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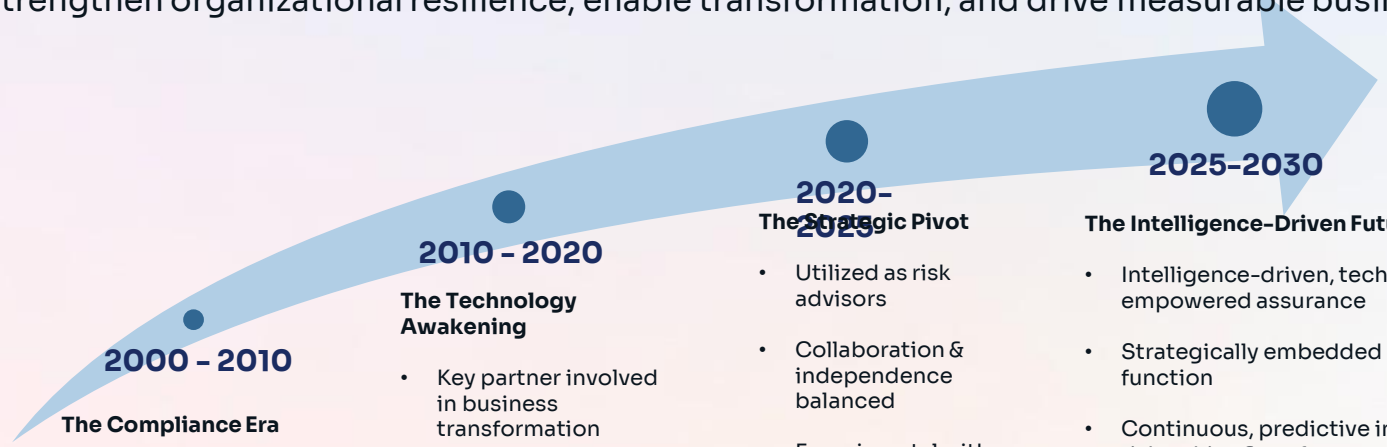
Financial Risk Management - Internal Audit Offering

The Evolution of Internal Audit: From Compliance to Strategic Partnership

A 30-Year Transformation Journey: Internal Audit has transformed from a **compliance checkpoint** into a **strategic intelligence engine** - delivering continuous, predictive insights that strengthen organizational resilience, enable transformation, and drive measurable business value.



2000 - 2010

The Compliance Era

- Primarily a control function
- Adversarial & reactive posture
- Limited use of technology

2010 - 2020

The Technology Awakening

- Key partner involved in business transformation
- Embedded technology with BAU processes
- Sourced new skillsets and expertise (IT, data, cyber)

2020-2025

The Strategic Pivot

- Utilized as risk advisors
- Collaboration & independence balanced
- Experimental with data analytics

2025-2030

The Intelligence-Driven Future

- Intelligence-driven, technology-empowered assurance
- Strategically embedded advisory function
- Continuous, predictive insight on risk, ethics & performance
- Strengthens organizational trust & resilience

For the detailed analysis of the journey, see slides in appendix

2025–2030: Evolving expectations and strategic priorities

Intelligence-driven, technology-empowered, and strategically embedded assurance and advisory function that delivers continuous, predictive insight on risk, ethics, and performance to strengthen organizational trust and resilience

2025 - 2030

To integrated assurance & insight Function

Perception	• Closer to the board and the C-suite • Go beyond the audit plan through delivery of forward-looking insight • Measurement of impact
Audit focus	• Cybersecurity, resilience/continuity, people risk • AI & data risk and responsible AI governance • Fraud and financial crime • ESG and regulatory change • Digital transformation & operations
Skills & tools	• Reinforced business fluency • Tech enabled auditors (IT, cybersecurity, data analytics) • Multi-disciplinary team (business, tech, regulation) • Reinforced soft skills (story telling)

Recast the mandate received from the BoD
1- Review your charter to ensure that your mandate explicitly includes insight/advisory —while protecting independence
2- Change your function / audit plan name to project a more dynamic spirit

Shift your audit plan to an assurance & insight roadmap
1- Strengthen link with risk, compliance and ESG as the frontier between periodic and permanent controls gets more blurred
2- Increase the frequency of adjustment of your roadmap to be agile and integrate unforeseen investigation
3- Block dedicated time for skills upgrade and new tools deployment

Build a skills plan aligned with your roadmap
1- Analyze the need for skills such as analytics, AI risk, cyber, ESG data
2- Decide on a make or buy approach for each skill
3- Identify third-parties which will reinforce your team with scarce/non-core skills

Define/complete your digital strategy and embrace AI to support your delivery
1 - Reinforce data analytics and process mining capabilities
2- Implement AI-enabled continuous auditing
3- Watch on predictive risk insights using ML & integrated dashboards

Improve your communication to the various stakeholders
1- Measure and communicate on your performance beyond the audit plan achievement
2- Reinforce your position starting with providing advisory to transformation

Key Challenges and Risks in Internal Audit

The Internal Audit Imperative: Navigating Critical Risk Domains

Internal Audit functions serve as the **frontline defense** against enterprise risks, systematically identifying and mitigating control gaps, operational inefficiencies, and emerging threats that could compromise financial integrity, regulatory compliance, and organizational performance.

Manual Processes & Operational Efficiency

The Productivity Crisis

- Labor-intensive, repetitive tasks consuming audit resources
- High error rates and inconsistencies in control execution
- Operational delays impacting cycle times

Data Quality & Governance

The Data Integrity Challenge

- Inaccurate, incomplete, or inconsistent data undermining decision-making
- Unclear data ownership and accountability structures
- Broken data lineage creating compliance and audit risks

Regulatory Compliance & Evolving Standards

The Compliance Acceleration

- Rapid regulatory evolution (DORA, AI Act, Basel III Endgame)
- Intensified regulatory scrutiny and examination frequency
- Significant financial and reputational penalties for non-compliance

Cybersecurity & Third-Party Risk

The Threat Landscape

- Exponential rise in cyberattacks & data breach incidents
- Expanding third-party ecosystem creating cascading vulnerabilities
- Inadequate incident response & business continuity protocols

Process & Control Weaknesses

The Control Environment Gaps

- Lack of standardized, documented workflows across entities
- Inadequate segregation of duties increasing fraud vulnerability
- Insufficient monitoring and periodic testing of key controls

Technology & Automation Gaps

The Legacy System Burden

- Over-reliance on outdated systems limiting scalability and efficiency
- Organizational resistance to automation and digital transformation
- Poor system integration creating data silos and accuracy issues

Leveraging GenAI for Internal Audit in Financial Risk Management

GenAI enhances internal audit efficiency by automating risk assessments, reducing manual effort, and accelerating audit cycles. Its AI-driven insights improve accuracy, scalability, and regulatory compliance, ensuring proactive risk management while optimizing costs.

Key Features of GenAI

- **Automated Risk Identification & Assessment** – AI-driven anomaly detection and trend analysis
- **Data Analysis & Pattern Recognition** – Processing vast datasets to detect financial risks
- **Natural Language Processing (NLP) for Audit Reports & Documentation** – Summarizing, interpreting, and generating audit reports
- **Regulatory Compliance Monitoring** – Real-time monitoring of regulatory changes and compliance gaps
- **Predictive Analytics** – Anticipating potential risks before they materialize
- **Process Automation** – Enhancing efficiency in repetitive audit

Key Benefits of GenAI for Internal Audit

1. Improved Efficiency & Speed
2. Enhanced Accuracy & Risk Detection
3. Scalability & Adaptability
4. Cost Reduction
5. Regulatory Compliance Assurance

How GenAI Supports Risk Management

Regulation

- Automatic standby
- Synthetic and detailed analysis
- Comparison of regulatory frameworks
- Traceability Matrix Automation
- Gap Analysis with Policies/Controls

Policy and Procedures

- Training Assistant
- Production Assistant: Procedure & Summary
- Automation of the traceability matrix –
- Gap analysis with regulations/controls

Controls

- Control alignment between entities/countries
- Control Design
- Performing the checks (extract, compare, report)
- Internal Audit capabilities

Risk Assessment

- Automated risk assessment and internal reporting based on all components (entity level and aggregate)
- Research and narrative proposal on specific events/trends

How We Engage

Sia Partners customizes each internal audit engagement, balancing domain expertise, LOB and functional knowledge, and data analytics capabilities to effectively meet the scope and objectives for successful delivery.

Audit Support

- 250+ risk and compliance consultants with extensive audit & risk expertise
- 50+ successfully delivered audit engagements encompassing the full lifecycle delivery
- Experience in **conducting internally managed audits** and **audits overseen by federal regulatory agencies**, including the SEC, FRB, & OCC.
- Industry experience across all major risk types:
  - Strategic
  - Credit
  - Market
  - Liquidity
  - Compliance

Functional Expertise

- Global **financial services practice with 700+ consultants**
- Support 7 of the top 10 U.S. Banks
- Provide support to our clients with strategy and consulting services across all three lines of defense (LODs)
- Expertise in Federal Regulatory Policies (i.e., SEC, FRB, OCC and Congressional policies).

Data & Analytics

The Heka.ai Business Line federates **350+ data experts** who bring together all the profiles/skills to support customers across the data value chain and who collaborate to develop and market AI, Data and Quantitative solutions.

- **Core Capabilities:**
  - Data Strategy
  - Data Governance
  - Data Management
  - Automation
  - Artificial Intelligence
  - Machine Learning
  - Centers of Excellence (COE)
  - SaaS Products

Sia Partners Audit Services Offering

The following examples highlight the services and products Sia Partners delivers in the internal and corporate audit space, providing tailored solutions that create meaningful and tangible value for our clients.

Global Payments Operations (GPO)	Enterprise Capital Management	Global Liquidity Management	Global Finance Controls	Corporate AML Audit & Data Audit	Corporate AML Audit & Data Audit
Scope & Mission					
• **Support GPO Audit to validate data movement and** identify data control gaps through examination of in-scope source and target payment systems and their respective data.	• **Ensure compliance with Basel IV banking reforms** by enhancing RWA calculators, addressing data quality issues, and improving regulatory communication to meet revised standards for credit risk, operational risk, and RWA reporting.	• **Accelerate the remediation and closure of existing Enterprise Data Incident Management (eDIM)** defect tickets to enhance the accuracy and timeliness of key regulatory reports.	• **Establish and manage a global financial regulatory reporting program** by overseeing weekly routines, executive steering committees, and tracking program activities, milestones, and overall performance.	• **Support the Customer Due Diligence Workstream** within the AML Regulatory Audit program to identify and implement control gaps, define data requirements for CIP, CDD, CRA, and CAM, and implement target state demonstrating sustainability.	• **Ensure compliance with Basel, European/UK, and financial conglomerate regulations.** Support periodic production, control reviews, and compliance monitoring while optimizing processes and skills.
Services & Products Provided					
• Data Analysis • Business and technical personnel (application owners, developers, data stewards, etc.)	• Risk Management • Data Analysis	• Program / Project Management • Data Analytics • Business Technical Analysis	• Program / Project Management • Risk Management	• Data Analysis • Quality Control • Project Management	• Risk modeling • Data Quality Assessment • Stress testing definition & computation
Accomplishments					
• Provided Audit conclusions based on inconsistencies found between upstream and downstream data sets, then resolved with SME team or documented as exceptions within workpapers.	• Proposed risk remediation actions and steps for each identified control issue and developed a framework for performing periodic ongoing IT Risk Assessments.	• Performed end-to-end lifecycle project management and business analysis on 20+ defect tickets that provided systemic and operational remediation fixes for data quality issues pertaining to regulatory reporting	• Implemented control gaps & defined data requirements for Customer Risk Assessment and Client Activity Monitoring. • Aligned business and technical teams sustain target-state solution	• Identified and implemented control gaps and defined data requirements for Customer Risk Assessment and Client Activity Monitoring systems, tools, and processes.	• Provided expertise in data quality, risk modeling, model risk management, regulatory compliance, governance, stress testing, crisis management, M&A, and internal audit support

We have a global network of experts

We offer end-to-end solutions that can scale across borders through our global network of experts.

48 offices in 19 countries

Australia
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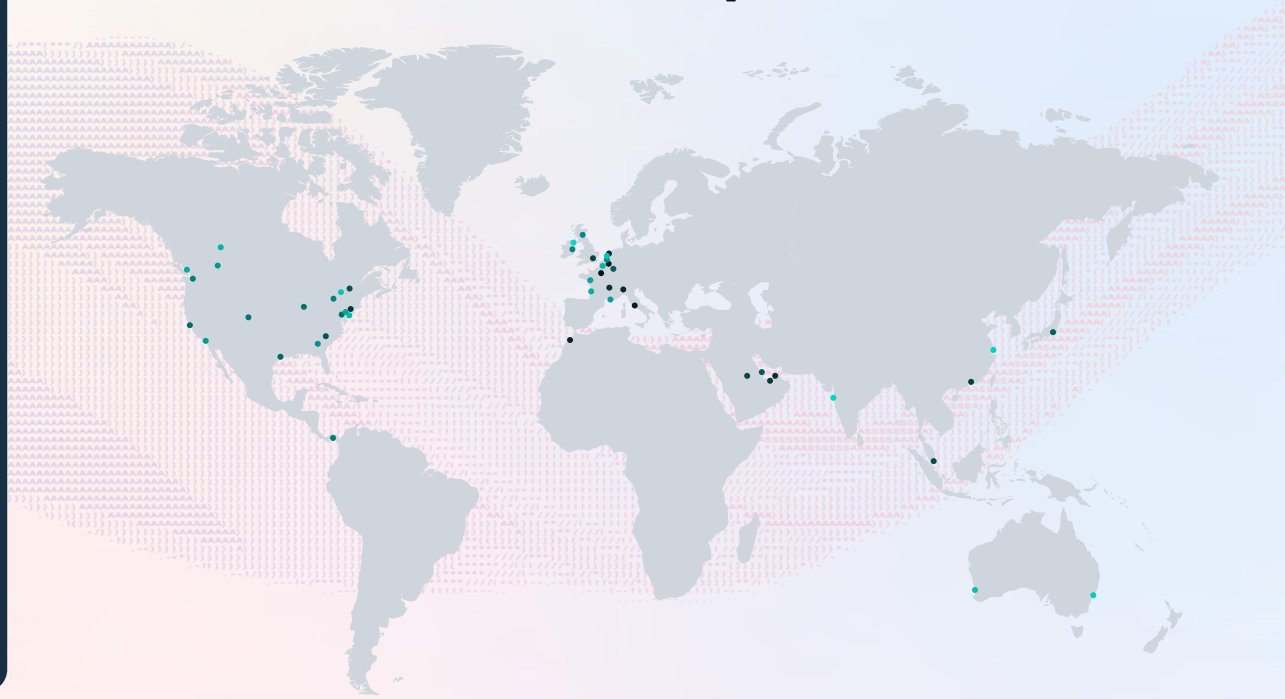
Canada
China
France
India
Italy
Ireland
Japan
Luxembourg
Morocco
Netherlands
Panama
Qatar
Saudi Arabia
Singapore
United Arab Emirates
United Kingdom
United States



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We provide value-add consulting to blue-chip leaders.

- 1,000+ blue chip & tech client base
- 92% retention rate
- 7 AI centers
- 10 design centers

Thank you

Sia is a next-generation, global management consulting group—born digital, augmented by data, enhanced by creativity, and driven by responsibility. Our 3,000+ professionals partner with clients to resolve challenges and capitalize on opportunities. We believe that in today's world of change and disruption, optimism is a force multiplier.

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Optimists for change

Select Credentials

Client Engagements (North America)

PROJECT	DESCRIPTION
Global Payments Operations (GPO) US Branch of a Global Bank	• Supported the GPO Audit Workstream to validate movement of data and to identify data control gaps through examination of in-scope source and target payment systems. • Identified Production data for a given date to cross-reference between upstream and downstream datasets within bank's payments architecture. • Used data analysis tool (Alteryx) to design flows that cleansed, standardized and prepared data for comparison between upstream and downstream data sets. • Applied a combination of business and technical personnel (application owners, developers, data stewards, etc.) to align teams on Audit data requirements and systems/documentation analysis. • Provided Audit conclusions based on inconsistencies found between upstream and downstream data sets, then resolved with SME team or documented as exceptions within workpapers.
Enterprise Capital Management US Branch of a Global Bank	• Ensured that existing practices adhered to the authoritative guidance set forth by FFIEC, COBIT, and ISO 27002. • Identified areas of weakness within the control and monitoring processes and assigned a risk rating for each discovered risk according to the severity and probability of the risk's occurrence. • Proposed risk remediation actions and steps for each identified control issue. • Developed a framework for performing periodic ongoing IT Risk Assessments.
Corporate Treasury - Global Liquidity Management US Branch of a Global Bank	• Accelerated the remediation and closure of existing Enterprise Data Incident Management (eDIM) tickets to enhance the accuracy and timeliness of key regulatory reports. • Project managed the full software development lifecycle of 50+ eDIM tickets from requirements gathering and BRD/FRD creation to handoff to the development teams. • Provided project management, business systems analysis, and data analytics support to the data remediation team. • Delivered detailed program reporting to department Steer Co leadership.
Global HR Regulatory Remediation & ROE US Branch of a Global Bank	• Supported Corporate Audit to validate GHR actions addressing ROE results from FRB and OCC and gathering evidence to analyze and satisfy MRIA 2, 5, and 7. • Managed AML Audit risk strategy and staffing, including revamping the 2024 BAC Skills assessment to ensure employees were adequately performing their role. • Collected remediation data, performed assurance testing, documented testing, and achieved results through creating Audit narratives in the testing system. • Performed Audit testing and regulatory reporting with business and leadership on audit-specific processes using the bank's Risk Management framework model.
Corporate AML Audit & Data Audit US Branch of a Global Bank	• Supported the Customer Due Diligence Workstream within the AML Regulatory Audit program to identify and implement control gaps, define data requirements for Customer Risk Assessment and Client Activity Monitoring systems, tools and processes. • Provided AML expertise across business and technical personnel to align teams on data required for Audit. • Enhanced and implemented target state and demonstrated long-term sustainability.

Client Engagements (International)

PROJECT	DESCRIPTION	
Pilier 2 & ORSA International Branch of a Global Bank	• Scoping of all pillar II projects (target, load, schedule) • ORSA Strategic Plan and Projections • Design of a tool for ORSA screenings • Assistance in the formalization of the ORSA • Coordination of ERM teams	• Support for the implementation of the internal model within the RM team • Support for the GRM in the implementation of the Solvency II works • Outsourcing of the Actuarial Function • Preparation of the dossier for the application of the USPs
Pilier 3 & Reporting International Branch of a Global Bank	• Framing of the Pillar 3 project and realization of the annual exercises (production of QRTs & validation in local committee/group) • Detailed analysis of QRTs and drafting of summary sheets Solvency II Pillar 3 training for PRA (UK Regulator) teams • Support for the Pillar 3 project • Production of the group	• SCR and feeding of the QRTs, acceptance of the production tool • Recurring support for the production and validation of annual and quarterly QRTs • Regulatory analysis and production of the RSR and SFCR • Coordination of SFCR and RSR production of an insurance group (40 entities) • Construction of the RACI, a pilot SFCR and Gap analysis RSR • Construction of the RACI, RSR model
Data Quality S2 International Branch of a Global Bank	• Implementation of a data quality management system • Review and mapping of Data Quality processes under ARIS • Support for the GRM on the Data Quality Group project (Colibra)	
Risk Management International Branch of a Global Bank	• Definition of the methodology and formalization of scenarios, and risk mapping • Gap analysis of the all-risk mapping and thematic support from the risk department • Realization of the risk mapping (evaluation / treatment) and associated KRIs • Method of factual rating of an entity's intrinsic, acceptable and residual operational risk	• Revision of the risk repository and top-down mapping (financial, insurance, operational and strategic risks) • Monitoring of ORSA dimensions (capacity, solvency, profitability and liquidity) by KRIs • Support for the operational risks department: BAU, risk profile, scenario modelling, aggregation, etc. • Support for the GRM teams in the modelling of CAT NAT, Civil Liability and Cyber risks • Development of bots and solutions on our Heka platform, made available to our consultants and customers
Data Science International Branch of a Global Bank	• Quarterly Reporting Automation (UCITS) • Impact assessment on the transition from LIBOR to the new reference rates • Testing and deployment of a Data Quality solution to extract the specificities of a financial product	• CAT Liability Modeling: Development of an Economic Diffusion Model of Extreme Events • Development of stochastic models (MCMC) for the integration of Cat RC risk into the internal model