

Shaping and Nurturing your Talent into Future Leaders for the Evolving Landscape of Internal Audit

March 18, 2024



The Institute of
Internal Auditors
Chicago

Mark Wuchte & Octavio “OJ” Laos
Armanino LLP

Speaker Bio



Partner, Risk Assurance

Mark Wuchte

Chicago

mark.wuchte@armanino.com



<https://www.linkedin.com/in/markwuchte/>



Director, AI Lab

OJ Laos

Chicago

oj.laos@armanino.com



<https://www.linkedin.com/in/ojlaos/>

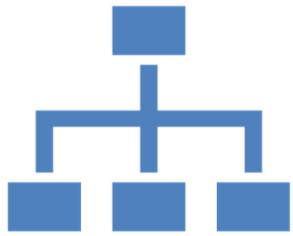
Learning Objectives

- **Talent Management for High-Performing Teams:** Learn strategies to attract, develop, and retain top talent within the internal audit department, fostering the creation of high-performing teams.
- **Effective Communication and Influence:** Develop strong communication skills and the ability to exert influence within the organization, promoting collaboration and gaining support for audit initiatives.
- **Navigating Changing Landscapes:** Acquire strategies to effectively navigate organizational challenges, including change management, stakeholder engagement, and aligning audit objectives with broader business goals.
- **Ethical Leadership, Innovation, and Professional Growth:** Understand the importance of ethical leadership, explore ways to leverage technology for enhanced audit processes, and create personalized development plans for growth.

Talent Management for High Performing Teams



Talent Management Defined



What is talent management?

Talent management is the **process of attracting, developing, and retaining top talent.**

It is essential for audit leaders to have a **strong talent management strategy** in order to build high-performing audit teams.



Why is talent management important for audit leaders?

The internal audit landscape is constantly changing, and audit teams need to be staffed with skilled and experienced auditors who can **keep up with the latest trends and developments.**

Audit teams also need to be **diverse in terms of their skills, experience, and perspectives** in order to effectively assess and mitigate risks.

A **strong talent management strategy** can help audit leaders to attract, develop, and retain the best talent in the industry/profession.

Attracting Top Talent



Create a compelling employer brand. What makes your audit team a great place to work? Highlight your team's culture, values, and commitment to professional development.



Target your recruiting efforts. Where are the best candidates for your audit team likely to be found? Attend industry events, post job openings on relevant websites, and network with other audit professionals. Get your name out on campuses – target those students early in college.



Offer competitive compensation and benefits. Make sure that your audit team is compensated fairly and that you offer a comprehensive benefits package. This can also include offering work from home options, or travel opportunities.



Sell the opportunity, not the job. When interviewing candidates, focus on the unique challenges and rewards of working on your audit team.

Developing and Retaining Top Talent



Provide ongoing training and development opportunities. Help your auditors to stay up-to-date on the latest auditing standards and best practices. Encourage them to pursue professional certifications and attend industry events.



Offer competitive career paths. Give your auditors clear opportunities for advancement within the audit team and the organization as a whole. Consider rotations into other departments.



Create a positive and supportive work environment. Value your auditors' contributions and provide them with the resources they need to be successful. Foster a culture of collaboration and teamwork.

Investing in IA Team's Professional Growth

- Develop personalized professional growth plans for IA team members.
- Provide opportunities for training and certifications to enhance skills.
- Encourage auditors to take on leadership roles within and outside the department.
- Emphasize the importance of lifelong learning and staying updated in the field.



Additional Tips for Audit Leaders

Get

Get to know your team members. Take the time to understand their career goals, strengths, and weaknesses. This will help you to develop individualized development plans and provide them with the support they need to succeed.

Give

Give regular feedback and recognition. Let your auditors know how they are performing and recognize their accomplishments. This will help to keep them motivated and engaged.

Encourage

Encourage a work-life balance. Offer flexible work arrangements and other benefits that support your auditors' well-being. This will help them to be more productive and successful at work.

Effective Communication and Influence



Effective Communication and Influence for Audit Leaders

Why is communication important?

Audit leaders need to be able to communicate effectively with a variety of stakeholders, including auditees, senior management, and the board of directors. They need to be able to clearly and concisely explain audit findings and recommendations, and to persuade stakeholders to take action. It is essential for building trust and rapport, and for gaining support for audit initiatives.



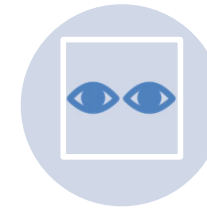
Strategies for Effective Communication



Be a good listener. Take the time to listen to your audience and understand their needs and concerns.



Be open and honest. Be transparent about your intentions and findings.



Use multiple channels. Communicate through a variety of channels, such as email, phone calls, in-person meetings, and presentations.



Be prepared. Think about what you want to say and how you want to say it before you start communicating.



Be respectful. Even if you disagree with someone, treat them with respect.

Strategies for Influence

By developing strong communication and influence skills, audit leaders can more effectively promote collaboration and gain support for their initiatives. This will help them to make a greater impact on their organizations and to contribute to their success.



Build relationships. Get to know the people you need to influence and build relationships with them.



Understand their needs and goals. What are their priorities? What motivates them?



Develop a compelling argument. Be clear about what you are asking for and why. Explain the benefits of your proposal and how it will help them to achieve their goals.



Be persistent. Don't give up if you don't get what you want the first time around. Keep following up and making your case.

Other Considerations

Audit leaders can become more effective communicators and influencers. This will help them to build better relationships with stakeholders, to gain support for their initiatives, and to make a greater impact on their organizations.

- **Tailor your communication style to your audience.** Consider their level of expertise, their interests, and their preferred communication style.
- **Use visuals to support your communication.** Charts, graphs, and images can help to make your message clear and engaging.
- **Be open to feedback.** Ask your audience for feedback on your communication and make adjustments as needed.

Navigating Changing Landscapes



***"The only way to make sense out of change is to plunge into it, move with it, and join the dance."
- Alan Watts***

Embracing Change: The Constant in Audit

- Embrace change as a constant in the audit profession.
- Develop a change management strategy for your IA department.
- Foster stakeholder engagement by building relationships and communication.
- Align audit objectives with broader business goals to demonstrate value.

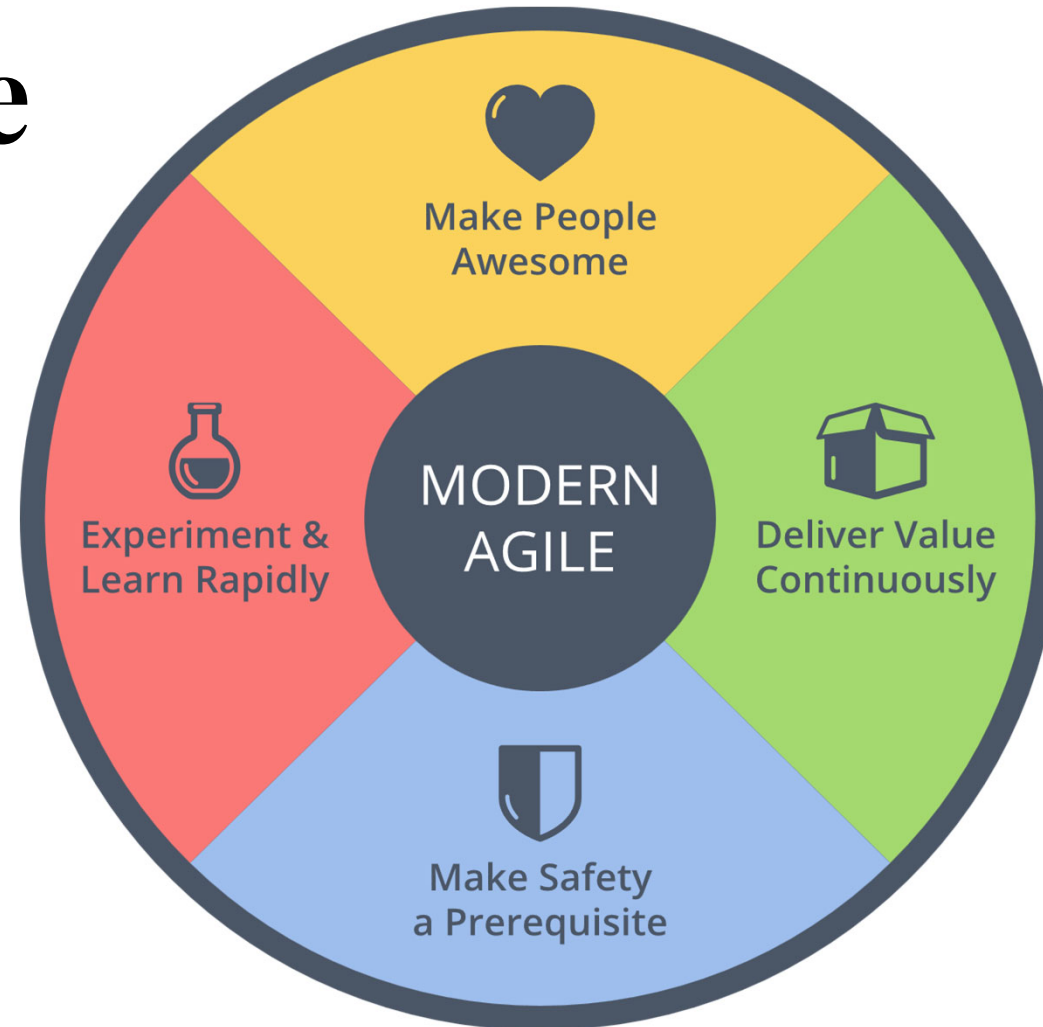


Agility and Technology in Audit

- Implement agile audit methodologies to adapt to changing circumstances.
- Embrace technology for improved audit efficiency during organizational shifts.
- Cultivate a culture of adaptability and resilience within the IA team.
- Leverage data analytics to gain insights into organizational changes.



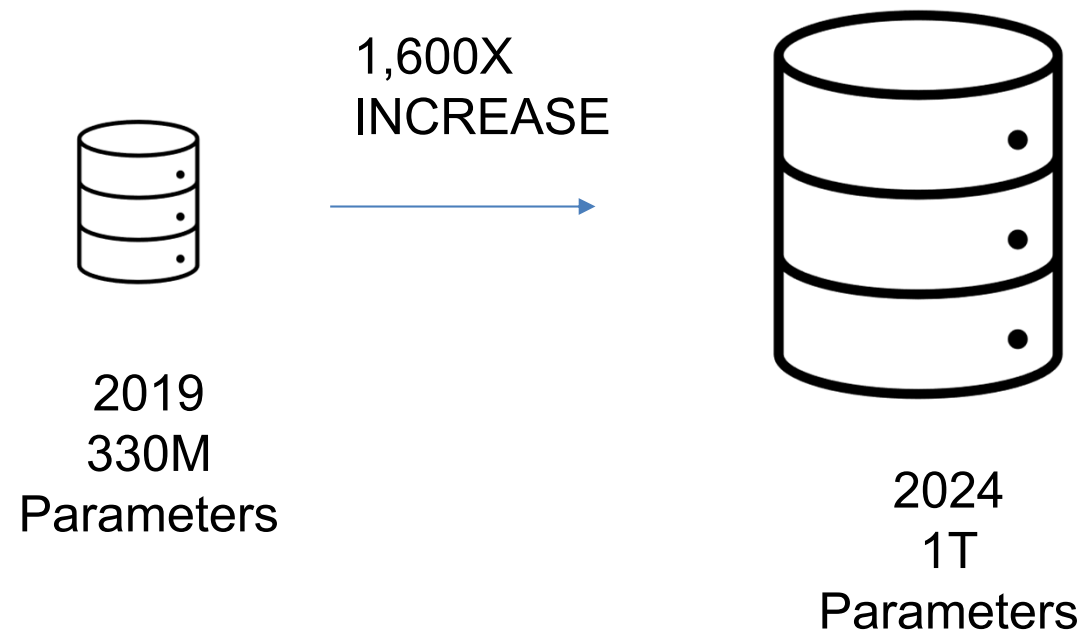
Modern Agile



Moore's law

“the number of transistors on a microchip doubles about every two years, though the cost of computers is halved. “

AI's Growth



Ethical Leadership, Innovation, and Professional Growth





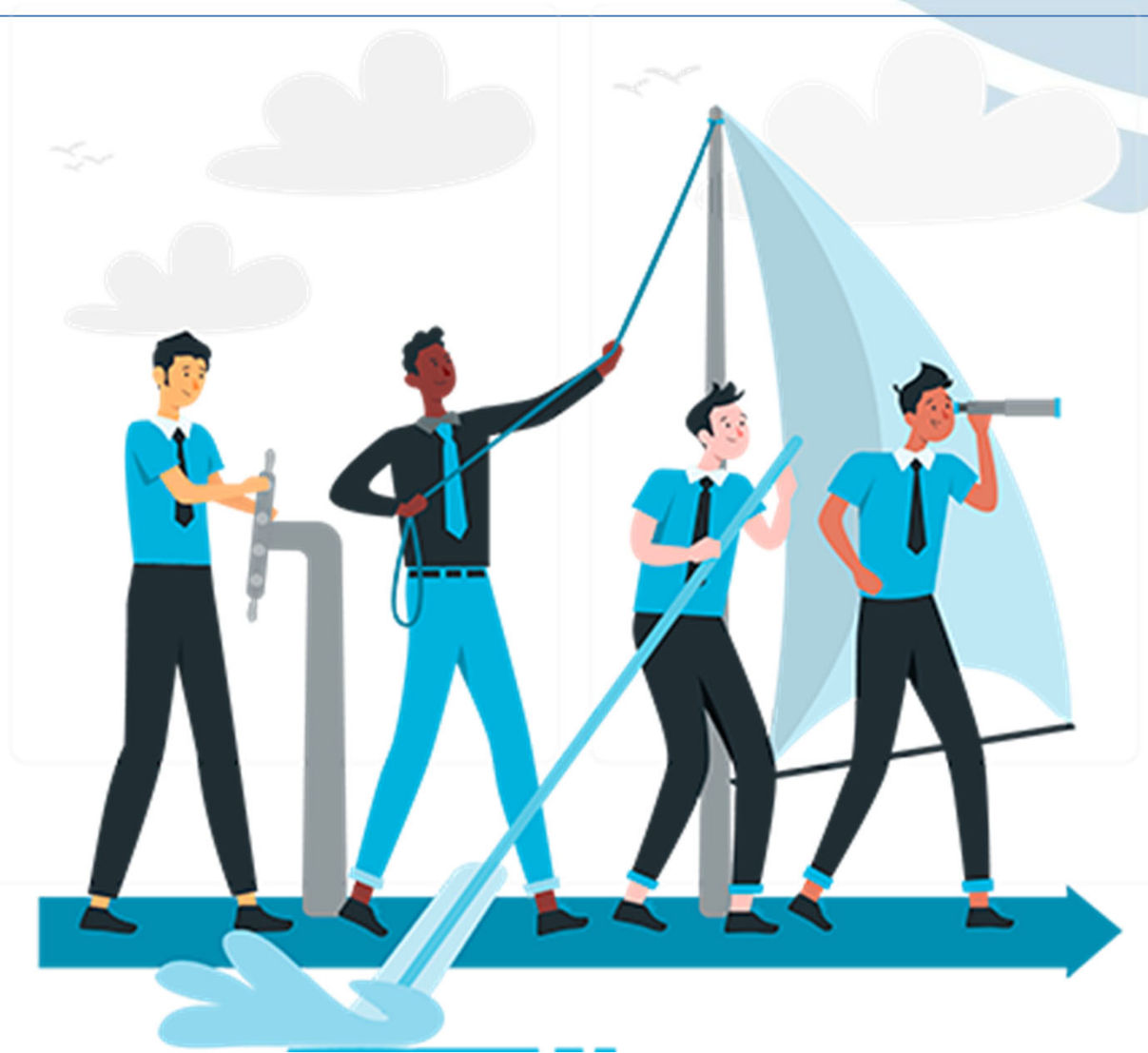
Ethical Leadership in IA

- Lead with integrity and ethical principles at the core of your IA department.
- Create a culture of ethical decision-making and transparency.
- Encourage auditors to report ethical concerns without fear of reprisal.
- Align audit processes with industry best practices and ethical standards.

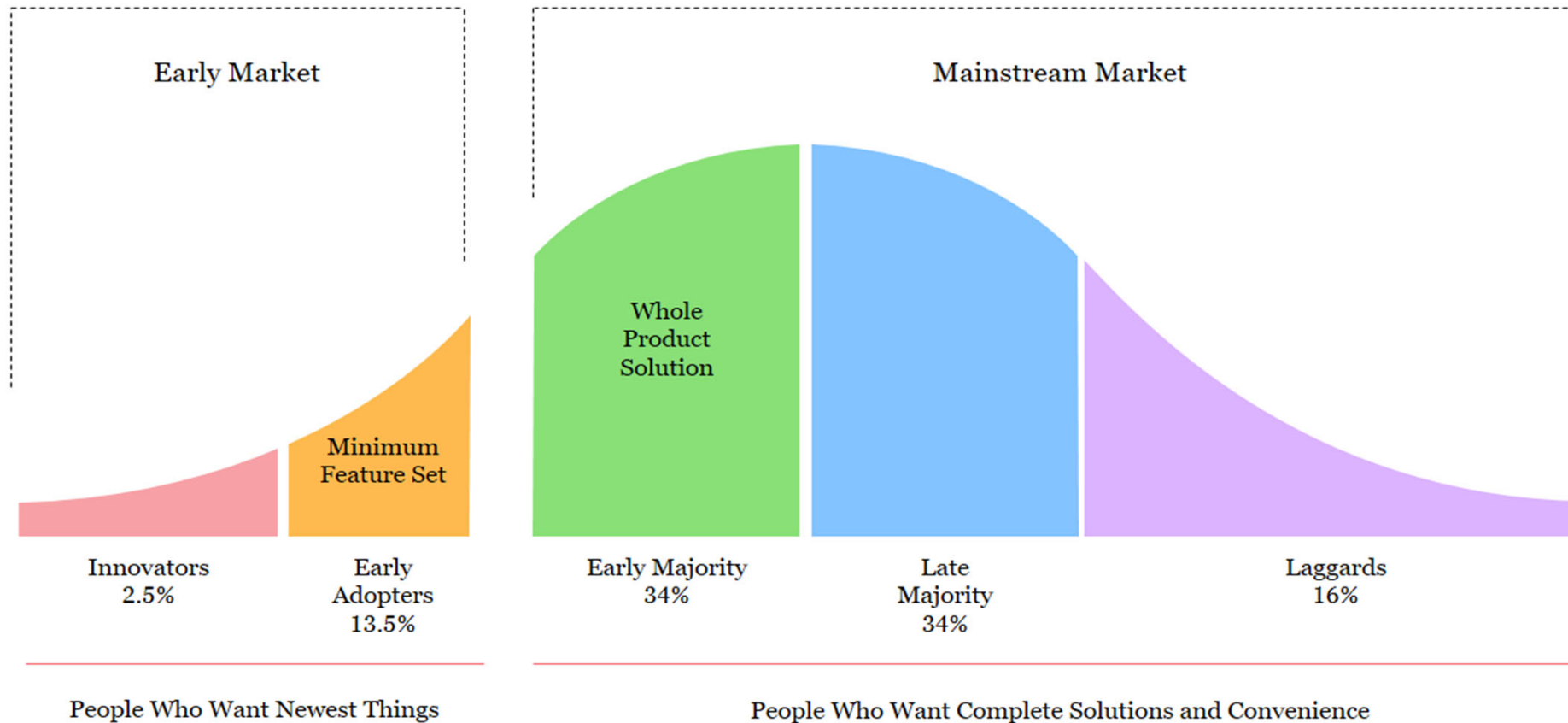


Innovations in Audit Practices

- Explore innovative audit technologies such as AI, machine learning, and automation.
- Leverage data analytics for deeper insights and more effective audits.
- Stay current with industry trends to adapt audit methodologies.
- Foster a culture of continuous improvement and innovation within the IA team.



Crossing the Chasm





Need for Innovation

- A Hong Kong financial institution wired \$25M in funds after a deep-fake video call with their “CFO”
- Risks continue to evolve with technology, requiring embrace of technology in security arms-race
- Sample Use cases:
 - Anomaly Detection: Using machine learning algorithms to sift through financial transactions and identify outliers that could indicate fraud.
 - Natural Language Processing (NLP): Employing NLP to review contracts, communication, and documentation for inconsistencies or suspicious terms.
 - Predictive Analytics: Implementing predictive models to forecast potential areas of risk based on historical data and trends.

Nurturing IA Talent and Leadership

- Develop personalized professional growth plans for IA team members.
- Provide opportunities for training and certifications to enhance skills.
- Encourage auditors to take on leadership roles within and outside the department.
- Emphasize the importance of lifelong learning and staying updated in the field.





Thank you!

Learn more at:

[Armanino.com](https://www.armanino.com)