

Auditing Risk Culture

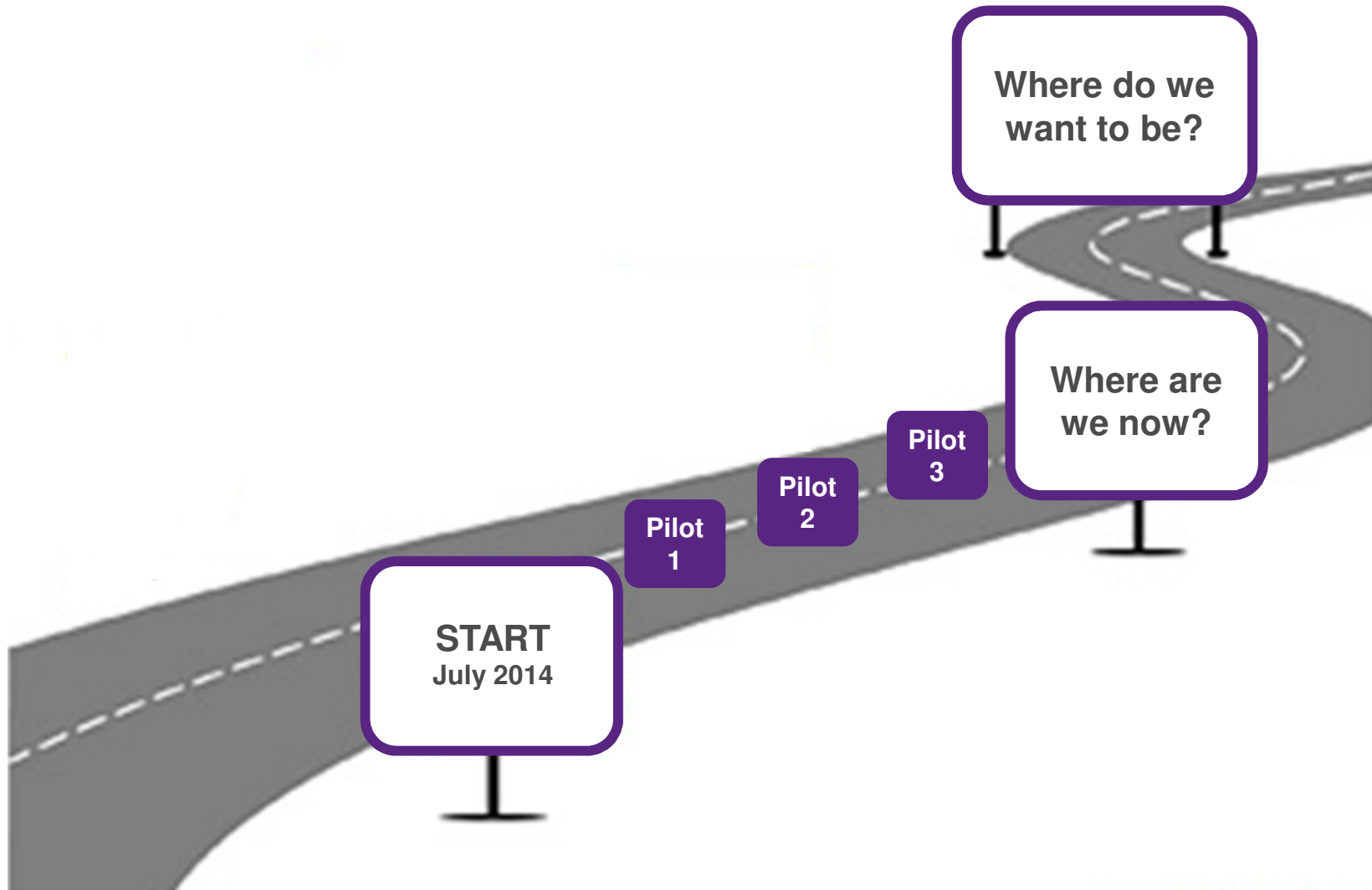
Our journey and lessons learnt



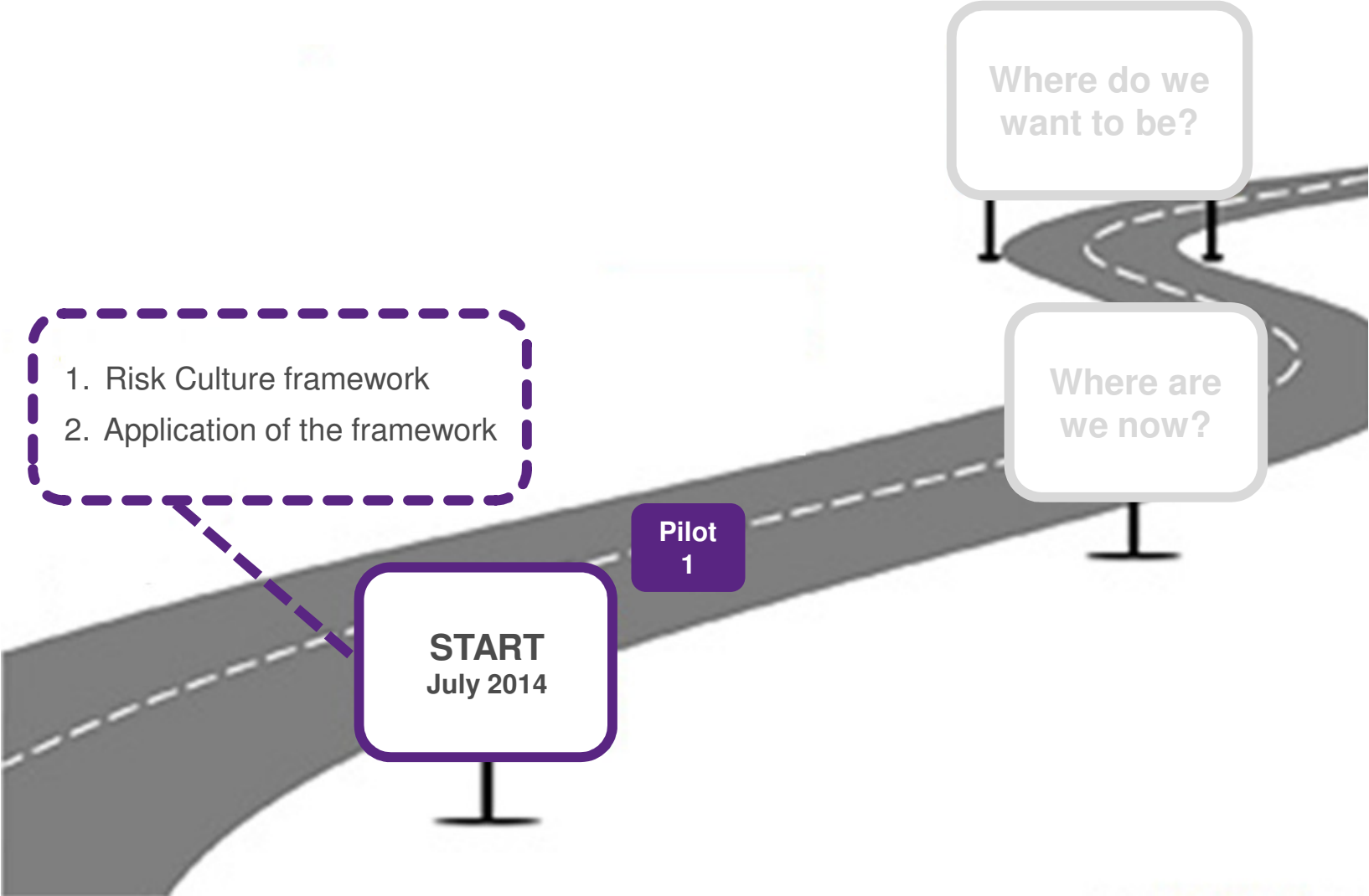
Presented by Maz Grispo



Internal Audit's journey in assessing Risk Culture

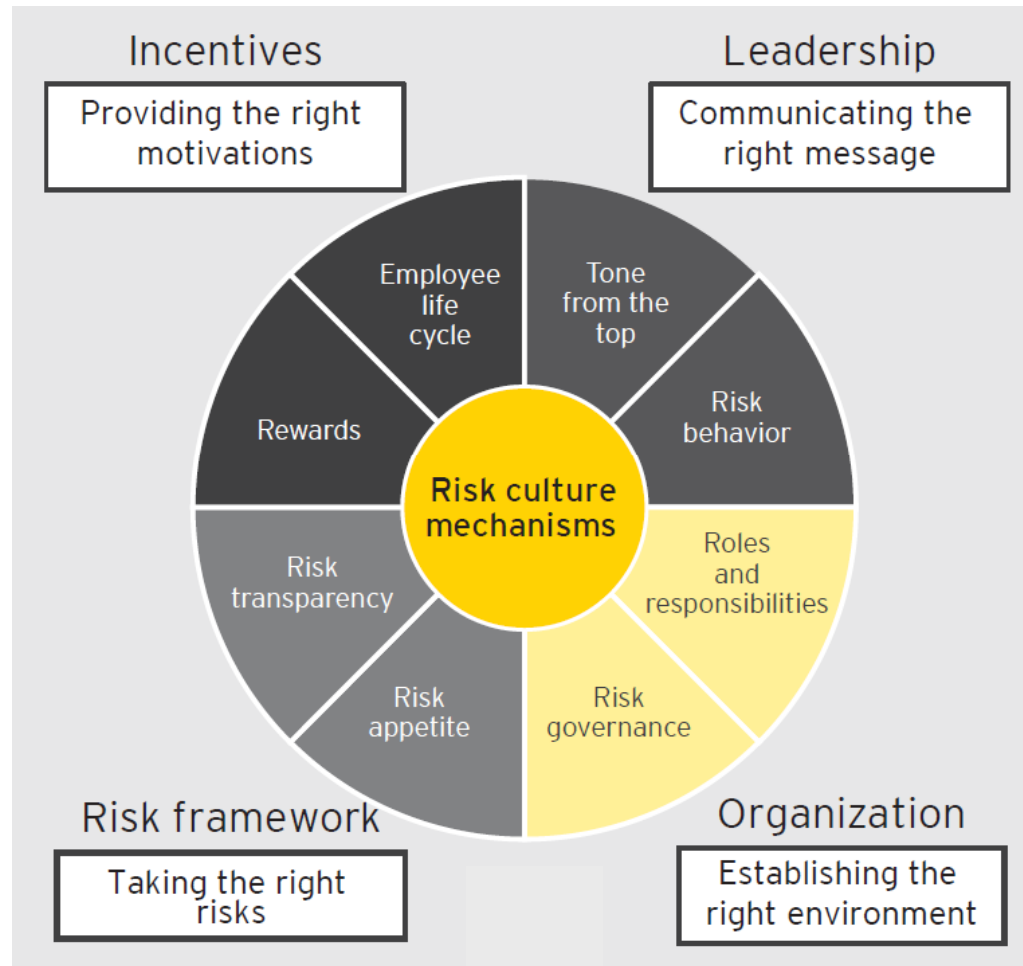


Our journey



Step 1 - Risk Culture Framework

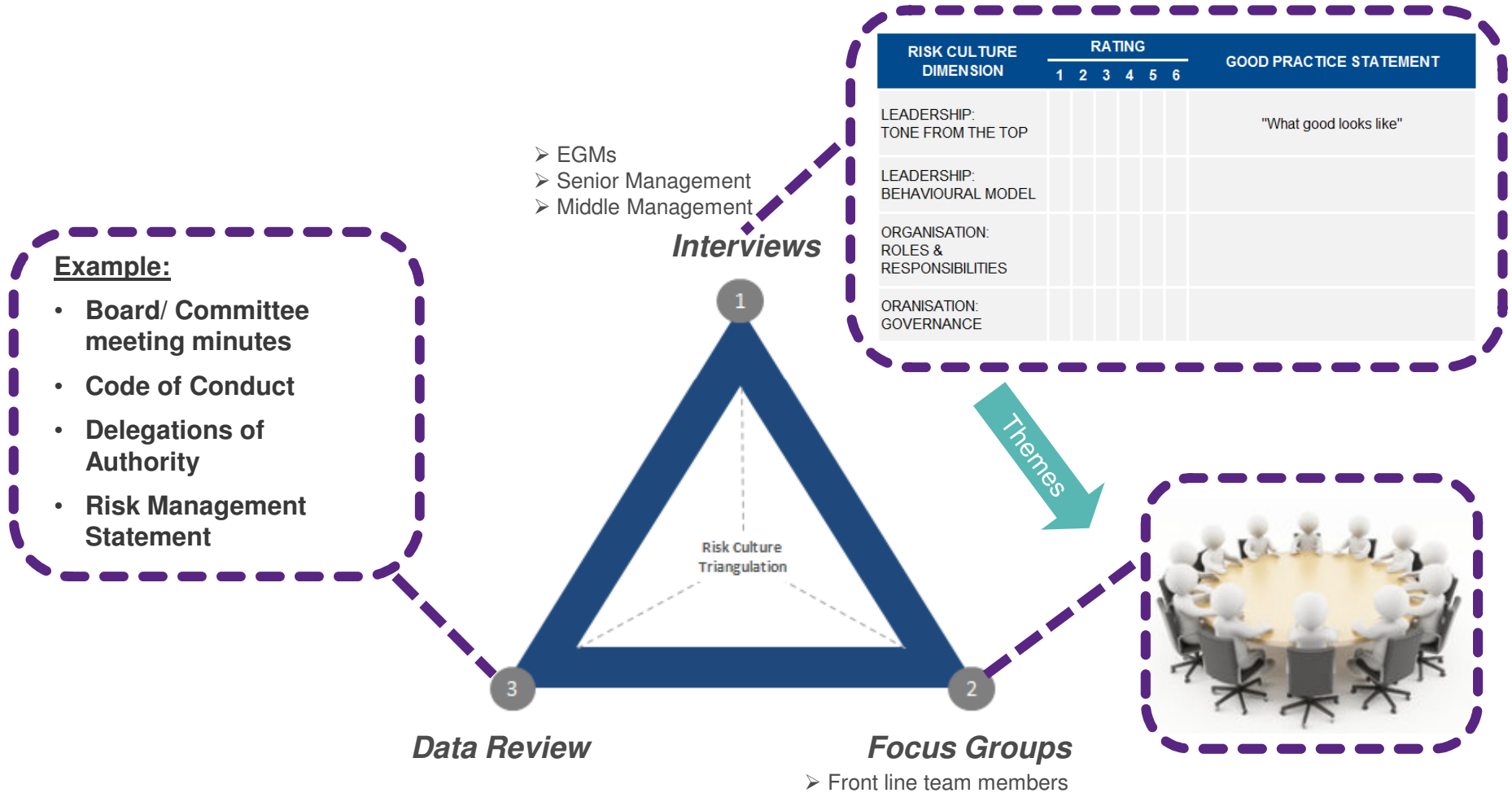
Risk Culture is influenced by a range of behavioural enablers



Source: Ernst & Young – Risk Culture: Internal Audit

Step 2 - Applying the Framework - Pilot 1

Standalone activity run parallel to the operational review



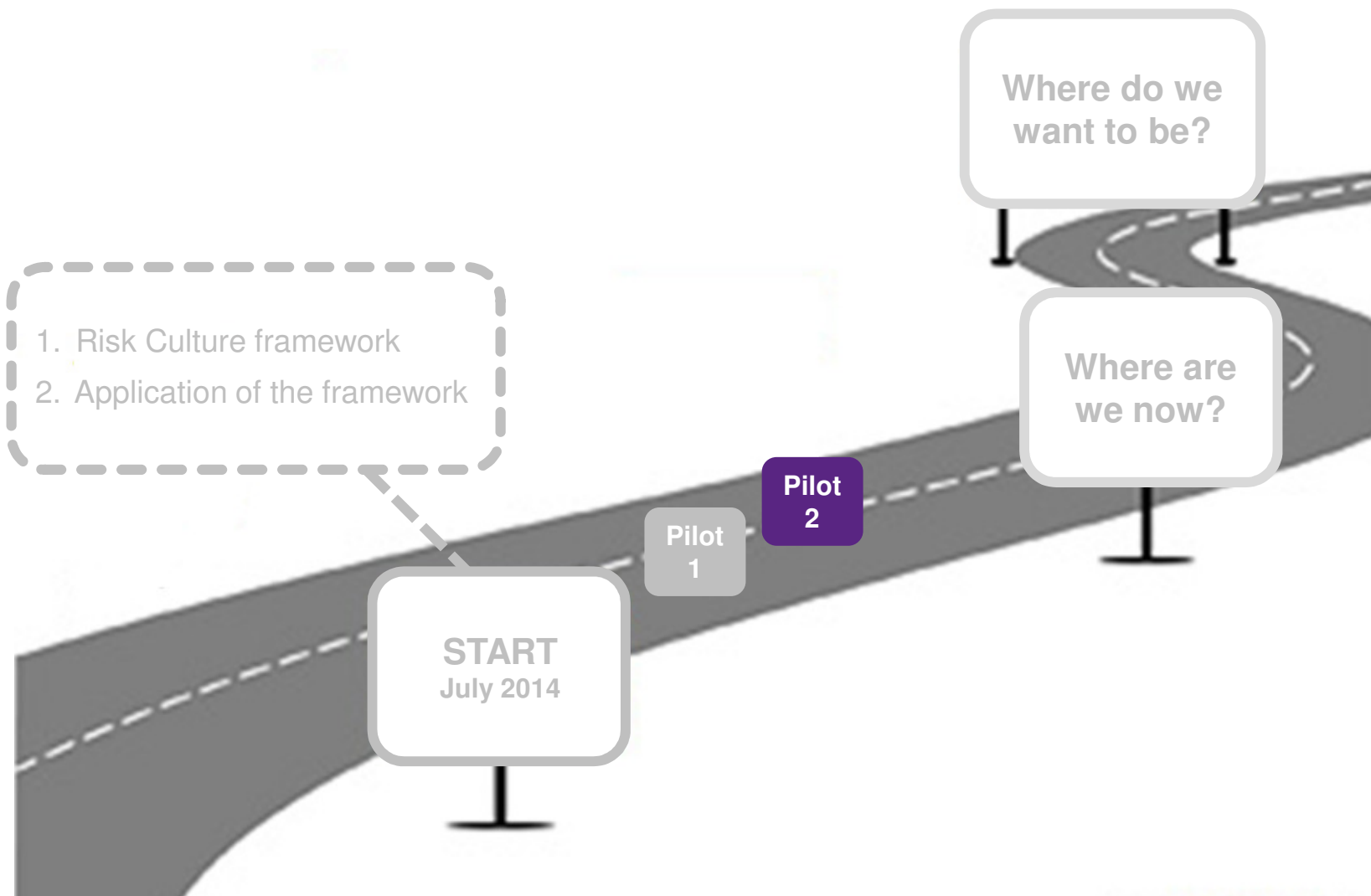
Successes

- It was a more comprehensive approach
- The findings from the Risk Culture assessment helped identify root cause or lead indicators

Challenges

- Not 'fit for purpose' for us
- We wanted an approach that could be embedded/incorporated/operationalised within our audits, not run parallel
- Took up more time, need it to be scalable/flexible

Our journey continues...



- 1. Risk Culture framework
- 2. Application of the framework

START
July 2014

Pilot
1

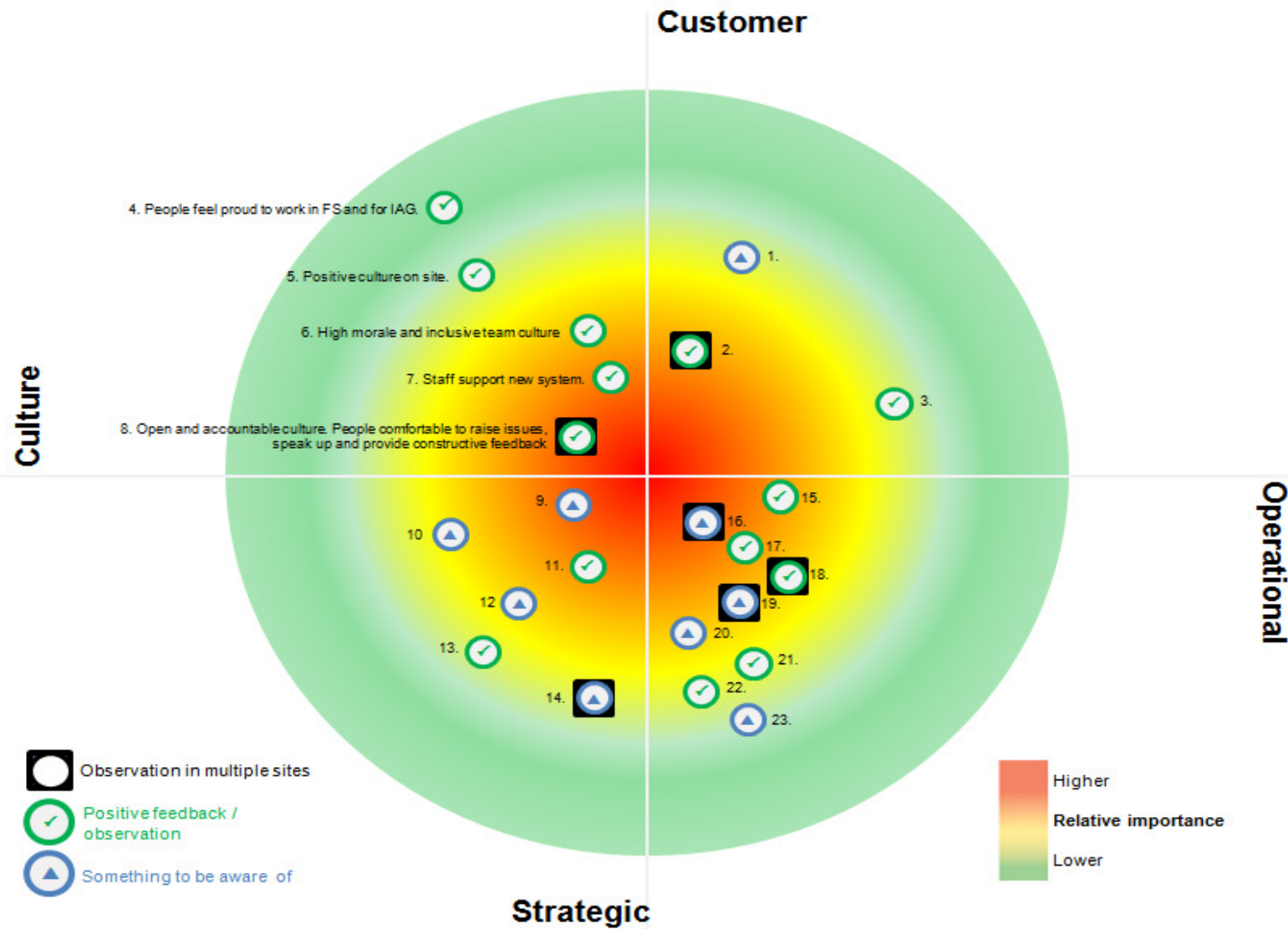
Pilot
2

Where are
we now?

Where do we
want to be?

Applying the Framework

Assessing metrics that are early warning signs on areas of potential concerns



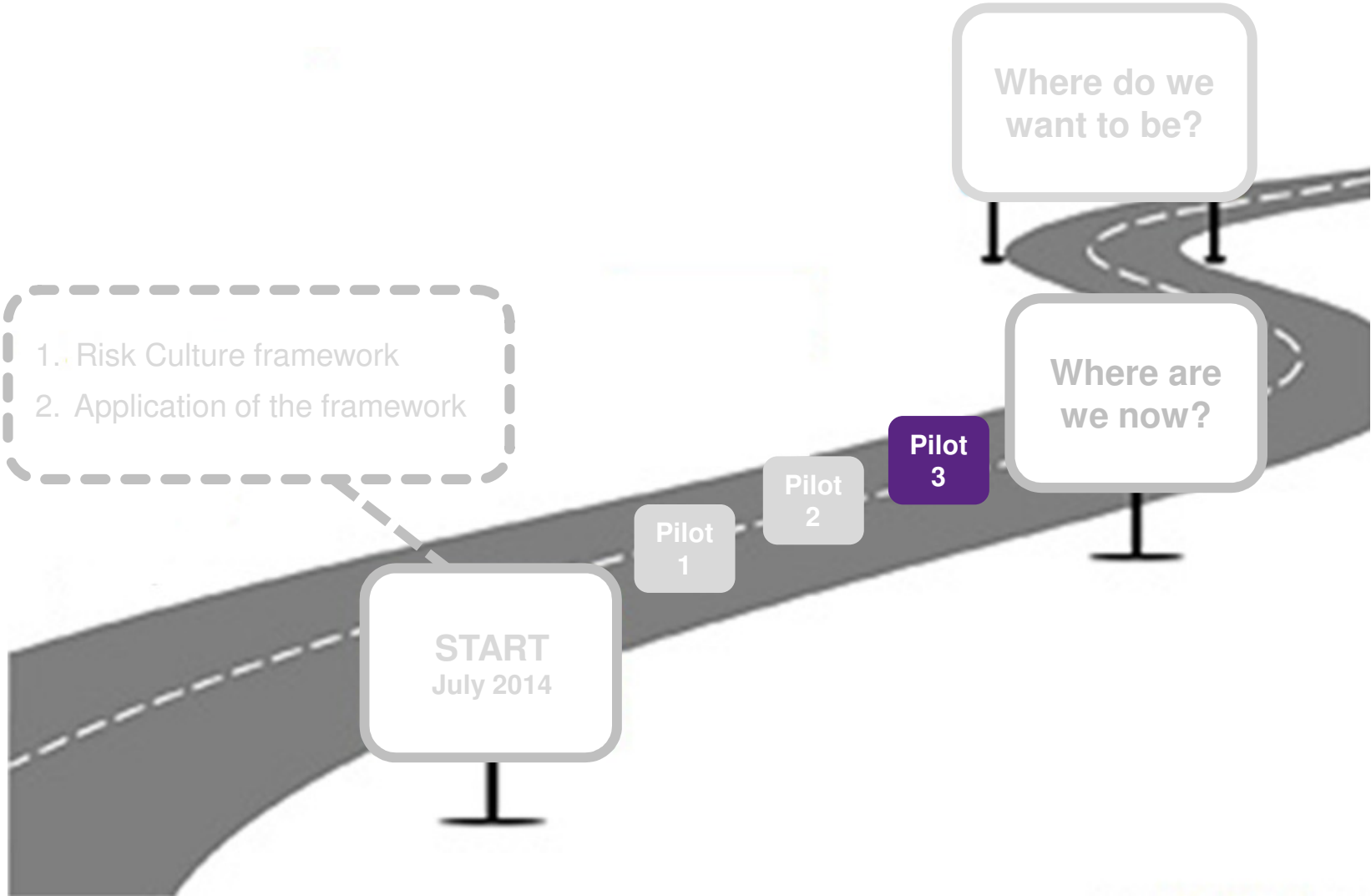
Successes

- Prioritise the extent of risk culture work required
- Achieved similar value in outcome to Pilot 1 with less resources

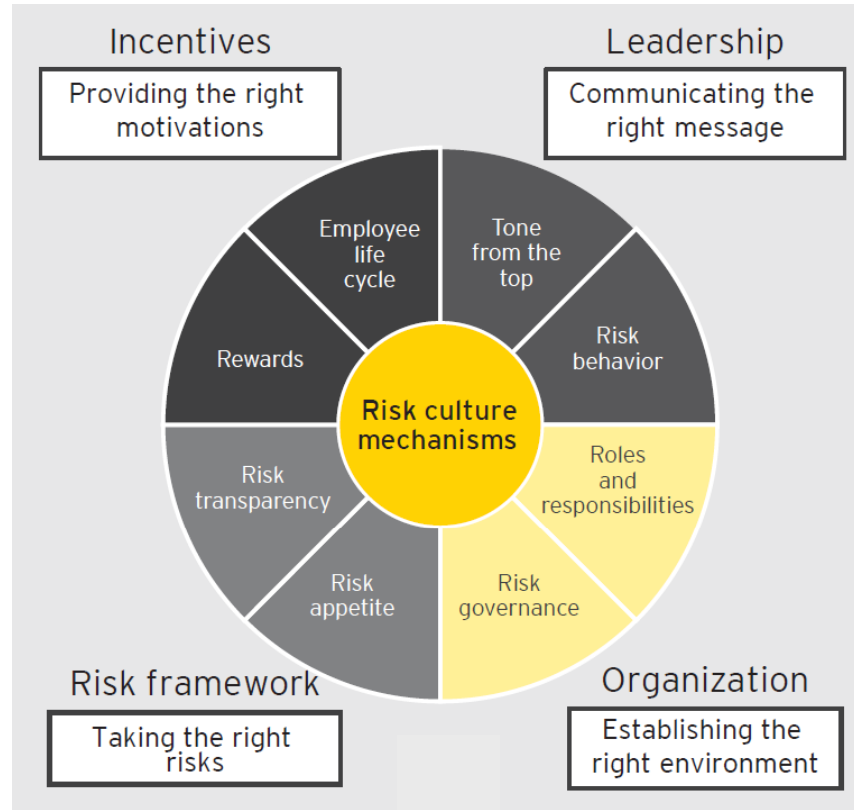
Challenges

- Indicators not easy or quick to obtain
- Difficulty in defining and interpreting the tolerances

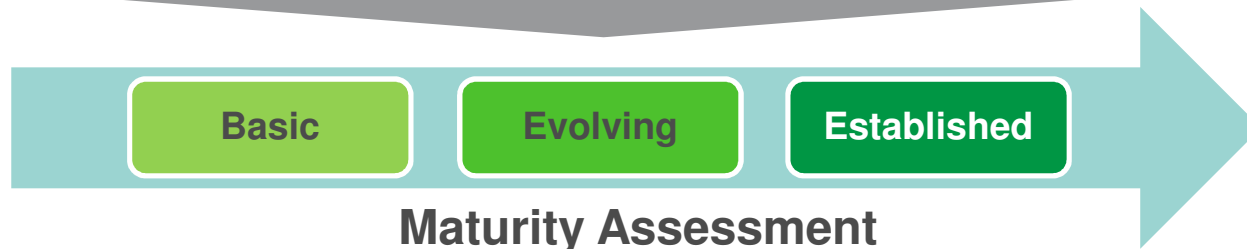
Our journey continues...



Applying the Framework Embedding



Source: Ernst & Young – Risk Culture: Internal Audit



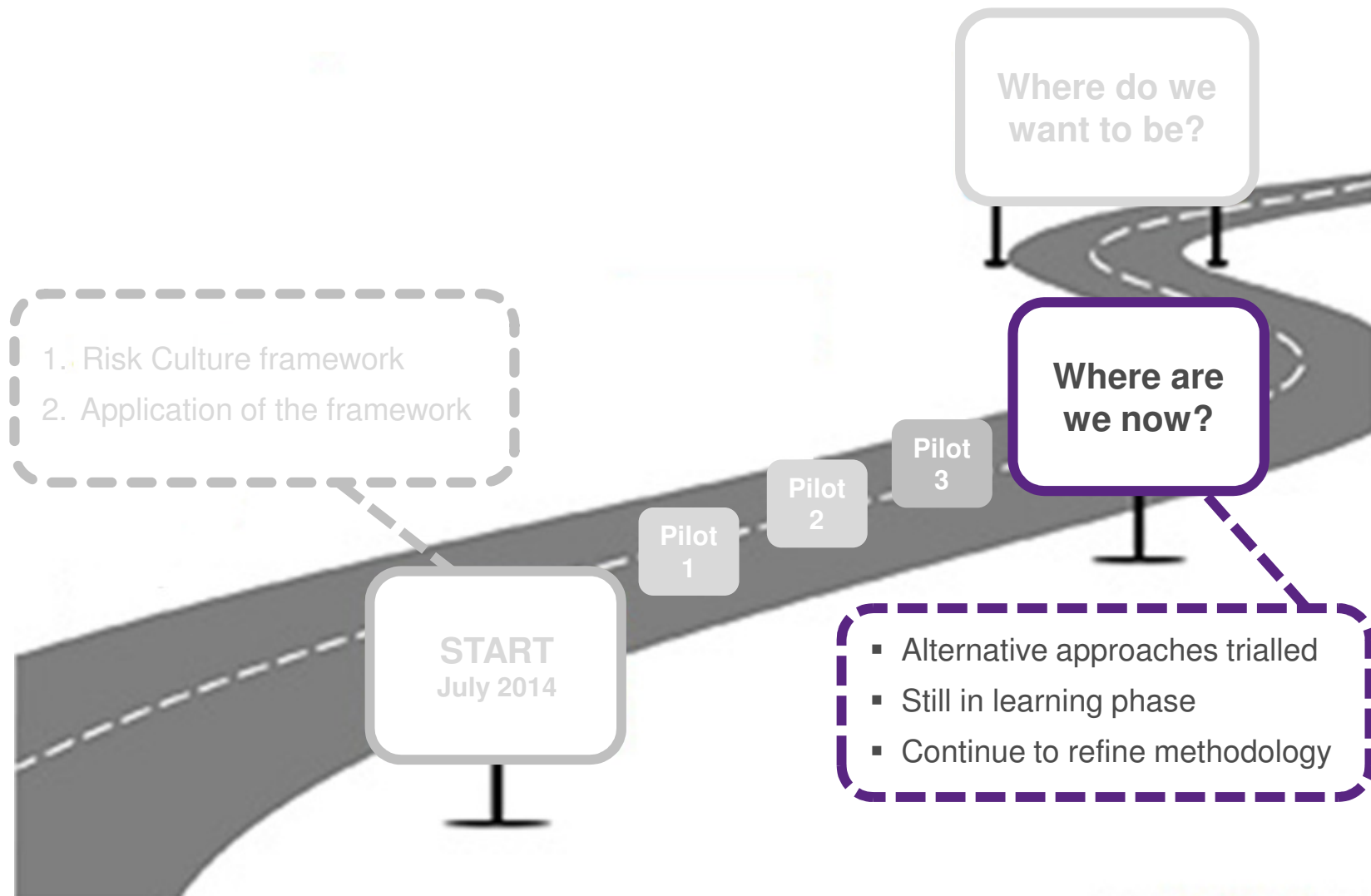
Successes

- Embedded
- Validated what was said – ‘tell me’ and ‘show me’

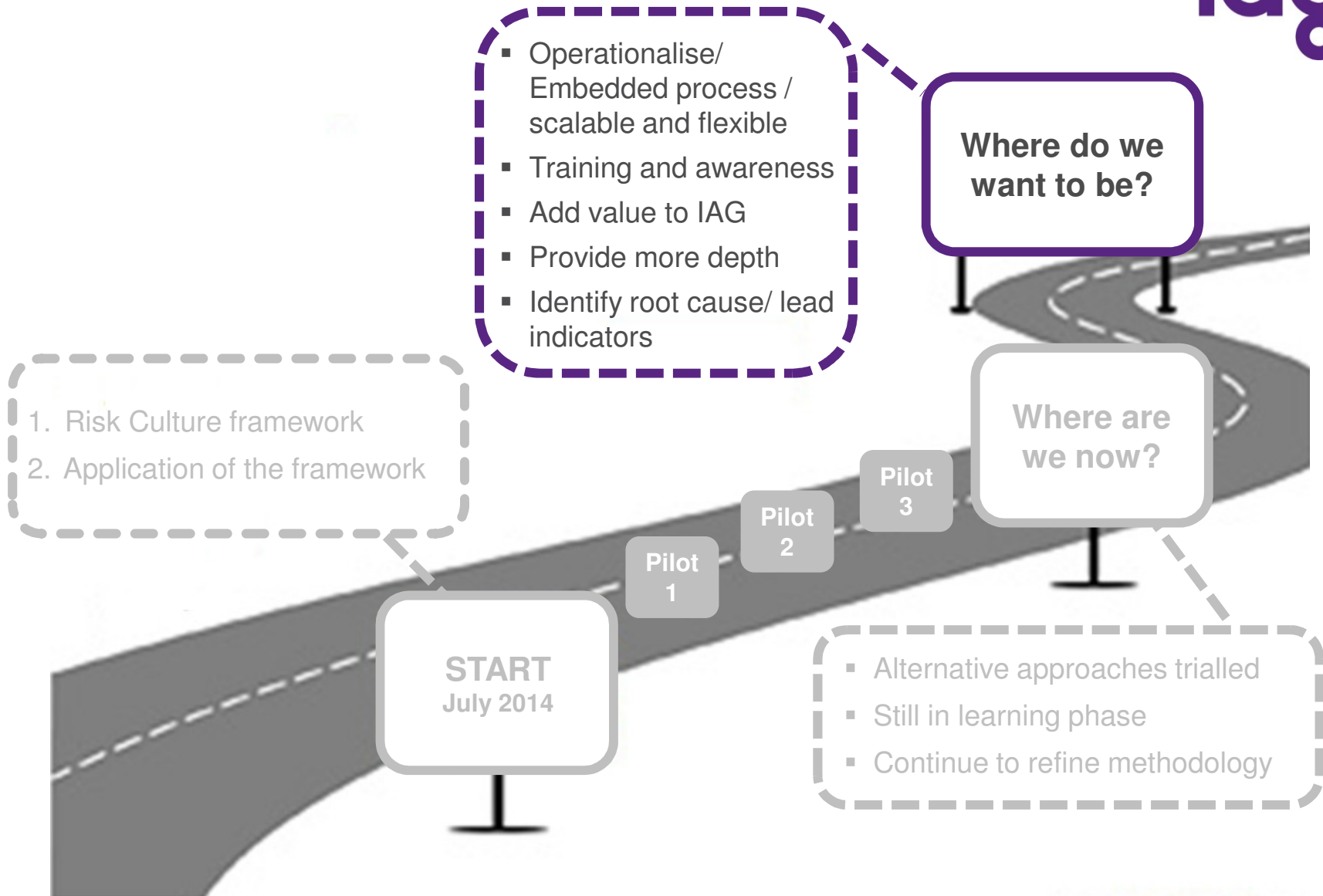
Challenges

- Broaden our understanding of Risk Culture and build our knowledge base
- Effortlessly apply a risk culture lens to every audit

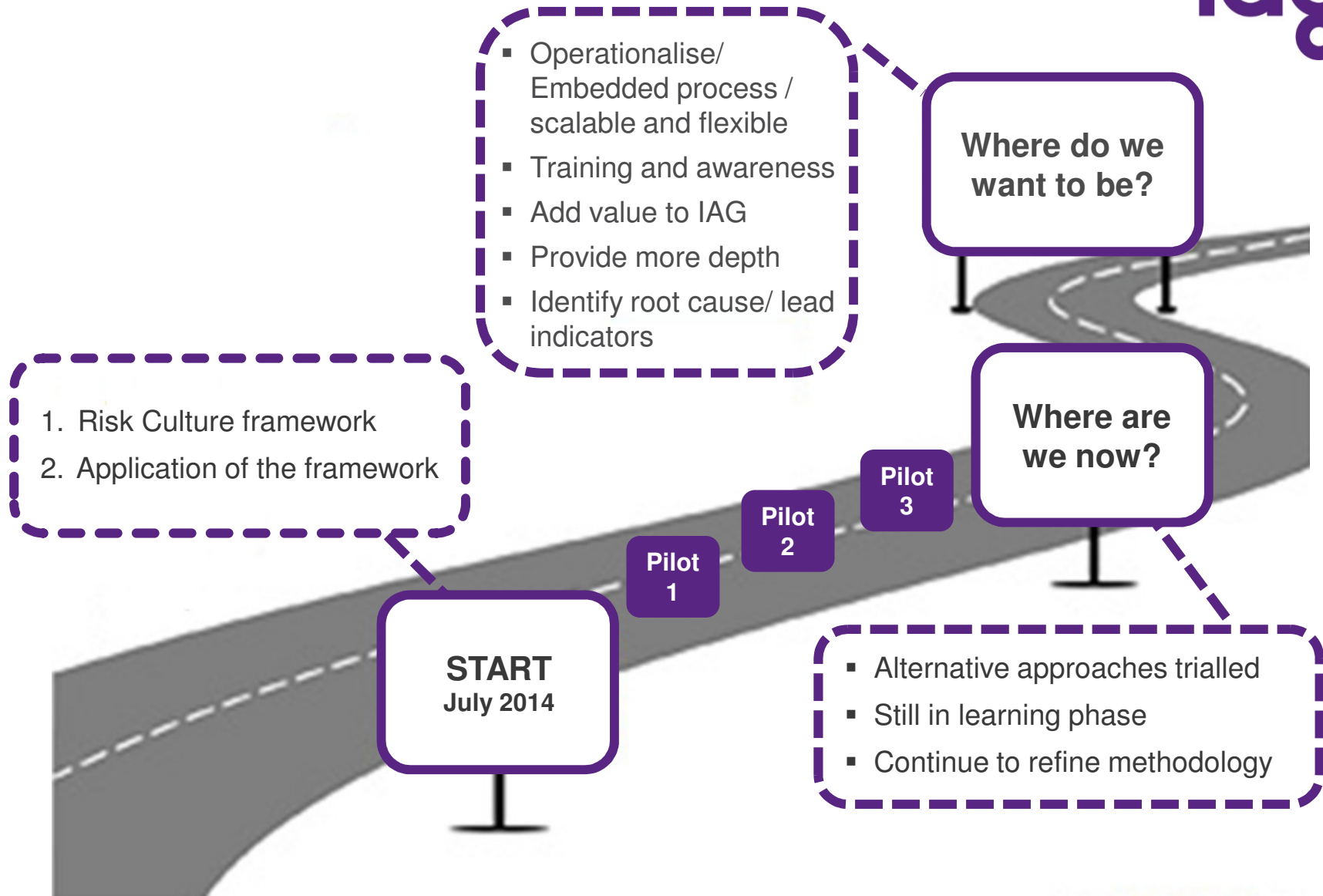
Our journey continues...



Our journey continues...



Our journey





QUESTIONS?