

# Gartner for Audit Leaders



# Executive summary

## Audit

- Grow audit team while equipping staff with the skills necessary to meet the demands of a modern & best-in-class audit shop.
- Improve audit department efficiency to better manage increasing demands with limited staff.
- position audit as a strategic partner across the organization.
- Increasing the value of the audit department on strategic and transformation projects.
- Develop sustainable data analytics strategy to increase the use of D&A in audit methodology.
- Improve audit risk reporting to create more meaningful and actionable advice.
- Evolve the audit risk assessment process to better understand risk within DCSD.

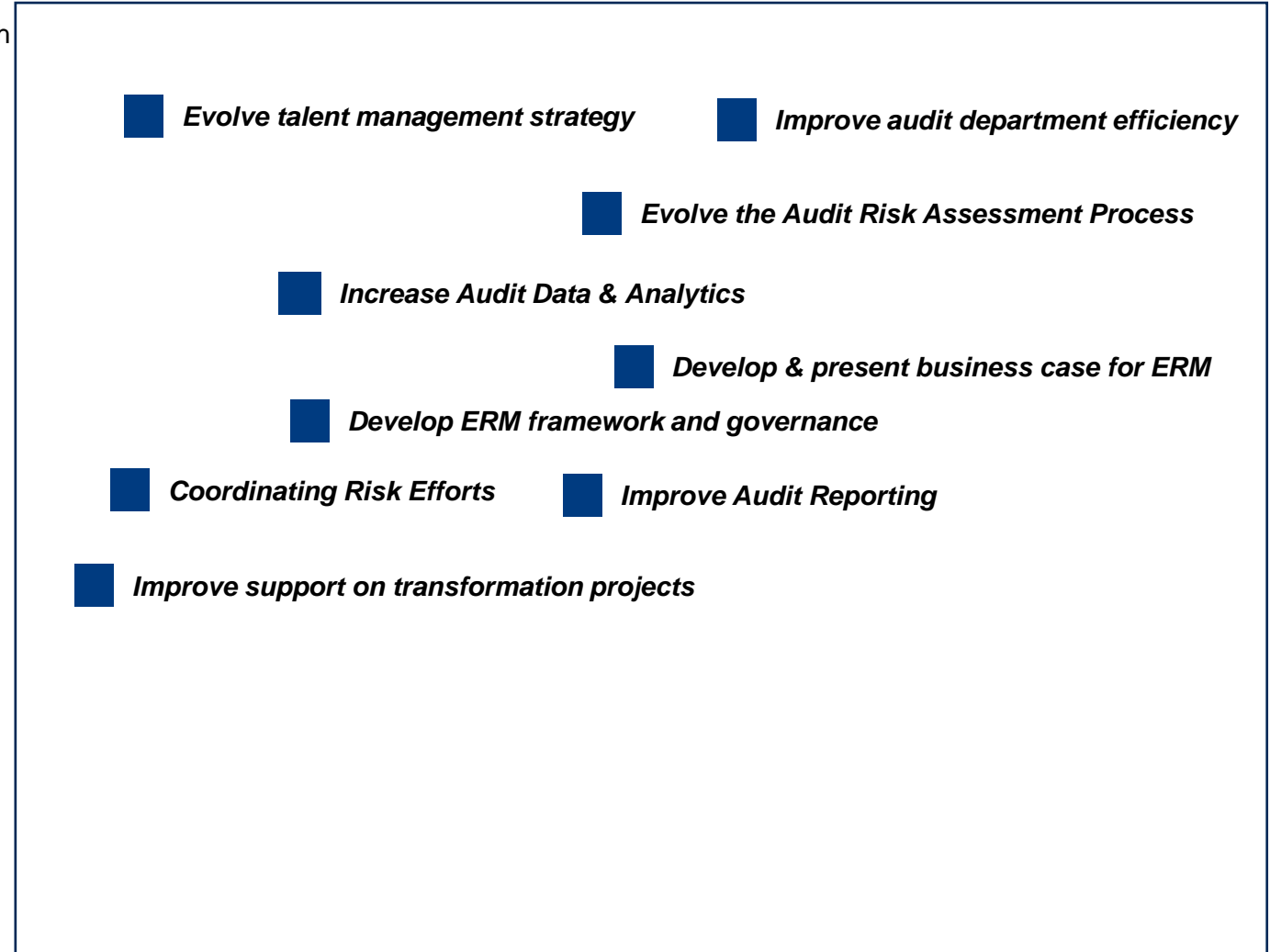
## ERM

- Present business case for ERM and gain buy-in from stakeholders.
- Develop best-in-class enterprise risk management framework and risk governance model.
- Align assurance efforts across DCSD.

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IMPACT

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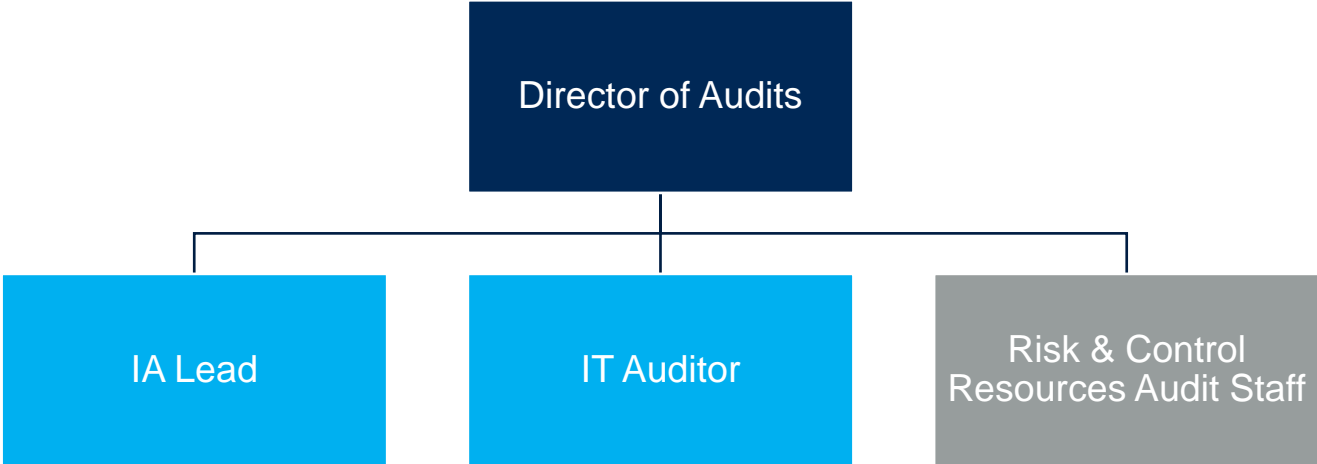
URGENCY

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# DCSD/Gartner – Quick Wins

Client Initiatives	Step 1	Step 2	Step 3	Value Connects
<b>Audit Department Support</b>	<ul style="list-style-type: none"> <li>• <b>Diagnose</b> the current state of your audit shop utilizing Gartner's Audit Score (functional maturity diagnostic).</li> <li>• <b>Inform</b> long-term talent plans and close capability gaps utilizing <i>Audit Skills Diagnostic</i>.</li> </ul>	<ul style="list-style-type: none"> <li>• <b>Interpret</b> the Score results report with a walk-through and action-planning guidance for developing the department strategy from a Gartner audit advisor.</li> <li>• <b>Develop</b> a meaningful strategic plan leveraging Gartner's advisory team and <i>ignition guide to strategic planning</i>.</li> </ul>	<ul style="list-style-type: none"> <li>• <b>Refine</b> competency framework to guide auditor development and strengthen performance with <i>Toolkit: Auditor Competency Framework and Guidebook</i>.</li> </ul>	<ul style="list-style-type: none"> <li>• Team Service Kick-Off for Director of Audits and identified License Holders.</li> <li>• Monthly Check-in with Client Partner and Account Executive.</li> <li>• Support from Gartner Advisory.</li> </ul>
<b>Audit Department Support</b>	<ul style="list-style-type: none"> <li>• <b>Benchmark</b> the audit department's current data analytics performance with <i>Data &amp; Analytics Score Maturity Assessment</i></li> </ul>	<ul style="list-style-type: none"> <li>• <b>Develop</b> an audit data analytics strategy through Gartner's research: <i>Structuring a Data Analytics Program</i> leveraging benchmarking data.</li> <li>• <b>Improve</b> the effectiveness of audit reporting through Gartner's research on <i>Improving Audit reporting and SME engagement</i>.</li> </ul>	<ul style="list-style-type: none"> <li>• <b>Evolve</b> audit risk assessment process utilizing <i>Gartner's Provocative Risk Assessment research</i> aligned to DCSD through Gartner SME engagement</li> </ul>	<ul style="list-style-type: none"> <li>• Monthly Check-in with Client Partner and Account Executive.</li> <li>• Support from Gartner Advisory.</li> </ul>
<b>Enterprise Risk Management Support</b>	<ul style="list-style-type: none"> <li>• <b>Develop</b> ERM roadmap and framework utilizing Gartner's <i>Ignition Guide to launching an ERM function</i>. Leveraging SME engagement to right size to DCSD.</li> </ul>	<ul style="list-style-type: none"> <li>• <b>Build and Present</b> the business case for ERM leveraging Gartner's board-ready presentation <i>ERM Foundations</i>.</li> <li>• <b>Develop</b> strategy for risk coordination across legal, compliance, audit, risk utilizing Gartner's research <i>Risk Coordination and Dynamic Risk Governance</i>.</li> </ul>	<ul style="list-style-type: none"> <li>• <b>Collaborate</b> with a Gartner expert to identify opportunities to efficiently mature ERM with best practices.</li> </ul>	<ul style="list-style-type: none"> <li>• Monthly executive coaching with Executive Advisor team.</li> <li>• Support from Gartner Advisory.</li> </ul>

# Team Structure – Start Date 9/01



Gartner Support	
<b>Team Lead</b>	<p>Aligned to Account Executive, Client Partner, Advisory Support, research &amp; data insights, events and tools to support key initiatives.</p> <p>Able to direct the deployment of diagnostic and involve other Gartner-supported team members.</p>
<b>Advisor</b>	<p>Aligned to Account Executive, Client Partner, Advisory Support, research &amp; data insights, events and tools to support key initiatives.</p>
<b>R&amp;C Resources</b>	<p>Self-service tools and templates, CPE training for front-line internal auditors</p>

## Details of Continued Partnership

Seats	Contract Start Date	Contract End Date	Total – 3 Seats
<b>Gartner for Assurance Leaders</b> <ul style="list-style-type: none"> <li>• 1 x Team Leader Seat</li> <li>• 2 x Advisor Seats</li> <li>• 50 x R&amp;C Resources Seats</li> </ul>	9/1/2024	8/31/2025	Year 1: <b>\$96,900</b>

# Appendix

# Leveraging Gartner

Unlimited access to insight, advice, and tools



**CAE Strategic Leadership**

**Audit Function Strategy & Management**

**Personal Effectiveness**

Improve your personal effectiveness, leadership profile and ability to manage expectations across multiple stakeholders.

**AC & Board Relationship Management**

Cultivate audit committee and board relationships that effectively support the board's oversight responsibilities.

**Executive Relationship Management**

Build a foundation of trust, respect and capability that will enable confidence in audit's role and value.

**Audit Dept. Strategy & Performance**

Update your audit department strategy and measure progress on goals and objectives through better defined KPIs.

**Audit Dept. Structure, Budget & Resource Allocation**

Benchmark your audit budget, headcount and productivity against peers and receive tailored guidance to help optimize resourcing.

**Audit Talent Management**

Build an effective talent management strategy to recruit, develop and retain critical skills.

**Risk Frameworks, Policies & Coordination**

Build robust risk governance, documentation, and working relationships with first- and second-line collaborators.

**ERM Functional Management**

Manage ERM staff, budget and activities to maximize ERM's efficiency and effectiveness.

**Cyber Risk Management**

Get insight into the latest cyber risks and organizational strategies to mitigate those risks.

**Audit Reference Center**

Access research and tools to expand risk, control and business knowledge and inform audit scope.

**Risk Trends & Audit Response**

Stay on top of emerging and critical risks and how these risks are impacting audit plans and strategies.

**Aligned Assurance**

Align with other assurance functions to expand risk coverage, reduce duplication and present one consistent view of risks to stakeholders.

**Risk Assessment & Audit Planning**

Update your risk assessment and audit planning approaches to be more agile, data-driven and strategic-risk-focused.

**Audit Engagement Process & Productivity**

Innovate audit practices to deliver timely, insightful and actionable audit work.

**Data Analytics & Audit Technology**

Advance the use of data analytics and technology to improve audit operations and deliver more comprehensive audit coverage.

**Audit Reporting & Quality Assurance**

Develop reporting and quality assurance practices that instill confidence in internal audit's work.

**Gartner Priorities Navigator™**  
for Chief Audit Executives

2024

ERM Program Management

Audit Methodology, Technology & Reporting

**Cyber Risk**

**Risk & Control Resources**

**Audit Planning & Risk Coverage**

# Enterprise Risk Management Program Management

## ERM Functional Management

Manage ERM staff, budget and activities to maximize ERM's efficiency and effectiveness.

## Risk Frameworks, Policies & Coordination

Build robust risk governance, documentation, and working relationships with first- and second-line collaborators.

## Risk Technology & Analytics

Enhance the ERM process with digital risk management tools (e.g., GRC) and analytics capabilities.

## Risk Culture

Ensure regular consideration of risk among the C-suite, risk owners and employees.

## Risk & Strategy

Embed ERM in the corporate strategy process to ensure risk-informed strategic decisions.

## Risk Identification & Assessment

Identify top risks to the organization and assess their potential impact on strategic objectives.

## BCM to Organizational Resilience

Improve ERM's contributions to business continuity processes and foster organizational resilience.

## Cybersecurity & Technology Risks

Identify, assess and monitor risks to digital strategy and capabilities and the evolution of cyberthreats.

## Third-Party & Supply Chain Risks

Identify, assess and monitor risks to maintain resiliency across the supply chain and key third parties.

## Emerging Risks

Build a risk management process for over-the-horizon risks that galvanizes stakeholder action before risks emerge.

## Governance & Program Management

Enable robust risk governance that meets the requirements of highly regulated industries.

## Regulator & Stakeholder Management

Anticipate, manage and address enterprisewide risk expectations of regulators and other key stakeholders.

## Operational Risk Management

Manage exposure to risks inherent in regular business operations.

## Risk Reporting

Communicate risk information to executives, the board and other audiences in a clear and compelling manner.

## Risk Appetite

Define the desired level of risk-taking for optimal organizational performance and growth.

## Risk Mitigation & Monitoring

Monitor the organization's exposure to enterprise risks and pressure test, guide and track mitigations.

# Gartner Priorities Navigator™ for Heads of Enterprise Risk Management

2024

Risk Response Strategies

Risk Management in Financial Services

Cyber Risk

Enterprise Risk Management Process

# Diagnostics and benchmarks: Risk Management Score



## Assess your function's performance

On-demand diagnostic that measures enterprise risk management performance across 4 functional objectives and 16 discrete functional activities. Primary use cases include:



**Strategic mapping** – Gain insight on how well your function is performing in its current state



**Innovation planning** – Apply expert guidance to your short-term and long-term plans with the tools and resources needed to enable stronger performance in today's risk environment

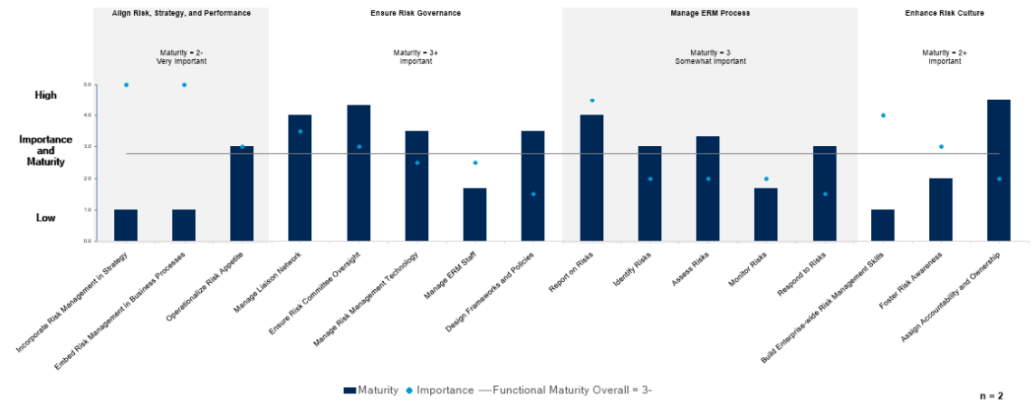


**Resource guidance** – Ensure alignment of strategy and resources with market opportunities and business needs

## Functional Activity Map for Risk Management Score

Align Risk, Strategy, and Performance	Ensure Risk Governance	Manage ERM Process	Enhance Risk Culture
Incorporate Risk Management in Strategy	Design Frameworks and Policies	Identify Risks	Foster Risk Awareness
Operationalize Risk Appetite	Ensure Risk Committee Oversight	Assess Risks	Assign Accountability and Ownership
Embed Risk Management in Business Processes	Manage Risk Management Technology	Respond to Risks	Build Enterprise-wide Risk Management Skills

## How Do Maturity and Importance Compare?



### Lowest Maturity

- Build Enterprise-wide Risk Management Skills
- Embed Risk Management in Business Processes

### Highest Importance

- Incorporate Risk Management in Strategy
- Embed Risk Management in Business Processes
- Report on Risks
- Build Enterprise-wide Risk Management Skills

Importance: Measured on a scale ranging from 1 (Not Important) to 5 (Most Important), importance measures how important each functional activity is to the overall effectiveness of your function in meeting its business objectives. Please refer to appendix section for scores.

# Risk & Control Resources for Internal Auditors



Formerly known as Audit Reference Center, this self-service resource center helps you and your team build business and process knowledge while saving time on projects.

## Risk & Control Resources

Access our extensive resource center supporting internal auditors to quickly engage management across the range of risk areas they are being asked to assure. Our research and tools are designed to reduce cycle time, heighten control identification and drive better risk identification.



**All-in-One Center** – Leverage risk education materials, corporate best practices and audit support on commonly audited areas and new emerging risk areas



**Time-Saving Tools** – Use internal controls questionnaires, KRI libraries, and example audit programs to scope and kick-start audit projects



**Risk Education** – Stay up-to-date on the latest risk trends and strengthen risk identification and assessment

**Webinars and on-demand courses** to help key audit staff members expand business and process knowledge and maintain their CPE certification.



# Risk & Control Resources for Internal Auditors



Access time-saving tools to build process, control and fraud knowledge.

## Audit Program Exchange

*Audit Programs Sourced and Shared by the World's Leading Audit Teams*

## Data Privacy and Governance Library

Name ↓	Description ↓	Type ↓	Risk Category ↓
Data Privacy Audit Program	This audit program covers key questions to assess an organization's privacy controls, including management privacy control awareness, application changes and privacy controls in daily operations and IT systems.	Audit Program	Data Privacy
Data Privacy Functional Questionnaire	This questionnaire covers key questions to capture new process changes that might affect data privacy compliance, including human resources, information security, marketing and sales.	ICQ	Data Privacy

## Internal Control Questionnaire Builder Tools

*Internal control questions covering revenue, expenditure, HR, IT, supply chain, third parties and treasury*

## Third-Party Management: Contract Review

1. Does the company have a set policy or manual for authorizing contracts?
2. Does the company policy provide written procedures to guide business managers through the contract process?
3. Does management monitor training to ensure all relevant personnel are educated on proper policies?
4. To prevent unauthorized payments, are contracts drawn up and signed prior to the procurement of third-party goods or services?
5. To prevent unauthorized contracts, does the proper authority (board of directors, CEO, CFO, head of business unit, procurement manager, etc.) provide written authorization of the contract?

## Fraud Risk Database

*Collection of fraud schemes to support fraud identification, prevention and detection*

### Fraud Scheme

**Man in the Middle Cyber Attack: Fraudster impersonate an entity familiar to an employee to gain access to credentials of inject malicious software**

### Red Flag Symptom

**The sender's address isn't correct; Information does not necessarily concern the receiver directly; Email is sent by the name of influential people for e.g. company's CEO**

### Detection Steps

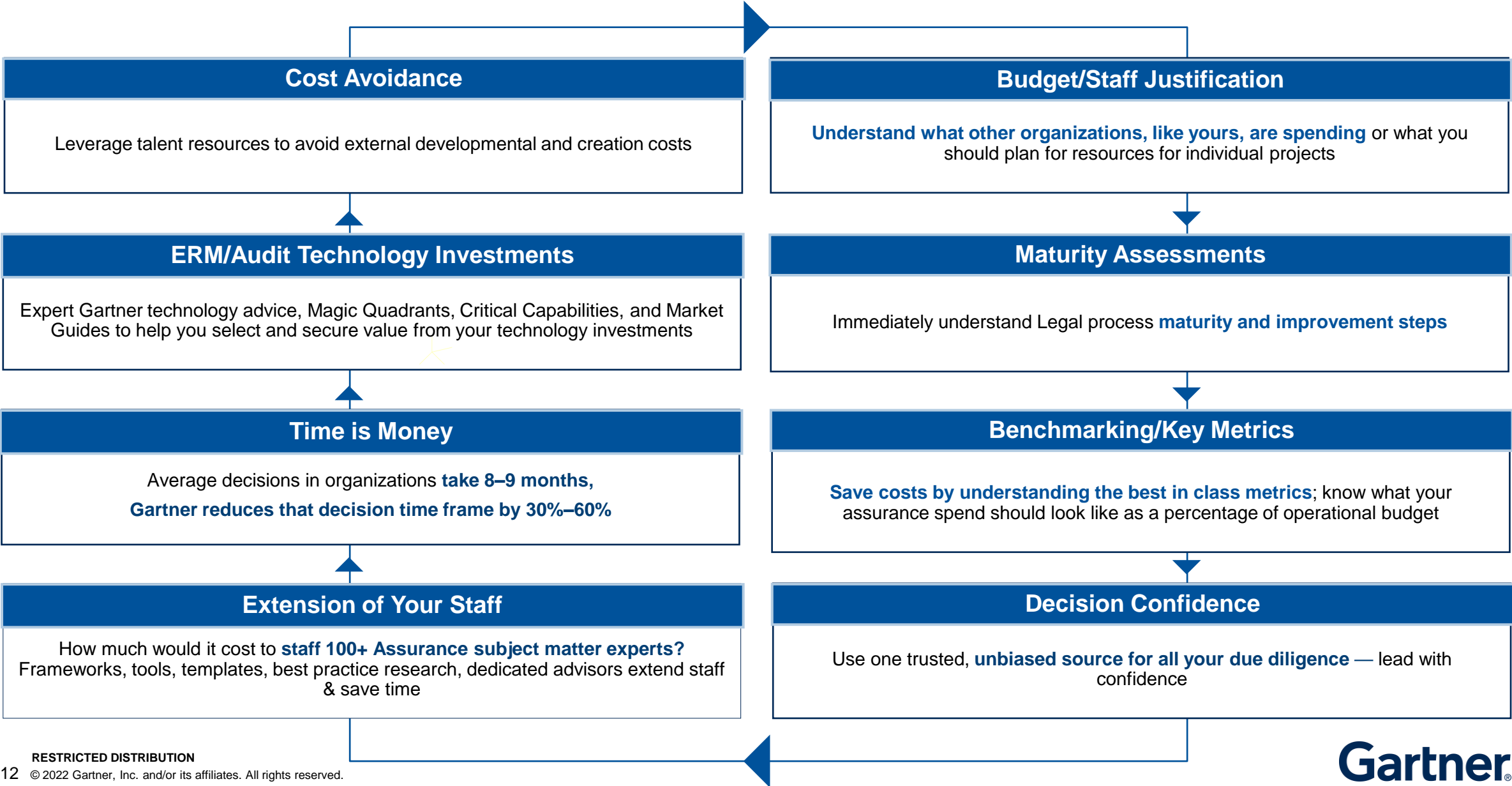
**Verify that the person requesting this information is who they say they are; Check the authenticity of the website before providing any personal information**

### Controls to Review

**Guide employees not to open any unexpected attachments; Regularly update the operating system with the latest security patches; Limit user access privileges; Encourage employees to protect home systems**

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# Gartner is a Continuous Self-Funding Model



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