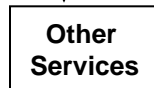
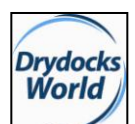
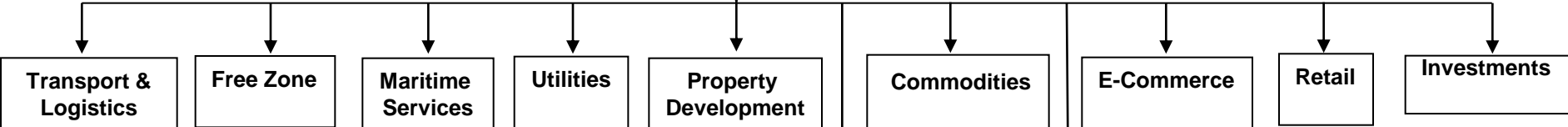


How to save Millions in your Organization



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Abdulqader O. Ali
Chief of Internal Audit – Dubai World



A company with a revenue of
AED 500 Million per year.

Who the CEO will see first?

1. A marketing Executive bringing AED 100 Million
2. An Operation Executive has a production line problem that will stop 20% of production.
3. CAE that has an overdue Management Response Audit report from Production by 20 days
4. CIO who has the main production system failure.

CEOs were asked the following question:



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What keeps you awake at night?

No one said "Audit"

CEOs were asked the following question:



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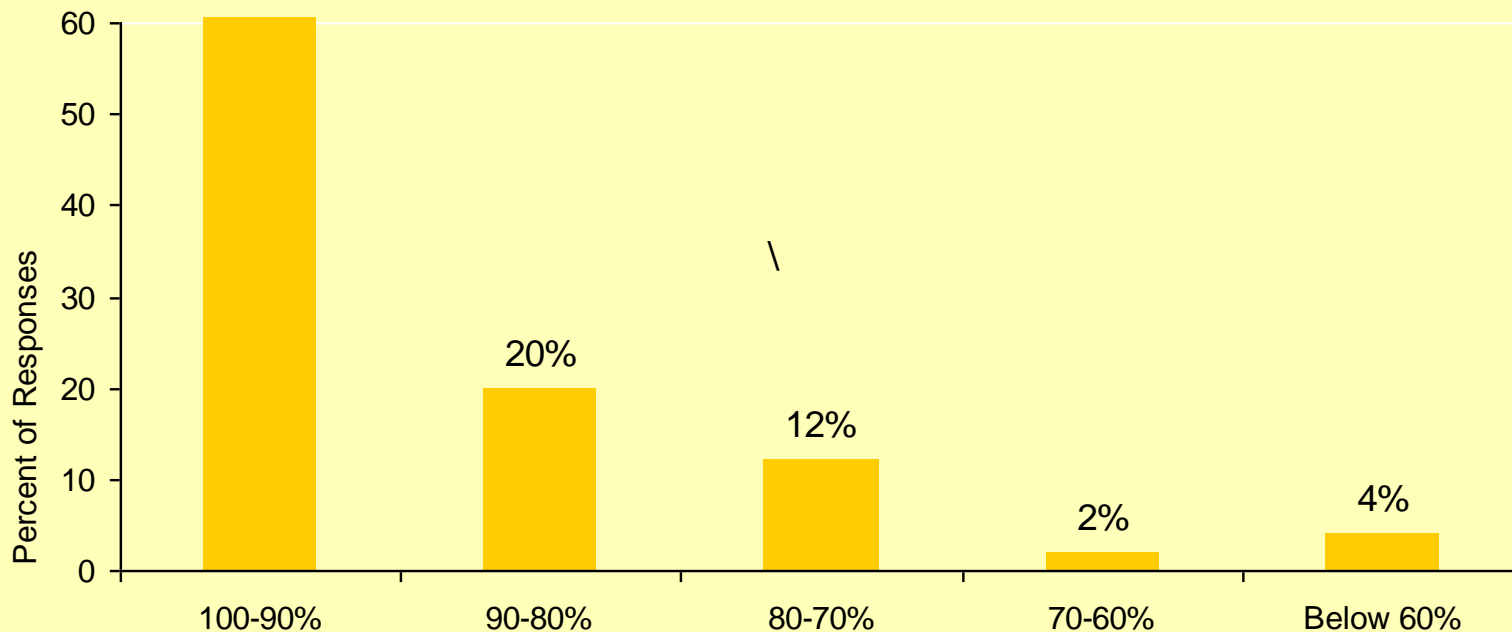
90% responded – loosing Competent People

“War for Talent” Is the Top Issue Facing Internal Audit Functions



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What percent of your Internal Audit function is staffed in comparison to your budgeted headcount?



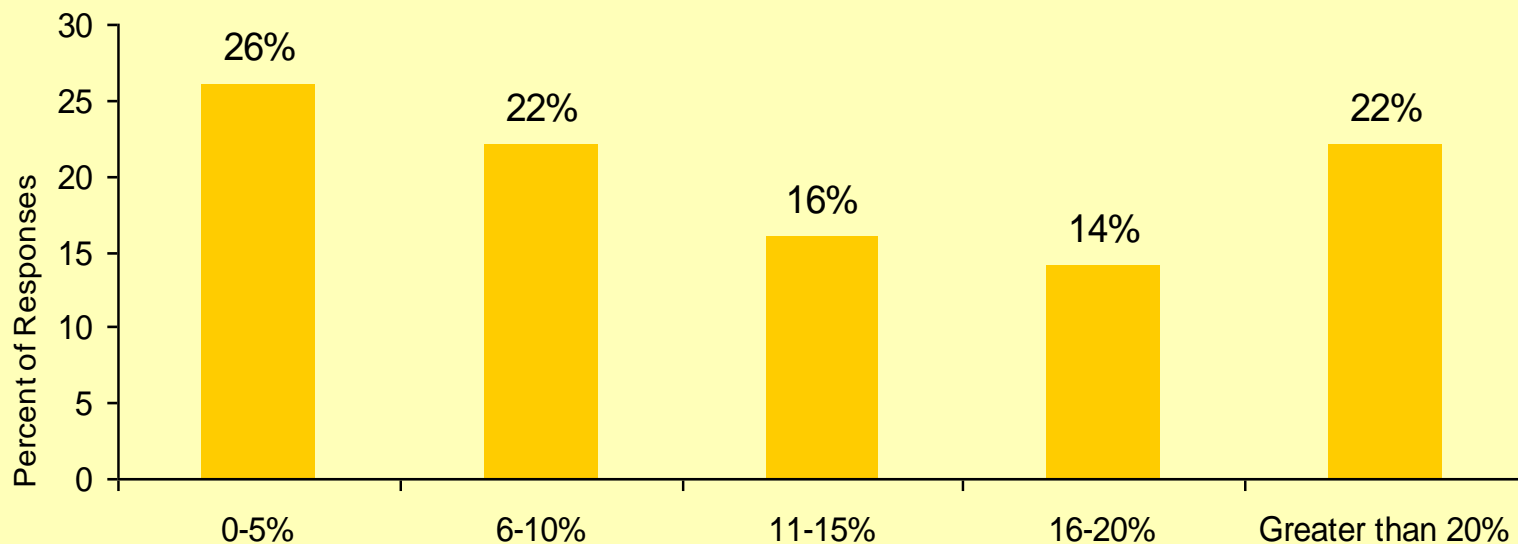
Source: E & Y Global International Audit Survey

“War for Talent” Is the Top Issue Facing Internal Audit Functions



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What is your estimated annual personnel turnover percentage?



Source: E & Y Global International Audit Survey

First Step To save millions.....



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Hire the right people

Internal Audit



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- An independent, objective assurance and consulting activity
- Helps an organization accomplish its objectives

Internal Audit Approach



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Step 1
Risk Assessment

Step 2
Audit Plan

Step 3
Execution

65% Audit

35% special

Recommendations

Most Difficult and Most Constant



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CHANGE

In peoples behavior

Internal Audit Approach



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Step 1
Risk Assessment

Step 2
Audit Plan

Step 3
Execution

65% Special Audit

35% Audit

Recommendations / Actions

CEOs were asked the following question:



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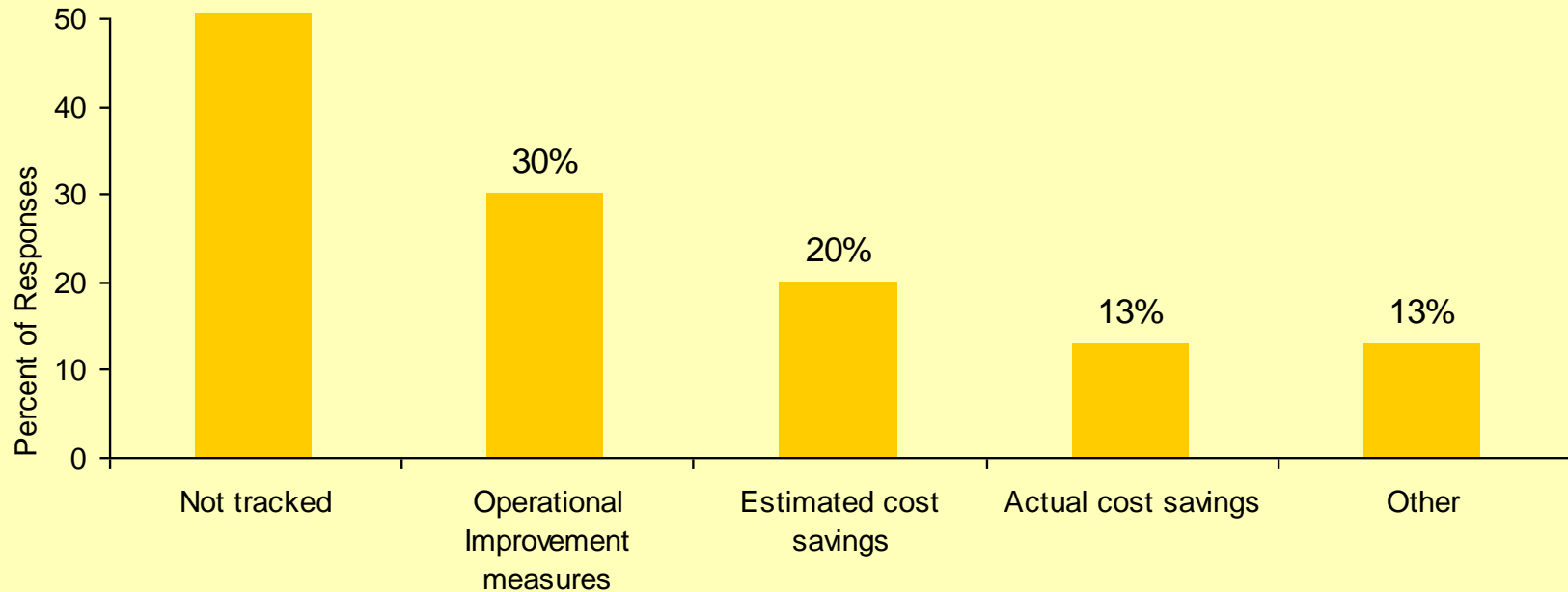
How does Internal Audit add value?

Measuring Internal Audit Quality



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How does Internal Audit track the value provided to the organization?



Source: E & Y Global International Audit Survey

Steps To save millions.....



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Some Internal Audit KPIs

- Overall Risks acceptance 90%
- Ensure 70% High risk issues implemented
- Ensure 60% Medium risk issues implemented
- Ensure 40% Low risk issues implemented
- Completion of assignments should not exceed budgeted hours by more than 25%
- Timeliness of final report = 2 working days following presentation

Steps To save millions.....



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Bridge the relationship



Invite your main Customers for lunch

Steps To save millions.....



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Share lessons learned

Celebrate Mistakes and Reward People



Steps To save millions.....



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Ramadan Competition Winners



Steps To save millions.....



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Reports :

Issue executive reports – two pages.

Steps To save millions.....



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- Increase number of Auditors by **100%**
- Release Auditors who are not up to standard
- Increase base salary of Auditors by minimum of **25%**
- Set a KPI for training – Minimum 5 days per employee
- Set SMART Objectives
- Start with Continues Monitoring

Steps To save millions.....



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- Internal Quality Assurance Certification
- Document real savings and communicate
- Bring in Business Professional to Audit
- Introduce Control Self Assessment

Steps To save millions.....



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Deal with Policeman issue

Separate Audit From Fraud

Fraud Levels Expected to Continue Rising



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- 88% indicated anticipation of slight or significant increase in fraudulent activity; only 2% expect a decrease
- Majority of anti-fraud experts surveyed believe that fraud risk will stay at least up to 2010

Occupational Fraud:

A Study of the Impact of an Economic Recession)

ACFE's 2009 Report to the Nation:



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What is the Percentage of revenue lost to Fraud:

- 1. 3%
- 2. 5%
- 3. 7%
- 4. 10%

Transparency International



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Corruption Perception Index 2009

1.	New Zealand	9.4	168.	Haiti	1.8
2.	Denmark	9.3	168.	Iran	1.8
3.	Singapore	9.2	168.	Turkmenistan	1.8
4.	Sweden	9.2	174.	Uzbekistan	1.7
5.	Switzerland	9.0	175.	Chad	1.6
6.	Finland	8.9	176.	Iraq	1.5
7.	Netherlands	8.9	176.	Sudan	1.5
8.	Australia	8.7	178.	Myanmar	1.4
9.	Canada	8.7	179.	Afghanistan	1.3
10.	Iceland	8.7	180.	Somalia	1.1

Transparency International



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Corruption Perception Index 2009 / Middle East Ranking

22/1	Qatar - 7.0	111 /11	Djibouti 2.8
30 /2	UAE - 6.5	111 /11	Egypt 2.8
39 /4	Oman - 5.5	126 /14	Syria 2.6
46 /5	Bahrain - 5.1	130 /15	Lebanon 2.5
49 /6	Jordan - 5.0	130 /15	Libya 2.5
63 /7	Saudi Arabia - 4.3	154 /17	Yemen 2.1
65 /8	Tunisia - 4.2	168 /18	Iran 1.8
66 /9	Kuwait - 4.1	176 /19	Iraq 1.5
89 /10	Morocco - 3.3	177/19	Sudan 1.5
111/ 11	Algeria - 2.8	180/21	Somalia 1.1

Steps To save millions.....



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❑ Human Resource

- No adequate due diligence on the candidate.
- High salaries and packages for relatives and friends
- Creation of positions to recruit friends and relatives
- Backdating promotions
- Promoting staff during probation

Steps To save millions.....



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Conflict of Interest

- Owning business and failure to declare the same to the company
- Awarding contracts to personal or family business
- Failure to disclose any business interest to the group

Abuse of corporate credit card

Abuse of business Travels

Thank you!



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