financial Reporting D: Moving from random sampling to complete testing E: Driving operational excellency

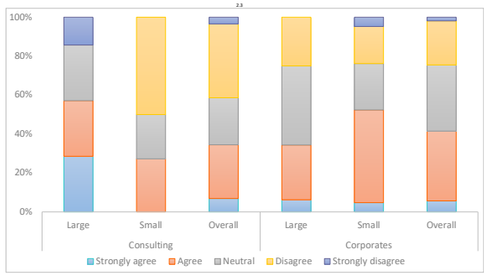
Sandeep Baldava, Partner & Leader (West Region), Forensic & Integrity Services at Ernst & Young

"Key challenge to adopting technology is adoption of a black box approach towards technology and lack of clarity around what one wants to achieve using technology"

DO YOU BELIEVE THAT TECHNOLOGY CAN PLAY A KEY ROLE IN ENHANCING THE ROLE OF INTERNAL AUDIT AND RISK PROFESSIONALS AND MAKING THEM MORE EFFECTIVE AND EFFICIENT?

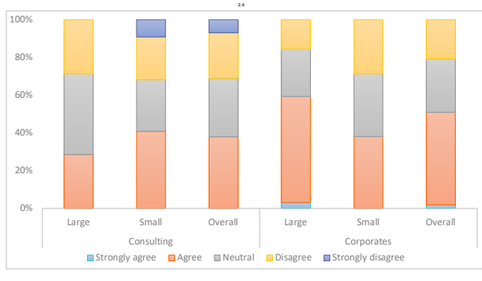
2.3) While there is an unanimous view on the role technology can potentially play, only around 35-40% of respondents believe that internal audit professionals have started embracing Artificial Intelligence (AI) and Machine Learning (ML) techniques. Within consulting, only 25% of the smaller consulting firms believe that they are embracing AI and ML. This may be caused by the need for significant investments in acquiring technology and developing skill sets to use technology, as well as ability to apply the same in business context.

Have you duly embraced AI & ML?



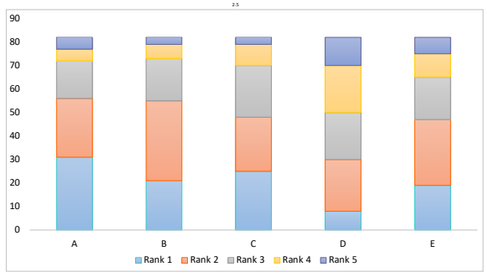
2.4) Only ~40% of the respondents believe that IA professionals are adequately leveraging data analytics in their assignments. IA professionals may be there in terms of applying traditional analytics tools to historical data, but there is a journey to cover in terms of applying advanced analytics on real time data and predicting what can potentially go wrong.

Are you adequately leveraging data analytics?



2.5) Technology comes with its own set of challenges which one needs to address to be able to adequately leverage and optimize. Respondents believe that quality of data and lack of skill set to both use the technology and apply technology in the context of internal audit are the biggest challenges in embracing and leveraging technology.

Ranking of challenges in leveraging technology



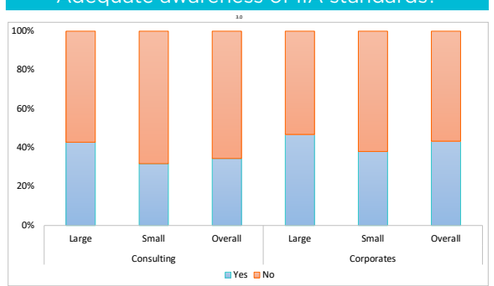
A: Data quality B: Lack of skill set to use technology C: Lack of skill set to apply technology in IA context D: Availability of technology E: Capital Investment

There is a glaring need to enhance the skills sets of young risk and internal audit professionals in a structured manner to not only use the available tools and techniques, but also be able to apply them in the context of the risk management assignments they undertake. Applications across internal audit, anti-bribery reviews, diligence reviews etc, all have significant scope for improvement. This is an essential area of focus for strong risk professionals to improve on, to be able to unlock the true potential of technology and analytic techniques.

DO YOU BELIEVE THAT WE, AS PART OF THE INTERNAL AUDIT COMMUNITY ARE INVESTING ADEQUATE TIME AND RESOURCES IN TRAINING AND SKILL SET ENHANCEMENT OF YOUNG PROFESSIONALS?

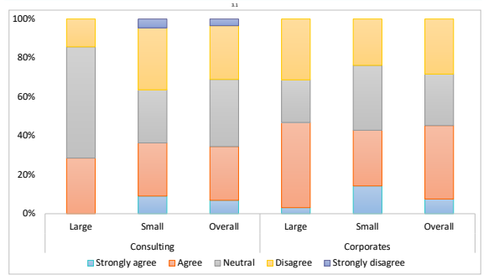
3.0) As the business environment has grown in size and complexity over recent decades, so too have the associated uncertainties, emerging risks and complex regulatory requirements and focus on enhanced corporate governance. This requires professionals managing such risks and uncertainties to not only have strong technical domain skills including business process & industry nuances, evolving audit methodologies and techniques, but also understanding of behavioural aspects. However, only 34% of respondents from consulting and 43% of respondents from corporates believe that they are investing adequate time and resources in training and skill set enhancement of young professionals.

Adequate awareness of IIA standards?



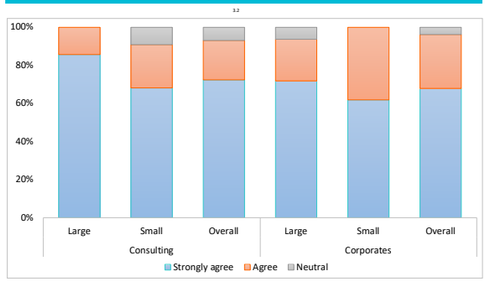
3.1) Only 36% of respondents from consulting and 45% of respondents from corporates agree that Internal Audit professionals are well equipped and trained to comply to IIA standards while performing audit engagements. This does require some introspection on how does one dramatically increase these percentages across the respondent groups.

Adequate investments into enhancing skill sets?



3.2) 93% of respondents from consulting and 96% of respondents from corporates believe that Internal audit professionals need to focus much more on adopting a holistic view and see how risks impact end-to-end value chain and appreciate the inter dependencies between processes within the value chain to come up with recommendations to address risks and drive operational enhancements. However, the real challenge lies in the fact that there are limited professionals in the consulting firms and in corporate risk teams who are equipped with deep business value chain understanding including appreciation of inter process dependencies.

IA needs to adopt a more holistic view?



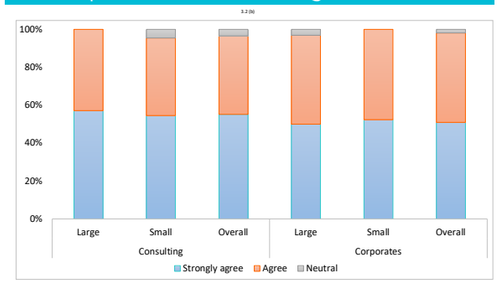
Porus Doctor, Global Internal Audit Leader, Asia Pacific, Deloitte

"Leveraging analytics in risk management is not about using historical data to identify past issues, but deploying cutting edge technology on current data to get real-time issues and use external data to draw futuristic insights around what can go wrong."

DO YOU BELIEVE THAT WE, AS PART OF THE INTERNAL AUDIT COMMUNITY ARE INVESTING ADEQUATE TIME AND RESOURCES IN TRAINING AND SKILL SET ENHANCEMENT OF YOUNG PROFESSIONALS?

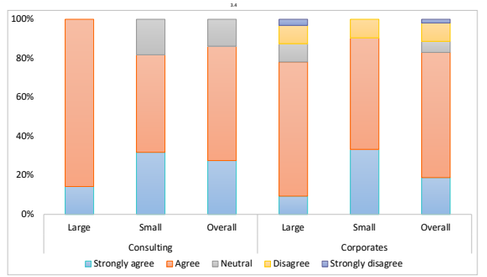
3.3) More than 95% of respondents across the board believe that there is significant unlocked potential in internal audit professional's ability to create tangible value by being the desired change catalyst. In the dynamic business environment, enhanced competition requiring efficiency in costs, and statutory auditors being more inclined toward accuracy of financial reporting, it is the internal audit professional who needs to be the management's eye to be able to identify and recommend specific enhancement opportunities to drive change and move towards operational excellence.

Is there potential to unlock tangible value for IA?



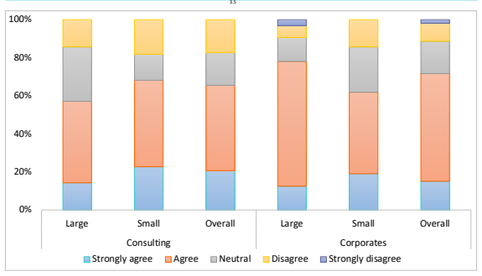
3.4) 86% of respondents from consulting and 83% of respondents from corporates agree that young Internal audit professionals struggle to consider company specific business & industry nuances and risk factors while executing audit assignments. Elements like revenue cycle, cost drivers, inventory cycle, nature of fixed assets and the respective performance indicators would be different across industries and for organizations at different levels in their maturity curve which internal audit professionals need to consider to be able to drive customized recommendations and maximize value creation.

Need for better understanding business naunces



3.5) 66% of respondents from consulting and 72% of respondents from corporates agree that young Internal Audit professionals fail to consider the business nuances, cost-benefit justifications and feasibility of implementation while making recommendations as an outcome of an IA assignment. This runs the risk of management perceiving Internal Audit as a tick in the box compliance requirement rather than a value driver in the absence of a meaningful change driven by the IA team.

Do recommendations need to be more practical?

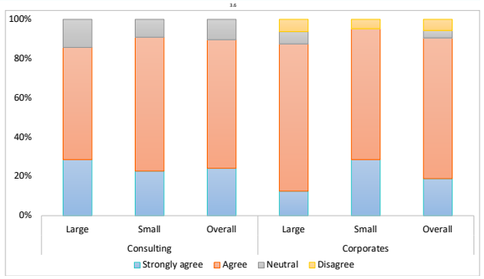


Need for continuous skill set enhancement to get better at appreciation of business value chain and enterprise level risk view of leadership comes to the fore as an essential for IA professionals to be more effective and accepted.

DO YOU BELIEVE THAT WE, AS PART OF THE INTERNAL AUDIT COMMUNITY ARE INVESTING ADEQUATE TIME AND RESOURCES IN TRAINING AND SKILL SET ENHANCEMENT OF YOUNG PROFESSIONALS?

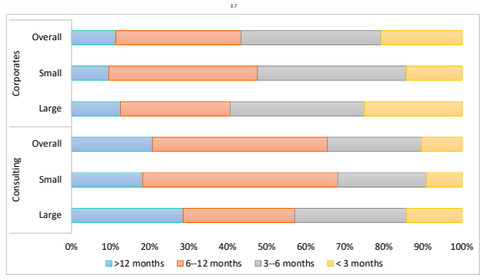
3.6) More than 90% of respondents across the board believe that there is a skill set gap in terms of desired skill sets and a risk perspective for performing internal audit and risk management projects. The skill set gap is not limited to understanding of internal audit standards, methodologies and control leading practices. It encompasses granular understanding of end-to-end business value chain across different industries, inter dependencies between processes within the value chain, operational and enterprise risk factors, performance indicators, value drivers and how one can leverage cutting edge technology to drive meaningful insights to optimize value creation.

Is there is significant skill set gap?



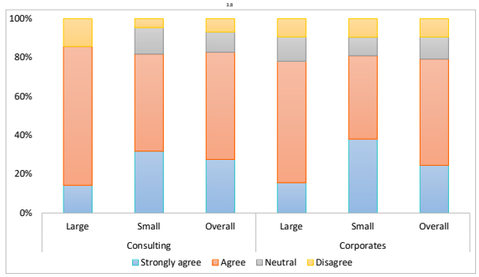
While 82% of the respondents believe that fresh IA professionals should be engaged in training and skill set development for > 3 months before which they operate independently on internal audit and risk management projects, 62% of these respondents believe that the duration should be > 6 months.

Minimum recommended training duration



Respondents believe that while short term internal training programmes may act as excellent refreshers or a stop-gap solution, there needs to be a sustained and structured experiential learning programmes to create risk intelligent professionals. However, more than 80% respondents across the board believe that there is lack of availability of structured and relevant training programmes to address the skill set gap. The gap needs to be suitably addressed for the benefit of both the business and IA community.

Is there lack of structured training programmes?



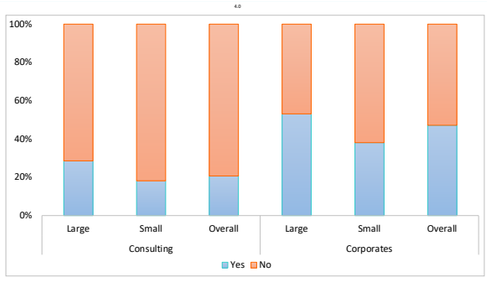
NG Shankar, Former Group Executive President, Corporate Audit at Aditya Birla Group

"Young risk professionals need to be equipped with not only domain skill sets, business and industry knowledge, but also develop behavioral skills such as inter-personal skills, influencing through persuasive communication or demonstrating assertiveness in order to deliver better results."

ARE WE ABLE TO DRIVE SIGNIFICANT EFFICIENCY IN THE OVERALL COST OF CONTROLLERSHIP IN THE ORGANIZATION?

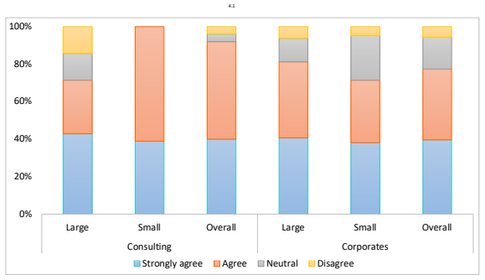
4.0) Cost of controllership in organizations includes ERM exercise, Internal audits, statutory audits, cost audits, external compliance reviews or industry specific operational aspects, eg, Revenue Assurance in Telecom and Health & Safety in Manufacturing. These reviews are likely to have elements of commonality in terms of auditees, data requirements, discussions and findings and hence provide a significant opportunity to remove duplicity and drive cost efficiency. However, only 21% of respondents from consulting and 47% of respondents from corporates believe that they are able to drive significant efficiency in the overall cost of controllership in the organization. This is a greater challenge for the smaller consulting firms and corporates. This maybe due to reasons ranging from lean organizational structures, to silo environments to lack of end to end visibility of cost of controllership within the leadership team, and vision to leverage this efficiency potential.

Able to drive efficiency in controllership cost



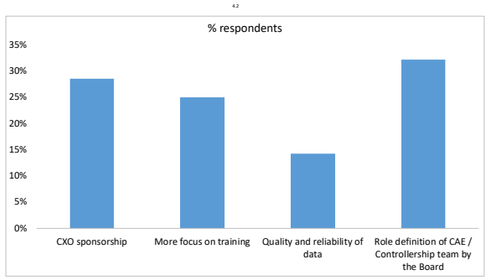
4.1) While effective ERM exercise entails risk identification, measurement and prioritization, Internal Audit is a critical success factor to monitor controls that drive risks to their residual levels. 92% of respondents from consulting and 77% of respondents from corporates believe that the IA function is a key contributor to driving the effectiveness of ERM exercise.

Is IA a key contributor for effective ERM



4.2) Respondents believe that better role definition, tone from the CXOs and training of risk professionals can be key drivers to driving efficiency in Controllership costs. The tone at the top should drive focused planning, clear lines of communication, adequate information sharing and training of resources to drive the desired cost efficiency.

Factors impacting cost of controllership



Key Takeaways

As the business environment has grown in size and complexity over recent decades, so too have the associated uncertainties, emerging risks and complex regulatory requirements and focus on enhanced corporate governance. The discussions around risk considerations have moved from backend to Board level discussions. This significantly enhances the role and expectation from risk professionals. They are not only responsible to manage such risks and be a change catalyst to drive operational excellence but also contribute to organization's strategic decisions by bringing in a risk lens to cover comprehensive risk considerations beyond the traditional financial, core operational and regulatory risks.

To do justice to the expanding role & expectation from risk professionals, they need to be equipped with the following:

• Professionals need an ability to bring a 360-degree risk lens to their decision making process on a regular basis. One needs to be proactive in driving thought leadership and take a forward looking approach which would provide them better visibility and increased acceptance by business leaders. An essential element that continues to be missing in most risk frameworks is the ability to effectively weave in the aspect of risk identification in non business as usual scenarios;

Satish Shenoy, President, Audit, Aditya Birla Group

"Risk and internal audit professionals need to be taking a forward looking approach, drive meaningful insights and deliver high quality output to be able to make them more sought after for strategic initiatives."

Surath Mukherjee, Head, Risk Assurance at Dalmia Cement Bharat Ltd

"Risk professionals including internal auditors, statutory auditors, cost auditors need to follow a coordinated approach to be able to leverage each other's work and place reliance such that there is minimal duplicity in efforts, and at the same time ensure that there are no unaddressed risks falling through the cracks."

Sandeep Baldava, Partner & Leader (West Region), Forensic & Integrity Services at Ernst & Young

"Practical approach, experiential learning and on-field experience has to take off as part of risk management education instead of a tick in the box approach."

Key Takeaways

• Professionals need to be equipped with skills sets not only to use the available tools and techniques, but also to be able to apply them in the organizational context with necessary industry and business process nuances being factored in. There is a huge opportunity to unlock the true potential of technology and analytic techniques to provide timely and sometimes even proactive business insights to enable effective business decision making. These techniques need to find application in areas like fraud detection, regulatory compliance apart from driving operational excellence.

• Risk professionals need to be equipped with not only internal audit standards and methodologies, but also granular understanding of end-to-end business value chain across different industries, inter dependencies between processes, and the operational and enterprise risk factors impacting the organization and the industry. Though, short term internal training programmes may act as excellent refreshers or a stop-gap solution, there is an increasing appreciation of need for sustained and structured experiential learning programmes to build risk intelligent professionals.

• Risk professionals should be able to leverage work done across various controllership components to drive down overall cost of controllership as well as to better substantiate audit findings. This should be driven by focused planning, clear lines of communication, adequate information sharing and training of resources to drive the desired benefits.

Nagesh Pinge, Chair, IIA National Conference Mumbai 2019 & Global Committee Member of International Internal Auditor Standards Board of IIA

"With the enhanced role and expectations from risk professionals, structured training is a necessity. There is a huge gap today in the absence of great institutions catering to this need."

Neeraj Gupta, Partner, Risk Assurance Services, PricewaterhouseCoopers, India

"Internal auditors need to demonstrate in-depth domain knowledge, combined with a good understanding of business nuances and industry dynamics for them to be able to engage with senior management and participate in strategic discussions."

Porus Doctor, Global Internal Audit Leader, Asia Pacific, Deloitte

"Need for skill set enhancement for aspiring risk professionals is not getting addressed today in the larger context. Short term trainings are not adequate, there has to be an on-going training and up-gradation programme for enhancing skill sets both from a domain and technology perspective to create a healthy combination in the same individual."

Contributions From

The Institute of Internal Auditors, India and the Global Risk Management Institute ('GRMI') would like to thank the following risk and internal audit leaders for making time to participate in enriching dialogue with the research team of GRMI and providing their qualitative views on various aspects of the survey that has allowed us to enrich the survey content beyond quantitative interpretations of the responses.

We would look forward to your continued support as we plan to make this an annual initiative going forward.

NAMES	DESIGNATION
Porus Doctor	Partner at Deloitte
Satish Shenoy	President, Audit at Aditya Birla Group
Neeraj Gupta	Partner at PwC
Nagesh Pinge	Independent Director at Arvind Fashions Limited
Sandeep Baldava	Partner at Ernst & Young
Nirupam Haldar	Independent Consultant
Surath Mukherjee	Head, Risk Assurance at Dalmia Cement Bharat Ltd
NG Shankar	Former Group Executive President, Corporate Audit at Aditya Birla Group
Bhavani Jois	Associate Vice President and Head, Internal Audit & SOX at Infosys

About GRMI

Gurgaon-based GRMI is pioneering in putting together a cutting-edge curriculum in Risk Management to educate aspiring professionals for a successful career in the Risk Management market, which is estimated to be upwards of USD 40 Billion and growing. It is the first-of-its kind comprehensive Risk Management curriculum in the world, covering end-to-end fundamentals of Risk Management across multiple industry verticals such as manufacturing, retail, banking, life sciences, telecom, hospitality, etc.

Credibility at GRMI is defined by the quality of leadership that is driving the entire programme. GRMI is led by a distinguished Dean, an exceptionally learned Board of Directors and Strategy Board. GRMI aims to be a hallowed portal for creating future leaders for the country and the globe by leveraging guidance and directions from learned Academic Council which has strong mix of Academicians and Industry leaders, and an eminent Board of Governors which comprises of national and international members from industry and academia.

GRMI is committed to ensuring an environment where aspiring risk professionals get to interact with more global risk leaders than what any other institute can offer.

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