

# INTERNAL AUDIT - WITNESSING TRANSFORMATION

IIA BOMBAY CHAPTER - THE LEADERSHIP SERIES

## Internal Audits - Transition from Assurance to Advisory is critical

Says, Mr. Abhiram Budhkar,  
AVP - MA&AS (Sector Head - Ports) & Digital at  
Adani Group



## LOVE IA, DO CIA

Conversations with  
Industry Leaders

CA. Nikhil Kenjale, (Publication committee member, IIA - Bombay Chapter) in an interesting conversation with CA. Abhiram Budhkar, AVP - MA&AS (Sector Head - Ports) & Digital at Adani Group.

An open conversation over a cup of coffee between two colleagues turned friends Abhiram & Nikhil about how the role of the Internal Auditor is transitioning from being an assurance function to an advisory function. At the same time meeting the expectations of the stakeholders threw some light on how the Internal Audit profession is transforming.

"My journey in assurance is blessed with tremendous learning, guidance and support from my seniors who have been instrumental in shaping my career. It started from review of financial reporting risks through statutory audits and transitioned to operational risk reviews as part of internal audits under the guidance and support of my mentor Mr. Rajan Kamat", says Abhiram.



CA Abhiram  
Budhkar



CA. Nikhil  
Kenjale

## RISK SHOULD BE THE FOCAL POINT WHILE ADVISING BUSINESSES

“The quest to understand other facets of risk (covering strategic and compliance risks) was served through working on various risk advisory projects during my tenure in risk consulting. Keeping risk as the focal point and to gain better perspective around various challenges that any business faces, enabled positioning as an advisor to the businesses. The journey to explore risks continues in my current role as CAE, under the vision of Mr. Ashish Rajvanshi (Head – MA&AS) towards becoming a risk aware organization”.

Internal Audit function with its overall understanding and oversight of the business is best fitted to play an advisory role, which also is the expectation of various stakeholders when it comes to Internal Audit transformation. The transition from assurance to advisory requires better collaboration with functions and businesses, acquiring skill mix within the team, and keeping an open and candid communication line with the business. Expectations of multiple stakeholders requires exploring innovative ideas for improvement in reporting by highlighting concerns that requires better preparedness.

As mentioned earlier, understanding of risks helps in getting better perspective of various challenges that an organization faces.



**Focus of Internal Audits is shifting towards social aptitude and governance**



Financial, operational, compliance or strategic, understanding of the entire gamut of risks and its impact helps in systematic planning and execution of assurance projects.

Enterprise Risk Management highlights the consolidated impact of interrelated risks & thereby presents a thorough assessment for scoping of audit areas.

There have been considerable changes in the business environment, technological advancements and focus is shifting towards social aptitude and governance. Hence there is a need for upskilling of IA professionals. Skills such as digital mindset, adoption of agile approach for a timely & insight driven reporting. Soft skills such as communication, general management, proactive approach, emotional intelligence & team building, and negotiation are some of the skill sets that cannot be ignored for establishment as a successful professional and a proven business leader.

# INTERNAL AUDIT PROFESSIONALS ARE HIGHLY MOBILE



Internal Audit opens multiple avenues for professionals in any organization. It provides a platform to learn about various functions within the organization. Even in our organization there is a mobility provision whereby professional from one function can move into another based on their experience, capabilities, and interest. We have successfully transitioned many professionals from MAAS to other businesses and line functions, thereby providing the professionals a growth path within the group.

There can be various facets when it comes to inhouse or outsourcing or co-sourcing of the Internal Audit function. Size and complexities of an organization plays an important role in deciding on the level of outsourcing to be considered. Need to meet the requirements of multiple stakeholders, co-sourcing model seems to be the best fit and is also adopted at our organization.

Co-sourcing model enables establishing better connect with the stakeholders through the inhouse professionals while seeking required support from external service providers to deliver as per the expectations.

IIA has been playing a very important and crucial role in ensuring that IA professionals stay relevant and are able to deliver in accordance with the expectations in the changing business environment.



## IIA can strengthen its efforts to reach Internal Audit professionals in Tier II cities

Being a certified professional from IIA (CIA and CRMA), I can personally vouch for the efforts put in by the institute for professional development of the Internal Audit and risk professionals. Crisis owing to pandemic provided opportunity to enhance and expand online learning which has benefitted a lot of professionals.

Continued support to Internal Audit professionals through knowledge sharing and networking will enable IIA to position itself better in the community. Though already initiated, IIA should further enhance its reach to Internal Audit professionals in tier II cities which are expanding and growing exponentially.

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CA. Nikhil Kenjale, is the proprietor at Nikhil Kenjale & Co and a current President of Pune Audit Club affiliated to IIA Bombay Chapter