EDITORIAL

The second half year at IIA India is the season for conferences. During the quarter gone by, the National Conference took place at Kolkata on January 11-12, 2018 and prior to that the Hyderabad & Bombay Chapters had their annual conferences. The ACIIA CAE Forum held in Delhi during Nov 2017 was well attended with Chief Audit Executives & Internal Auditors using the opportunity to get updated with the latest in internal auditing - emerging trends, practices in India and Asia, interaction with senior executives and professionals, etc. This season’s theme is around managing business disruption through innovation and the member response has been encouraging. We are halfway through the season with Madras, Delhi & Bangalore Chapter conferences slated for March and seeing the quality of discussions so far encourage members to participate. These conferences are a forum of exchange of ideas between internal auditors and another way to expand knowledge & skill. This year, the IIA International Conference is close by in Dubai and special rates are offered to IIA India members. The 2018 IIA India National Awards were announced at the National Conference at Kolkata and the awardees under the different categories were:

a. **Agile Technology application in Internal Audit** – Bharat Petroleum Corporation Ltd (BPCL), Godrej Industries Ltd & Associated Companies (GILAC) were joint winners

b. **Innovation** – Infosys Ltd, Wipro Ltd were joint winners

c. **Internal Auditor of the Year/Life Time Achievement Award**
   - Dr. Sanjay Chougule (Internal Auditor of the year)
   - Mr. Nirupam Haldar (Lifetime time achievement)

The awardees spoke on the practices that they have been following which evoked interest with the audience. When Mr. Haldar received the Lifetime achievement award, those present at the hall gave him a standing ovation for a long time. It was a touching moment

This issue of the Quarterly, has an interesting article on emotional intelligence which explains the reasons of emotional responses overriding intelligent ones. In the coming time, with disruption and increased causes of stress, emotional intelligence (EI) would increasingly become an important skill to acquire for internal auditors.

Recent knowledge updates from IIA Global are on Artificial Intelligence (AI). Tone at the Top publication of IIA discusses the broad issues from a Board perspective, summary of which is covered here. An audit framework has also been released which we will discuss in the mid-week knowledge updates.

Sincerely,
Editor, IIA India Quarterly
PRESIDENT’S COMMUNIQUÉ

Dear Professional Colleagues Please accept my Greetings on behalf of IIA India.

Since my last communication in the month of October, 2017 the following important events/ developments have taken place.

ACIIA CAE Leadership Forum
On the 9th of November, 2017 we organised the Asian Confederation of Institute of Internal Auditors (ACIIA) Leadership Forum at New Delhi on the theme ‘Navigating through Disruptive Business Innovation’. The Conference was attended by delegates from all over Asia. The Vice Chairman of IIA Global Mr. Naohiro Mouri as well as the then Vice President of ICAI Mr. Navin N.D. Gupta were among the list of speakers who addressed the Conference. The event was well attended.

Regional Conferences
The Bombay Chapter organised its Regional Conference at Taj Santa Cruz, Mumbai in the month of December. The discussion at the Conference was thought provoking and interesting. The then President of ICAI Mr. Nilesh Vikamsey addressed the Inaugural Session. The quality of the speakers was very high and the organisation was excellent.

Madras, Delhi & Bangalore Chapters are planning to organise Regional Conferences in the month of March. I urge the Chapter Members to attend these programmes.

National Conference
The National Conference was organised in Kolkata on 12th & 13th January, 2018. Mr. J. Michael Pepper, the Chairman, IIA Global was the Chief Guest & Mr. Denny Beran, Former Chairman of IIA Global was the Guest of Honour. Severine from IIA Global was also present. A galaxy of speakers addressed the two day event. The knowledge disseminated was relevant and extremely useful.

Training
IIA (India) continues to be in touch with the office of CGA to train its officials on Internal Audit. National Institute of Rural Development (NIRD) has also shown keen interest in joining hands with us for training purposes. A Memorandum of Understanding with NIRD is on the Anvil.

Strategic Plan
A Strategic Plan for IIA (India) is being developed so as to ensure that the activities of the Institute are carried out in a professional & structured manner.

Membership
All efforts are being made to attract more & more Professionals to join the Institute & be a part of the Internal Audit Fraternity.

Wishing all of you great professional success.

With Kind Regards,
Yours Sincerely
Debashis Mitra
President, IIA India
Place: Kolkata
Dated: 13-02-2018
**SUMMARY**

A view exists that anything that can be reduced to data will be taken over by machines. The more powerful the technology, the more damage it can do. If used incorrectly or with malice. A good starting point for internal auditors is to get a grip on AI, how it impacts internal audit & the board support required.

**Duty of the Board**

Tone at the Top expects board to ask and satisfy themselves on the internal audit activities relating to the area of AI in the organization, viz.

1. Has there been an audit plan established for AI?
2. Are AI applications being audited differently from general IT applications?
3. Has the risk of AI applications been fully assessed?
4. Is Internal Audit evaluating whether the AI applications are helping the organization achieve its objectives?
5. Does the organization understand the paradigm shift AI represents of looking for a correct answer vs probability of a correct answer?
6. Assess whether internal auditors have the skills & training to recognize AI-related risks
7. Determining whether training is in place to help internal auditors sharpen critical thinking skills that will come to the forefront once AI is handling administrative tasks
8. Assessing the criteria for hiring to choose new hires who can filter large stores of data available through AI & determine data relationships significant to the organisation

**AI life cycle-Role of Internal Audit**

To start with internal audit like any algorithm-and data-driven process has a clear role of ensuring accuracy & reliability. Role of internal auditors at different stages of the AI life cycle:

1. **As AI is built:**
   a. Staying true to the original objective
   b. Keeping a responsible design

   Assurance that the original objective has not been skewed by the biases of the technology creators, can be brought in by internal audit conducting tests that determine the results produced by AI are useful or not. So also reviewing legal compliance/international convention that recognize and preserve human dignity

2. **As AI performs:**
   a. Assurance on data quality usually obtained from multiple sources by AI
   b. Reviewing that performance is measured against valid criteria, that reflect achievement of organizational objectives
   c. Assessing AI’s risk & efforts to mitigate them
   d. Role of Internal audit

   Some potential risks include human logic errors, AI not being used by stakeholders/customers, cost justification of AI not there, etc.

3. **As AI is managed & controlled**
   a. Governance of AI
   b. IT Security
   c. Using AI in supporting internal audit:

   As with any emerging technology, AI requires a re-examination of the lines of accountability and oversight, etc. AI also can assist internal auditors to analyse new data sets & uncover relationships between data points that are overlooked.

The Board should support the CAE to get access to how the strategic objectives are being supported by AI & also in evaluating how AI can supplement the internal audit performance
In the purest sense, disruption is disturbance or problems that interrupt an event, activity, or process. In the business context, the disruptive innovation forged by the game changers in the marketplace creates disruption for those who have not morphed at the same speed. The outcome of this is that some are constantly disrupting their business to stay ahead and others are disrupting their business to catch-up. Whatever the goal, disruption and change are constants and people need to innovate and adapt. To innovate and adapt, people need to work longer and harder to stay afloat while making time to reinvent; to do things they have never done before; to forge new relationships and collaborate with others and during all this time, also worrying about their personal and professional security and future.

This process leads to an emotional roller coaster and if not well managed, could leave the emotional health of an organisation in tatters. While change can have a truly positive impact, organisations need to be wary of the negative side of change. Some of the factors negatively impacting our emotions during disruption in the workplace are physical and mental fatigue from working under pressure, fear of failure when doing something new, not being treated with respect, not being listened to or appreciated and job insecurity.

Amygdala hijack “Emotional hijack”
The amygdala, the most primitive part of our brain, is an almond-shaped set of neurons located deep in the brain and responsible for processing and regulating our emotions. It is responsible for our survival instinct – our fight, freeze or flight response; and causes us to display inherent protective behaviours during times of perceived emotional or physical danger. Disruption at the workplace can trigger our fight, freeze or flight response if we are not aware of the signs of the hijack and do not calibrate a consciously emotionally intelligent response to a given situation.

How the amygdala and our emotions work
The process from stimulus to emotion is an interesting one. An event, trigger or information (“stimulus”) goes through one of our sensory organs to the thalamus (a small structure within the brain whose main function to relay motor and sensory signals to the cerebral cortex). From the thalamus, the stimulus goes to the appropriate layer of the neocortex (our thinking brain) for analysis and appropriate response. However, a small part of the original stimulus goes to the amygdala for a quicker, less precise response, assuming a sense of urgency.

Our brain, including the amygdala, processes these stimuli by filtering them through our memories, experiences, values and beliefs to find matches and seek confirmation of its understanding of the stimulus. If the amygdala perceives a match, i.e., if our record of memories, experiences, values and beliefs tells the amygdala that it is indeed a fight, flight or freeze situation, "In the space between stimulus (what happens) and how we respond, lies our freedom to choose. Ultimately, this power to choose is what defines us as human beings. We may have limited choices but we can always choose. We can choose our thoughts, emotions, moods, our words, our actions; we can choose our values and live by principles. It is the choice of acting or being acted upon."

Stephen Covey
(The 7 Habits of Highly Effective People)
then the amygdala triggers the stress response system, which causes the release of the stress hormone "cortisol" and ultimately hijacks the rational thinking brain.

This emotional brain activity processes stimuli a fraction faster than the rational brain, so if a match is found, the amygdala acts before any possible rational direction from the neocortex can be received. If, however there is no match, then it acts according to the directions received from the neocortex. Therefore, when the amygdala perceives a threat, it can lead to unpredictable and irrational reactions.

Emotional intelligence (EI)
For people to survive or even thrive in an environment of disruption and change, the practice of emotional intelligence is paramount. Emotional intelligence is best described as a person's ability to recognize and understand emotions in themselves and others, and their ability to use this awareness to manage their behaviour and relationships. In reflection of Stephen Covey's quote above, EI is the ability to choose the right action in the space between stimulus and response.

The concept of EI was floated in psychology research papers between the early 60s and the late 80s and was made most popular by science journalist Daniel Goleman in his book Emotional Intelligence – Why it can matter more than IQ, which was released in 1995. There are many prevalent models that support the different theories about EI and how it works. For the purpose of this article, I have chosen a simple framework made up of four components as outlined below:

Self-Awareness - the ability to identify our emotions and what triggers them, to validate our thoughts and feelings and to understand what they mean.

Social Awareness - the ability to recognize others’ emotions, reactions and responses; to see things from their perspective and to appreciate that the impact of a person’s action may not be their intent. This component also requires us to see the bigger picture of organisation and social context in which we operate before we react.

Self-Management - the ability to work through highly emotional reactions without being derailed by them, and to use emotions in positive ways; this increases our resilience to counter the stress response that could otherwise be triggered by the onset of a problem or perceived problem.

Relationship Management - the ability to choose our responses to others that are appropriate to different situations and are "intelligent" in the sense that we take into account the emotional tone and tensions without being controlled by them.

What organisations should do to leverage emotional intelligence during disruption?
There are many steps an organisation can take to maximise the power and impact of emotional intelligence. To name a few:

• Develop more self-aware leaders and workforce

An article on Harvard Business Review's website titled "For A More Flexible Workforce Hire Self-Aware People" links higher self-awareness to the capacity to be flexible and shift in response to changing situations. Self-awareness is a skill that can be developed through insight and practice. However this is not a fundamental skill taught at home or in schools.

✓ Firstly, organisations should invest in EI evaluation for its leaders to make them aware of their emotional blind spots.

✓ Unfortunately awareness alone is not enough. Programmes on self-management and relationship management are essential to impart necessary empowering skills such as rapport and trust building, visualization, storytelling, conversational intelligence and influencing, conflict management and mindfulness, among others.

✓ Awareness and skills are still not enough. Leaders need to make a heartfelt commitment to practice emotional intelligence consistently and be seen to be leading from the front. Empowering leaders with executive coaches (preferably external) will help keep them accountable to their commitment to practice emotional intelligence.

Leaders have a prominent role to play in the overall emotional health of an organisation. Here are some of the reasons:

✓ “Emotions are contagious from the leader outward,” says Daniel Goleman. Studies show that emotions can be transmitted even in silence and that the more emotionally expressive person’s feelings prevail. This has been more recently explained by the discovery of “mirror neurons”, which would be activated when we perceive an action or emotion of another person as if we were experiencing it ourselves, causing us to simulate the actions and emotions of those we observe.

✓ In groups where there are power differences – it is the most powerful person who is the emotional sender, setting the emotional state for the rest of the
group. Based on a study at Yale University, it is clear that leaders affect the group mood: “In a study of the influence of mood of a group leader on group members, the positive mood of the leader positively influenced group members at both the individual and collective level with the opposite for leader negative mood. The leader’s positive mood also had a subsequent influence on group coordination and effort” (Sy, Côté, & Saavedra, 2005, as cited in Barsade & Gibson, 2007).

✓ Positive emotions at work is one of the strongest predictors of personal satisfaction. However, a study showed that interactions with bosses often led to bad feelings - frustration, disappointment, anger, sadness, or hurt; causing distress more often than customers, work pressure, company policies, or personal problems.

✓ Good leadership requires a fine balance between pressing the reality of work demands without unduly upsetting people. Distress (anxiety and worry) beyond moderate levels not only erodes mental abilities, but also makes people less emotionally intelligent. Overly distressed people have trouble reading emotions in others accurately, impairing the most basic skill needed for empathy.

• Create new filters
Our brain processes stimuli by filtering them through our memories, experiences, values and beliefs to look for matches that reinforces its understanding of the stimuli. This in turn provokes a reaction which is either dictated by the thinking brain or the amygdala. One key intervention companies must do, especially during periods of disruption, is to create new filters. This can be achieved through adequate internal communication; organisation wide, from the leadership, from managers and among peers.

Timely and effective messages on what is going on, shared vision and goals from the top, what to expect in the coming weeks and months, what is and isn’t important given the current context etc. are all essential filters that will help a person give new meaning to stimuli they experience. Organisations should carry out more frequent town halls, encourage sharing of stories and experiences and asking of questions. Open and honest communication is key.

• Recalibrate culture and values
This is also the time to recalibrate the company’s culture and values. At times of disruption, an organisation would need to increase its tolerance for error whilst allowing people to experiment. Agile principles should be adopted to make decision making faster. A philosophy of forgiveness rather than permission may be more appropriate to allow speedier action. Whatever the change is, leaders should be visibly seen leading by example and living the culture and values.

• Encourage good physical health
During disruption, there is a high risk of people overworking to the detriment of their physical and mental health. Sufficient sleep, moderate fitness and a good diet go a long way in making humans mentally more resilient. Often, the workforce in an organisation are unaware of the impact of poor physical health, justifying the overworking and fatigue in the name of survival and progress. Organisations must visibly increase their interventions on health and life enrichment particularly during periods of disruption.

Sleep: A study of sleep deprived participants showed that they experienced greater stress and anger than rested participants when taking a cognitive test. Sleep deprived participants were found to have significantly higher levels of amygdala activity when shown emotionally negative images than those who were rested. Researchers found that sleep deprivation had disrupted the connection between the amygdala and the prefrontal cortex; a crucial discovery as the prefrontal cortex moderates the amygdala’s response.

Fitness: Dr. John Ratey in ‘Spark: The Revolutionary New Science of Exercise and the Brain (2008)’ states that “Exercise isn’t just about physical health and appearance. It also has a profound effect on your brain chemistry, physiology, and neuroplasticity (the ability of the brain to literally rewire itself). It affects not only your ability to think, create, and solve, but your mood and ability to lean into uncertainty, risk, judgment, and anxiety in a substantial, measurable way.” Studies also prove that aerobic exercise increases the size of the prefrontal cortex and facilitates interaction between it and the amygdala; a vitally important discovery because the prefrontal cortex, as we discussed earlier, is the part of the brain that helps control the amygdala’s distress response.

Diet: An experiment, led by Javier Bravo at University College Cork in Ireland, discovered that probiotic-fed animals were less anxious and released less stress hormone when put in stressful conditions. These animals had more GABA receptors, a restraining chemical that downplays the activity of neurons, thereby mimicking the effects of anti-anxiety medication. French researchers found that treating human subjects with large doses of probiotics for 30 days reduced levels of “psychological distress.” There is therefore nothing metaphorical about “gut feelings”; we are what we eat.
• **Cultivate team emotional intelligence**
During disruption, it is more than likely that people from different workgroups will be made to work together for the first time to facilitate innovation and to maximise synergies. In these situations, steps to cultivate team emotional intelligence are essential. A combination of technical, physical and psychological activities are necessary. The creation of common, interdependent goals will help foster stronger team spirit. The shared understanding of the personality, behavioural and emotional traits of team members will help raise self and social awareness. Working through physical and psychological games and challenges in a safe workshop/boot camp environment will empower team members with the strategies necessary to navigate these new relationships.

• **Frequent pulse checks and feedback loops**
During periods of disruption, it is crucial that organisations take steps to measure the emotional temperature of the organisation. Periodic pulse surveys targeted to measure emotional engagement with the organisation, leaders and managers will provide insight on which interventions are working or which aren’t. The HR function should place great importance of the performance management process during these periods as people constantly need feedback on how they are doing. A study showed that a person’s engagement with the organisation was highest when they received positive feedback; second highest when they received constructive feedback and lowest when they received no feedback at all.

• **Moderate Social Media use**
In a world where any news is news worthy, organisations must create a framework within which the workforce can engage with social media about what’s going on in the organisation. Guidelines on social media use should be clearly communicated to all and frequent monitoring of social media activity is crucial. We have already established that emotions are contagious. Whilst positive news shared via social media does positively impact those who receive it, negative stories, in particular, shared by colleagues such as workforce reduction, absence of work life balance, improper performance reviews, inadequate pay and bonus, project or idea rejection, etc. can affect a person’s emotional state much more quickly and deeply.

**How to audit an organisation’s approach towards leveraging emotional intelligence**
In the midst of disruption and change, the effectiveness and efficiency of strategic execution and core operational processes often receive the auditor’s priority focus.

However, given that an emotionally intelligent workforce will be most flexible and responsive during change, auditors should equally focus on the interventions undertaken by the organisation to drive emotional intelligence. Among the processes that should be audited for their effectiveness are:

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<th>Culture</th>
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<td>Internal Communications</td>
<td>Health and Lifestyle</td>
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<td>Performance management</td>
<td>Social media</td>
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<td>Employee engagement</td>
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Auditors should look out for the rigour with which the measures introduced are being enforced. There is necessarily more fluidity in the way the softer aspects of workforce management is handled. Despite the fluidity, auditors should check if the organisation is clear on the have-to-haves and if they are monitoring these diligently.

> *When dealing with people, remember you are not dealing with creatures of logic, but with creatures of emotion.*

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This article represents the thoughts of the author and not necessarily those of the organisation he/she works for.
It is difficult for many of us to acknowledge that Sudhir ji, is no longer amongst us physically. The IIA India & Delhi Chapter have received a very large number of condolence messages. To save time I will take the liberty of reading out just 2 of them and say a few words thereafter.

Condolence Message by Dr. Mitra:
In the passing away of Mr Sudhir Mohan Verma, IIA (India) has lost one of its staunchest well-wishers. Mr. Verma was an excellent Trainer & a reputed Audit Professional. His dedication to the cause of Internal Audit is well known. We shall miss his presence. On behalf of IIA (India) my heartfelt condolences on his sad demise. May his soul rest in peace. May the Almighty give strength to his family to bear the loss.

Condolence Message by Mr. Dinesh Bahl:
Sudhirji was not only a competent professional but a truly committed person who was always willing to go the extra mile and through the dint of his labour deliver the desired results without compromising on values. The best thing about him was his smiling countenance. His persona was reassuring, his demeanour friendly, his achievements stupendous. He was selflessly devoted to IIA. He was IIA India’s treasurer from the time I met him and that was almost 3 decades ago. We were the two links of the chain of oldies, our predecessors who had guided IIA India and IIA Delhi and had lovingly nurtured us. We all learnt to rely on his sage advice. He would volunteer readily when others would hesitate. What a man Sudhir was. We will all miss him, but I will more than the entire IIA fraternity as I enjoyed the pleasure of his company for the longest period compared to the other professionals, we haven’t lost our treasurer but our treasure. I pray that Sudhir’s soul will find abode at the lotus feet of the almighty.

Nikhel Kochhar: Sudhir ji was a pillar of strength for The IIA India for over 3 decades. He was the 1st certified CIA of Delhi and one of the founders of The Delhi Chapter of the IIA. During this long association, he held several positions of responsibility including Treasurer of IIA India, President of the Delhi Chapter (Twice) and Chairman Education & Training, amongst others. During its fledgling years, Sudhir was an integral part of a small group whose dedicated care & support helped the Delhi Chapter of The IIA to achieve the professional standing it has today. When I had personally sat for the CIA Exam over a decade ago, it was Sudhir ji and his equally dedicated wife, Mrs. Varma, who were my invigilators; a duty they performed for years until the exam went electronic. Sudhir was a passionate trainer who would remark “Main to bas maali hun”. Training was a labour of love with which he would nurture and train young, budding internal auditors & accountants and then proudly see them blossom into strong professionals. Earlier this year, The IIA was requested to train probationers from the ICAS for Part I of the CIA Part I exam. Despite his failing health Sudhir immediately volunteered to prepare the Training Material Presentations. These Presentations were prepared within a short span of time and were used for training 11 of these young Government Officers. Sudhir ji would be happy to know that 2 of these probationers have sat for the Part I of the CIA exam & both have cleared it. I have no doubt that we will have more successes from the batch as they appear; with the material prepared by Sudhir Ji. His contribution to the IIA cause continues. I would be failing in my duties if I did not refer to his wonderful humanitarian qualities. He was a warm, affectionate and caring individual. Ever ready with a crystal-clear viewpoint and rock-solid advice – whenever it was required. And always ready with a pleasant smile or laugh. Full of positivity. Though he is physically not with us, Sudhir ji’s affection, warmth, positivity, professionalism and wonderful nature will remain in our hearts for a long long time to come.

The above homage was paid at the prayer meeting by Mr Nikhel Kochhar on behalf of IIA India.
The Key note speaker at the ACIIA Chief Audit Executive Leadership Forum, Mr. Naohiro Mouri, Snr. Vice Chairman, IIA Global spoke on the Future of Internal Audit in the era of the robotics, artificial intelligence & internet of things, which is forcing internal auditors to think differently about our objectives and how we operate. At the preliminary session Mr. Navin N.D. Gupta, Vice President, ICAI brought out the subtle difference between effectiveness & efficiency with an easy to understand example.

The Theme of the Forum was ‘Navigating through disruptive business innovation – an internal audit perspective.’

The panel session of the CAEs at Wipro, HCL Technologies, Infosys, Juniper networks with Subhashis Nath from Genpact Enterprise Risk as the moderator, captured the mind space of the delegates with their discussions on the Indian IT/ITeS navigating through the disruptive risks in the global environment during the past few years.

The session by Mr. Bhavdeep Singh, Group CEO, Fortis Healthcare on ‘Expectations from Internal Audit – a partnership approach’ brought in the perspective of the internal audit users which resulted in a healthy interaction with the delegates, who were mainly practitioners of internal audit.

Mr. Ajay Shankar Singh, CCA, MoRD mentioned about Blockchain as a possible platform in the future for large rural development schemes, which evoked considerable interest. Mr. Rohit Mahajan, President, Deloitte spoke on how internal audit was poised for the future in the era of disruption. Other interesting presentations were on Innovation & risk sensing, managing the risk of obsolescence of internal auditors in a disruptive technology era, etc.

The 7th Chief Audit Executives Conference of UAE IAA started with a Keynote speech by Mr Richard Chambers, President & CEO of IIA Global on the topic “Internal Auditors as Trustee

The Theme of the Conference has been “CAEs Challenges in the digital world”.

There were two Guest Speeches on (1) Auditing in the age of Artificial Intelligence by Chairman of Smart world Dr Saeed Al Dhaheri and (2) Auditaholics, your world is about to change by Director – ERP-EPM Applications Strategy of Oracle Ms Aarti Mohan.

Both these presentations were eye openers and explained the changed scenario with the use of AI and Autonomous ERP / Database systems which is going to be released in 2018 by Oracle.

There will be no human intervention whatsoever right from inception, customisation, production run, update to maintenance. Under this environment there will be sea change in terms of human employees deployment in IS and user sides. CAEs and IAs are advised to learn to work under such environments.

Further, there were many Break-out sessions in three parallel Tracks. Contemporary topics such as Social Media Governance, Humanities in the Digital Era, CAE Brand in a Digital World, Internet of Things, Big Data – Big Disruption, Cyber Security etc were very well presented by a galaxy of speakers from Protiviti, PwC, Grant Thornton, EY, Deloitte, KPMG etc.

I was invited as a special guest to interact with the speakers in a round table atmosphere. I thoroughly enjoyed the two days of deliberations which were of a high order. Under the able leadership of Chairman of the UAE IAA Mr Abdulqader Obaid Ali, the arrangements for the Conference both in terms of technical sessions and administration of the event and logistics were all very well carried out with clockwork precision.

- Contributed by Mr. K Vidyadharan, Immediate Past President of IIA India.
Annual Conference of IIA Bombay Chapter held on Dec 13-14, 2017 at Mumbai
Mr. Burzin Dubash, President, IIA Bombay Chapter flagged off the event. The theme of the conference was #IAOFFUTURE and the nine technical sessions were structured around key themes that would impact the profession in the future. In the session, ‘IA in the age of transformation’, Mr Ninad Karpe, Western Region Chairman, CII shared his perspective of the paradigm shift being brought in by Artificial Intelligence (AI) and his key thoughts included – AI will soon take over Internal Audit, AI Technologies are beginning to challenge human intervention in tasks, rising importance of Data scientists, etc. Mr. Nilesh Vikamsey, President, ICAI shared his thoughts on what the internal audit profession needs to do to keep abreast with the various issues faced today in the face of rapid globalisation, demanding stakeholders, impact of digitisation, cyber threat, etc. He mentioned the initiatives being undertaken currently by ICAI – as upgrading the internal audit standards & introducing a certificate course on internal audit.

Dr Debashis Mitra, President, IIA India while speaking on ‘Corporate Governance – the path ahead’, brought to life some of the provisions of the Kotak committee report of SEBI through practical situations.

Mr Gautam Chainani, HR Head, JSW Group gave his interesting views on the future of work, future of jobs, future of people. Speaking on the advancements in technology he enumerated some important aspects where technology will leave an impact and left some thoughts. During the two days there were many interesting sessions including the panel discussion on Customer Centric Audit moderated by Mr. Uday Khanna, Chairman Bata India, which suggested innovative solutions as mystery audit, competitor audit, etc.

National Conference of IIA India held on January 12-13, 2018 at Kolkata
The Institute of Internal Auditors (IIA) – Calcutta Chapter hosted the 2018 IIA India National Conference in Kolkata themed – “Internal Audit - Combating business disruption through innovation” The conference started with a welcome note by Mr. Abhijit Bandyopadhyay, President, IIA Calcutta Chapter where-in he stated that in today’s business world disruption is inevitable, innovation is the only response. Mr. Debashish Mitra, President, IIA India emphasized on collaborative approach taken by ICAI and IIA members leading to synergy for profession.

Mr. Subhashis Nath, Senior Global Partner, Genpact Enterprise Risk Consulting focused on innovation across – business, leaders, regulators, tech folks. With the advancement of technology, fraud risk in business has also enhanced manifold, it needs newer techniques and skill set for professionals to curb such risk & Ms. Anu Priy Vij covered a case study.

Mr. Denny Beran, Past Chairman, IIA Global said that today management, Board, other stakeholders need to know key risk in the business. He stated that one cannot continue to audit in analog way in the digital world thus will have to adopt newer methods and technology. Chief Guest, Mr. J. Michael Peppers, Chairman, IIA Global addressed the delegates thanking IIA India for the opportunity to be a part of the program. Internal auditors aren’t recognized quiet often, it is important to lift each other up. One needs to voluntarily support other co-professionals thereby enhancing the stature of Internal Audit.

Generally, every organization has a mission statement, but studying other indicators such as culture, strategy, and reputation can provide useful information, as well. Then auditor must determine how he can help the organization realize its mission.

He emphasized on auditor having a ‘Purpose’ which would include protection and enhancing organization’s value. Internal Audit is service ‘Purpose’ put into action. ‘Impact’ is the destination of the journey, the reason we provided service, and the realization of our purpose. The best and most successful internal auditors understand that internal auditing is more than just a job; it is a sincere effort to improve the lot of others, whether organizations or individuals. We often have to examine the ripple effects our efforts leave behind

Mr Peppers was of the view that auditors need to help educate and prepare the auditee and act as a catalyst to align business to its goals. He was for strengthening processes and risk management and using them as business drivers. He opined that success of Internal Audit function depends upon the support from executive management.

The panel discussion on Agile technology had well known CAE’s AS Mr Mario Nazareth, Ms Bhavani Jois,
Mr Surath Mukherjee, Mr Abdulqader Obaid Ali and the session moderator was Mr Shatrughna Samaddar.

Mr. Anil Bhandari's session on Cyber risk started with the current examples of AI & related technology in use which had everyone's rapt attention. Dr. Sanjay Chougule, CAE, ICICI Bank made a special appearance and shared his experience on Quality Assurance & Improvement Program in internal audit.

CHAPTER ROUNDUP
Details of Professional Development Program (PDP) concluded in November and December is provided below:

Bangalore Chapter
Bangalore Chapter held two PDP on Artificial Intelligence (AI) along with faculty from EY.
The Block chain Technology session took place on Nov 16, 2017. The speaker was Mr. Sathvik Nishanth, Director, EY and the session covered an Introduction, Benefits, Use cases & Internal Audit of Block Chain Technology.

Robotic Process Automation (RPA) and Internal Audit's role in RPA session took place on Dec 21, 2017. The speakers were Mr. Abhishek Sabu & Mr. Rahul Kumar both Directors of EY. The session covered were - Introduction to Robotic Process Automation, Role of Internal Audit in RPA followed by Q&A

Delhi Chapter
Delhi Chapter held four PDP under the stewardship of Mr. Sid Bhalla, Vice Chair training, Delhi Chapter. The programs were well attended

- Cyber Internal Audit held on September 2, 2017. The speaker was Mr. Anand Tiwari - Director, Cyber Risk Services, Deloitte
- Audit under GST was held on Sept 23, 2017 & Nov 15, 2017. The speaker was Mr. R.K. Khurana, Advocate
- Internal Audit using Forensic Techniques held on October 28, 2017. The speaker was Mr. Mohit Kanchanbaras, Sr. Manager, Deloitte
- Data analytics driven internal audit was held on Nov 24, 2017. The speaker was Mr. Harpreet Dhingra, Senior Manager, Risk Analytics, Deloitte