OUR CONTEXT

REGULATION OF THE PROFESSION

ECONOMY

DIGITISATION

DIVERSE MEMBERSHIP

REGULATIONS

FRAUD AND CORRUPTION

IMPACT OF TECHNOLOGY
SERVING A DIVERSE MEMBERSHIP BASE
Unlike many other professional bodies that have the luxury of dealing only with a certain category within a profession or a niche, the IIA SA’s membership base cuts across all sectors, industries and levels of seniority. Thus the stratification of the members reveal a complex network of multiple constituencies, which all have different needs. Serving all of the various constituencies is a mammoth task, especially when working with limited resources.

WORSENING ECONOMIC CONDITIONS
The current climate in South Africa is of concern to us. As a non-profit organisation which does not have legislative backing, we are naturally more vulnerable when the economy is depressed. Although it has a very negative long-term effect, many organisations tend to pull back on training budgets, which is a key revenue stream for both the Institute and the Academy.

IMPACT OF TECHNOLOGY ON THE PROFESSION
The exponential evolution of technology and what appears to be on the immediate horizon have two profound potential impacts on the profession. On the one hand internal auditors must be aware of how technology, and in particular new technologies, will impact on their industries and organisations. Thus internal auditors must become more tech savvy and can no longer ignore the need to deepen their IT audit skills. On the other hand, internal auditors must be aware of how technology impacts on how they perform their duties. We anticipate that artificial intelligence will be a game changer for internal audit in the future.

REGULATION OF THE PROFESSION
The internal audit profession has a link to the protection of the interest of the public. Its role in ensuring that good governance principles are applied and adhered to in the organisation, places it among the staples of professions that safeguard good governance, which in turn provides the stakeholders of an organisation, and indeed the general public which are the beneficiaries of the positive or negative impact of the organisations economic activities in society, with the assurance that the organisation is engaging in sustainable activities. It is in this context that the regulation of the profession is being explored by and with our National Treasury with the objective of ensuring competence and greater accountability against the Code of Ethics.

INCREASING REPORTS OF FRAUD AND CORRUPTION
The significant escalation of reports on fraud and corruption in South Africa has naturally placed a greater spotlight on the role of internal audit. As internal auditors report internally within the organisation, on top of not having a regulatory obligation to report irregularities outside of the organisation, the general public would not be aware of the work done by internal audit. The risk to the profession is that there may be a public perception that the internal auditors had not effectively executed their duties. In addition, where ethics decline, the pressure on internal auditors to sweep findings under the carpet is not uncommon. We are receiving increasing reports from members claiming intimidation and victimisation.

DIGITISATION
As the world is increasingly migrating to digital, the Institute has naturally started to feel the pressure of instant messaging and the speed at which news travels on the social media platforms. This has its advantages and disadvantages. While it makes it easier to get information out, it also increases the need to be responsive, which in turn asks for more resources which adds additional pressure on the Institute’s fiscus. Going digital asks for more than incorporating the use of digital technology in how the organisation interacts with its stakeholder. It also asks for a mind shift in that staff have to start thinking digital as opposed to only the marketing department being responsible for marketing on the social media platforms. We still have a way to go, but have at least started the conversations internally.