



**SNIA**<sup>®</sup>

**SEMINAR NASIONAL INTERNAL AUDIT**  
**WHAT'S DRIVING CHANGE**  
 to Stay Ahead of The Curve  
 for Internal Auditors  
 in The Coming Years ?

**3-4 DESEMBER 2025 | THE STONES HOTEL, BALI**



Logos of PLN mobile, PLN, PERTAMINA, and mandiri are displayed on a white rounded rectangular background.



# The Integrity Imperative : Embedding Risks and Ethics In Corporate Culture

Seminar Nasional Internal Audit  
Bali – December 3<sup>rd</sup> , 2025

**SURYANINGRUM**  
Vice President Director – PT Denso Indonesia



# Agenda

**01 Integrity & Corporate Culture**

**02 Internal Audit Role**

**03 GIAS 2024 Related**

**04 Conclusion**



**Integrity &  
Corporate Culture**

# Why Integrity Matters

**Integrity** : the quality of being **honest, trustworthy**, and **consistent** with one's **principle** and **values**.

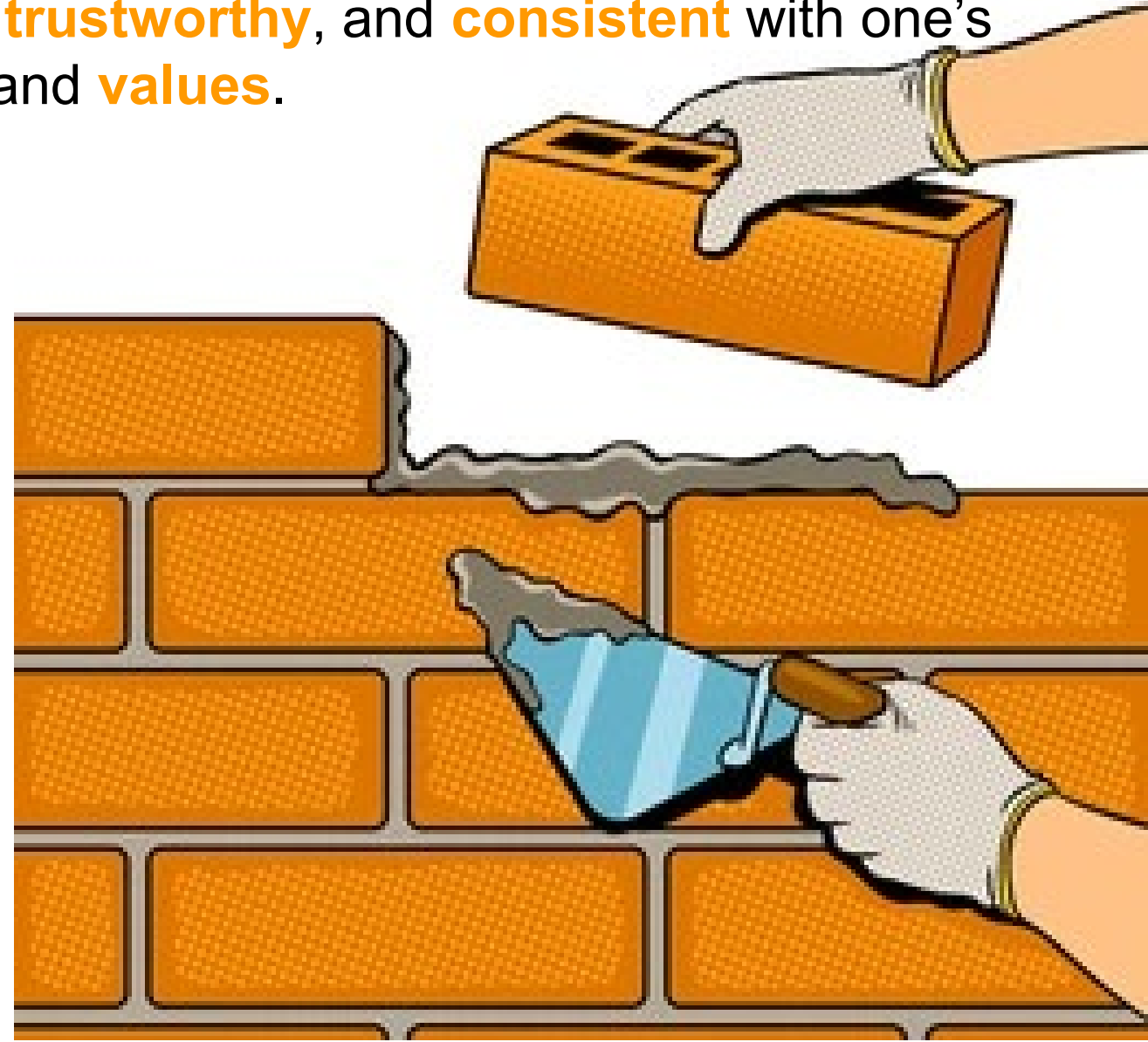
Integrity is the **foundation of trust** in organizations.

Fostering **trust & loyalty** among stakeholders.

**Reduces risk** of fraud and misconduct.

Ensuring **compliance** with laws and regulation.

Enhances organizational **reputation**

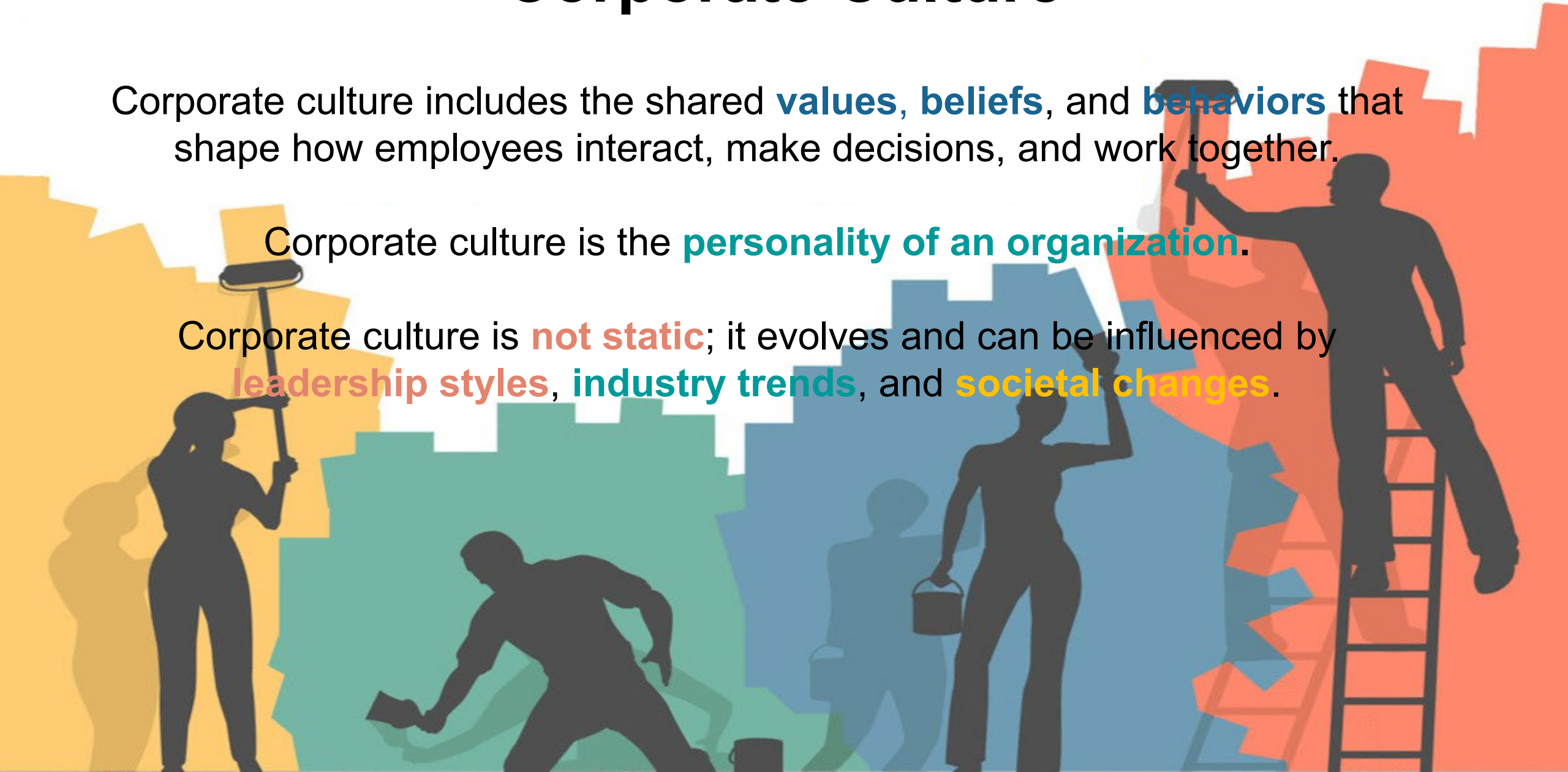


# Corporate Culture

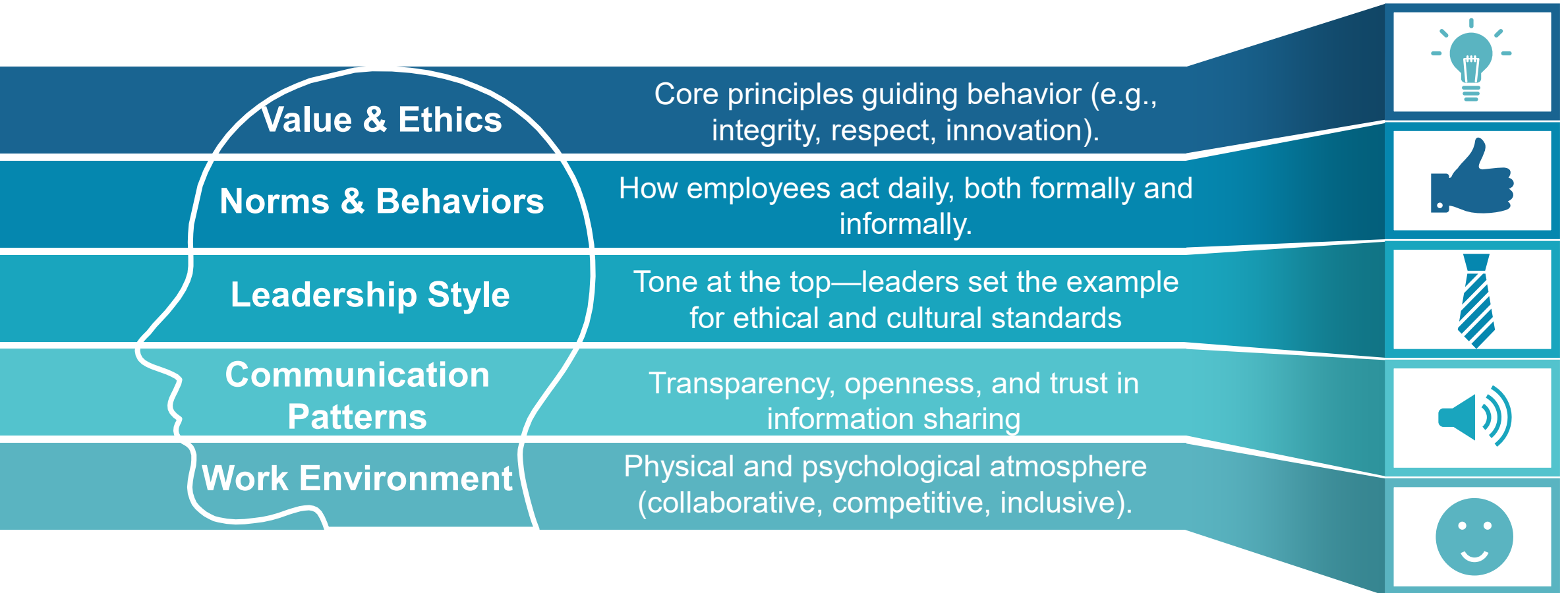
Corporate culture includes the shared **values, beliefs, and behaviors** that shape how employees interact, make decisions, and work together.

Corporate culture is the **personality of an organization**.

Corporate culture is **not static**; it evolves and can be influenced by **leadership styles, industry trends, and societal changes**.



# Key Components of Corporate Culture



# Risk Management

Risk Management is the **process of identifying, assessing, and controlling threats** to an organization's capital, earnings, and operations.

These **threats—called risks**—can arise from various sources such as financial uncertainty, legal liabilities, strategic errors, accidents, or natural disasters.

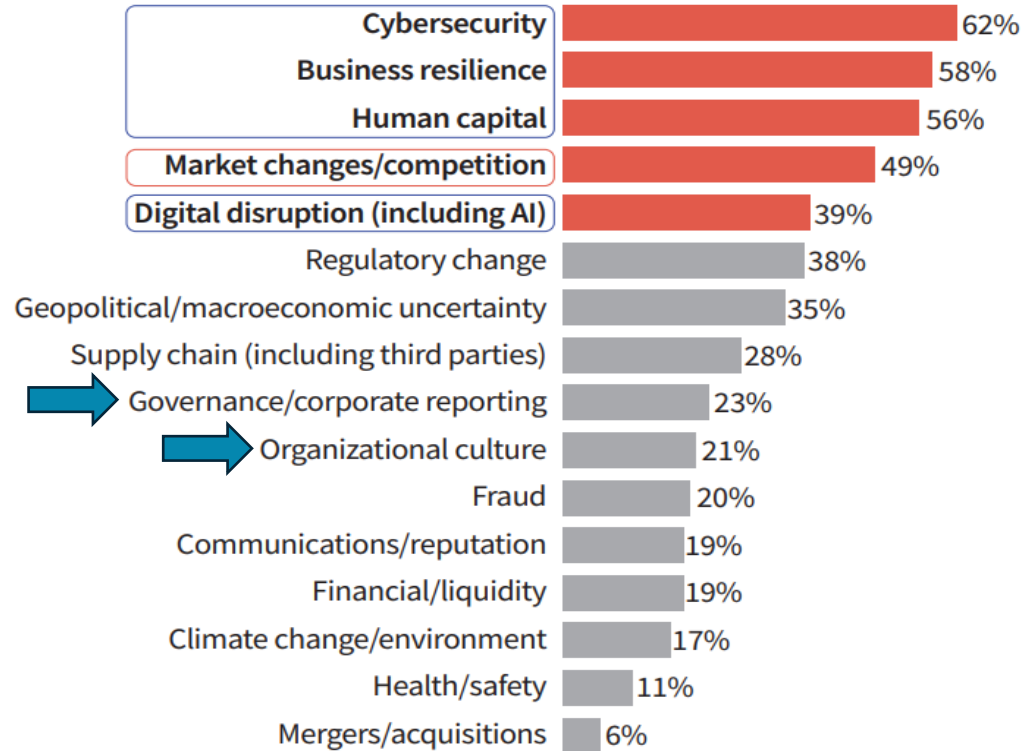


## Key Components

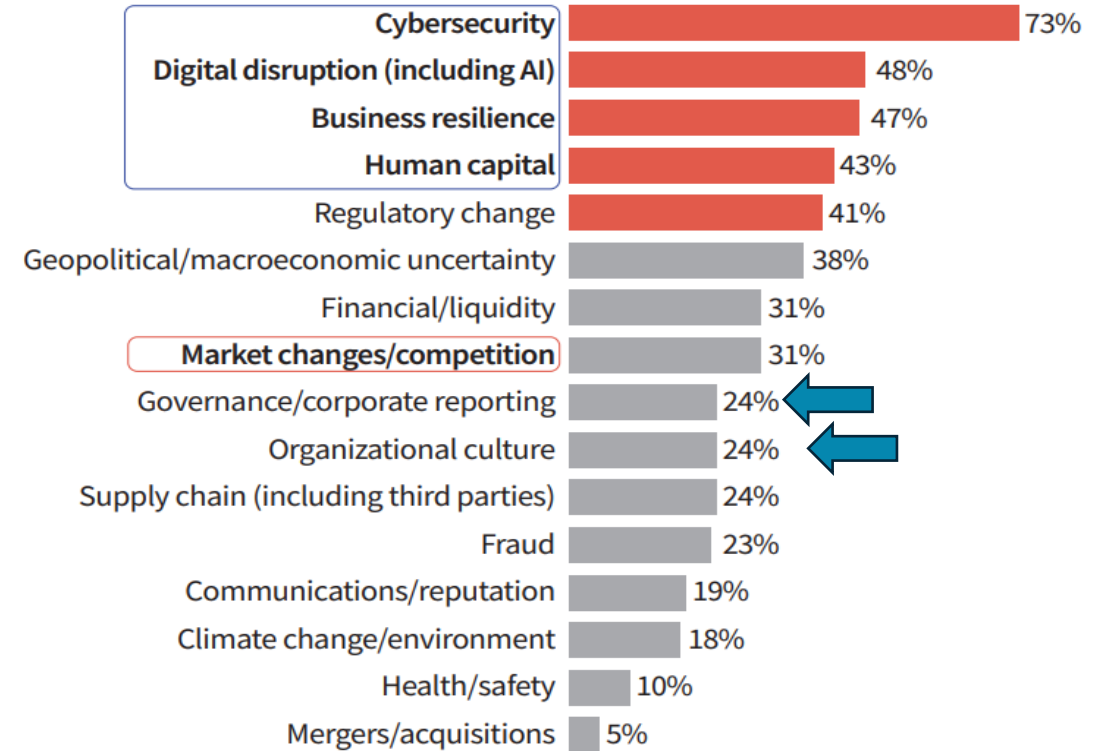
- 1. Risk Identification**  
Detect potential risks that could impact objectives.
- 2. Risk Assessment**  
Analyze the likelihood and impact of each risk.
- 3. Risk Response**  
Decide how to handle risks: avoid, mitigate, transfer, or accept.
- 4. Monitoring and Review**  
Continuously track risks and update strategies as conditions change.

# Risk in Focus 2026

## Asia Pacific – Highest Risks



## Global – Highest Risks
















■ Highest risks  
 Areas with high risk levels for both the region and global  
 Areas with high risk for the region but lower risk for global

Note: Risk in Focus survey conducted online from April 28 to June 6, 2025, by the Internal Audit Foundation and partners. n = 865 for Asia Pacific. n = 4,073 for global.

Asia Pacific ranked **digital disruption risk is lower** than the global average  
 Asia Pacific ranked **business resilience** and **human capital** risks substantially **higher** than the global average.  
**Market change/competition** is a **unique risk to Asia Pacific**.






# Risk Level Trend 2026

## Asia Pacific

2023	2024	2025	Change from 2024 to 2025	Change	Risk area
66%	64%	62%		-2	Cybersecurity
61%	62%	58%		-4	Business resilience
59%	57%	56%		-1	Human capital
47%	49%	49%		0	Market changes/competition
30%	36%	39%		+3	Digital disruption (including AI)
35%	32%	38%		+6	Regulatory change
28%	30%	35%		+5	Geopolitical/macroeconomic uncertainty
27%	24%	28%		+4	Supply chain (including third parties)
24%	22%	23%		+1	Governance/corporate reporting
23%	23%	21%		-2	Organizational culture
22%	22%	20%		-2	Fraud
18%	21%	19%		-2	Communications/reputation
21%	19%	19%		0	Financial/liquidity
22%	26%	17%		-9	Climate change/environment
12%	11%	11%		0	Health/safety
4%	4%	6%		+2	Mergers/acquisitions

 Increased risk level compared to prior year  Decreased risk level compared to prior year

## Global

2023	2024	2025	Change from 2024 to 2025	Change	Risk area
73%	71%	73%		+2	Cybersecurity
34%	39%	48%		+9	Digital disruption (including AI)
47%	54%	47%		-7	Business resilience
51%	49%	43%		-6	Human capital
39%	37%	41%		+4	Regulatory change
30%	28%	38%		+10	Geopolitical/macroeconomic uncertainty
32%	32%	31%		-1	Financial/liquidity
32%	32%	31%		-1	Market changes/competition
27%	26%	24%		-2	Governance/corporate reporting
26%	25%	24%		-1	Organizational culture
26%	22%	24%		+2	Supply chain (including third parties)
24%	27%	23%		-4	Fraud
21%	21%	19%		-2	Communications/reputation
19%	21%	18%		-3	Climate change/environment
11%	11%	10%		-1	Health/safety
6%	6%	5%		-1	Mergers/acquisitions


 Increased risk level compared to prior year  Decreased risk level compared to prior year

# Asia Pacific High Risk per Industry

- Cybersecurity, business resilience, and human capital risks were high across industries
- Geopolitical uncertainty was highest for manufacturing and transport/storage

Risk area	All	Manufacturing	Financial services	Information/communication	Wholesale and retail	Mining/energy/water	Professional/technical	Transport/storage	Health/social work
Cybersecurity	62%	54%	78%	79%	63%	47%	69%	52%	69%
Business resilience	58%	60%	58%	53%	49%	60%	48%	73%	50%
Human capital	56%	57%	52%	51%	60%	42%	67%	48%	66%
Market changes/competition	49%	61%	40%	47%	63%	40%	40%	45%	34%
Digital disruption (including AI)	39%	33%	49%	47%	32%	27%	50%	33%	38%
Regulatory change	38%	36%	43%	42%	35%	53%	33%	36%	47%
Geopolitical/macroeconomic uncertainty	35%	48%	33%	30%	25%	33%	19%	39%	19%
Supply chain (including third parties)	28%	31%	19%	32%	30%	29%	21%	27%	22%
Governance/corporate reporting	23%	22%	21%	18%	30%	20%	33%	24%	22%
Organizational culture	21%	19%	16%	24%	21%	20%	36%	21%	28%
Fraud	20%	16%	25%	14%	27%	22%	7%	27%	19%
Communications/reputation	19%	14%	18%	22%	17%	22%	19%	6%	25%
Financial/liquidity	19%	14%	23%	11%	11%	22%	14%	27%	28%
Climate change/environment	17%	22%	16%	9%	11%	27%	19%	18%	3%
Health/safety	11%	10%	4%	11%	6%	31%	10%	15%	19%
Mergers/acquisitions	6%	4%	5%	9%	10%	4%	14%	6%	13%

 Highest risks per industry

 If there is a tie for the fifth highest percentage, the tied percentages are highlighted in a lighter color

Note 1: Risk in Focus survey conducted online from April 28 to June 6, 2025, by the Internal Audit Foundation and partners. n = 865 for Asia Pacific.

Note 2: Industries with the highest response rates are shown. The column labeled "All" shows the average of all respondents.

# Ethics and Risk Management

Corporate culture sets the tone for:



- ❑ **Ethical failures** are often root causes of major corporate scandals.
- ❑ Risk management must **include behavioral** and **cultural risks**, not just operational or financial.
- ❑ **Tone at the top:** Leadership sets the ethical standard.

**A strong ethical culture reduces operational, compliance, and reputational risks.**



**Internal Audit Role**

# Purpose of Internal Auditing

## Global Internal Audit Standard 2024 – Domain I



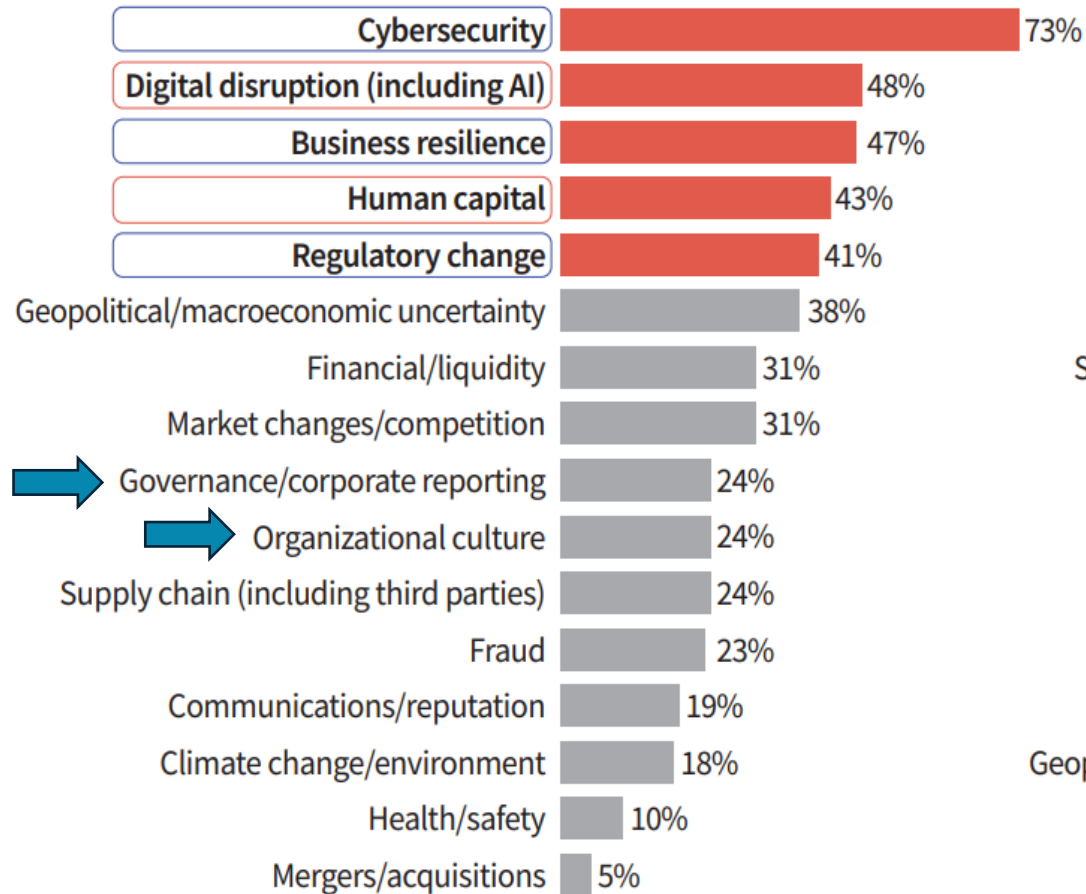
Internal auditing strengthens the organization's ability to create, protect, and **sustain value** by providing the board and management with independent, **risk-based**, and objective assurance, advice, insight, and foresight.

**Internal auditing enhances the organization in term of:**

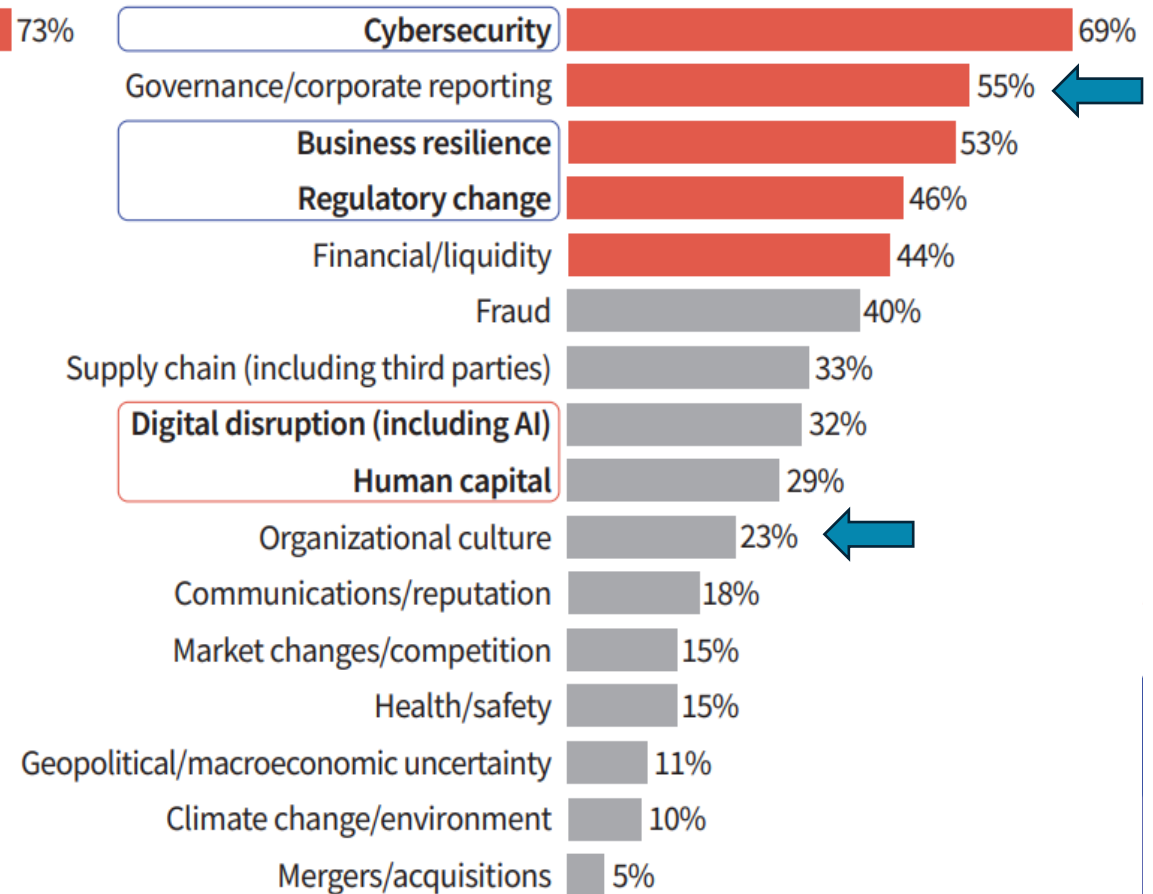
- Successful achievement of its objectives.
- **Governance, risk management, and control processes.**
- Decision-making and oversight.
- **Reputation** and **credibility** with its stakeholders.
- Ability to serve the public interest

# Risk in Focus 2026

## Global – Highest Risks



## Global – Highest Audit Priorities

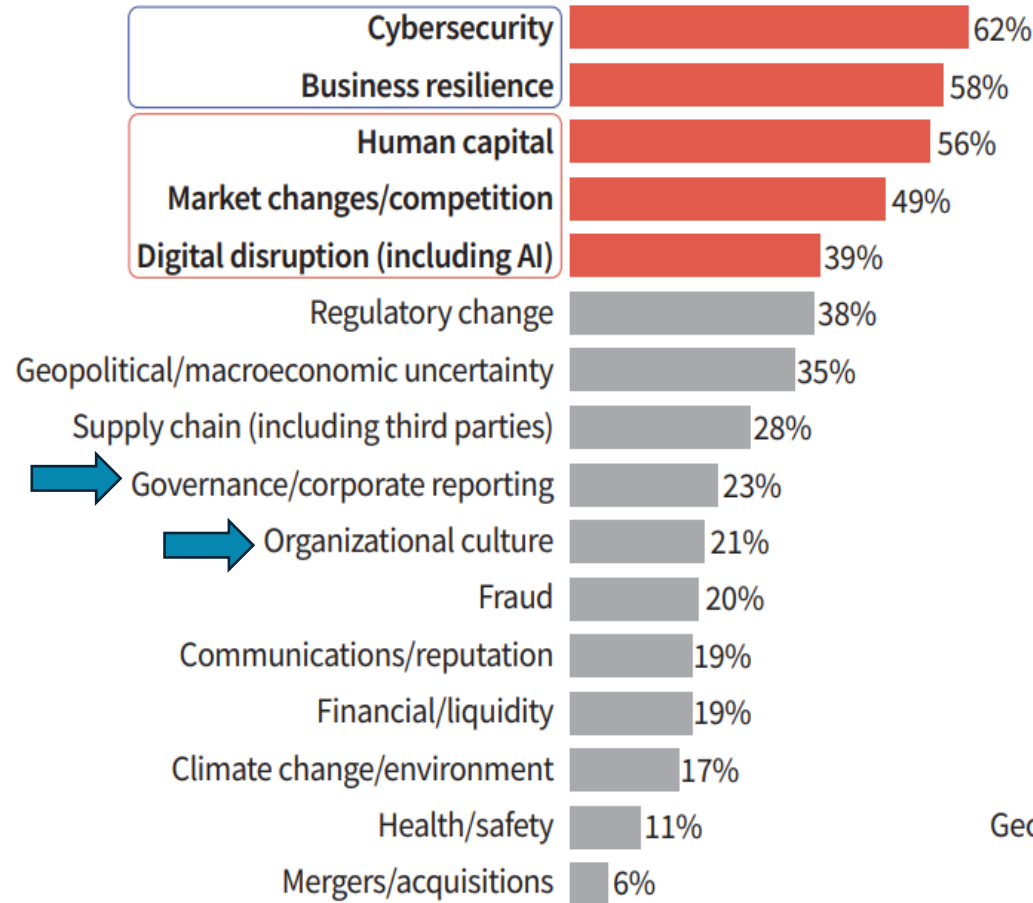


■ Highest risks and audit priorities    
 Areas with both high risk and high audit priority    
 Areas with high risk but lower audit priority

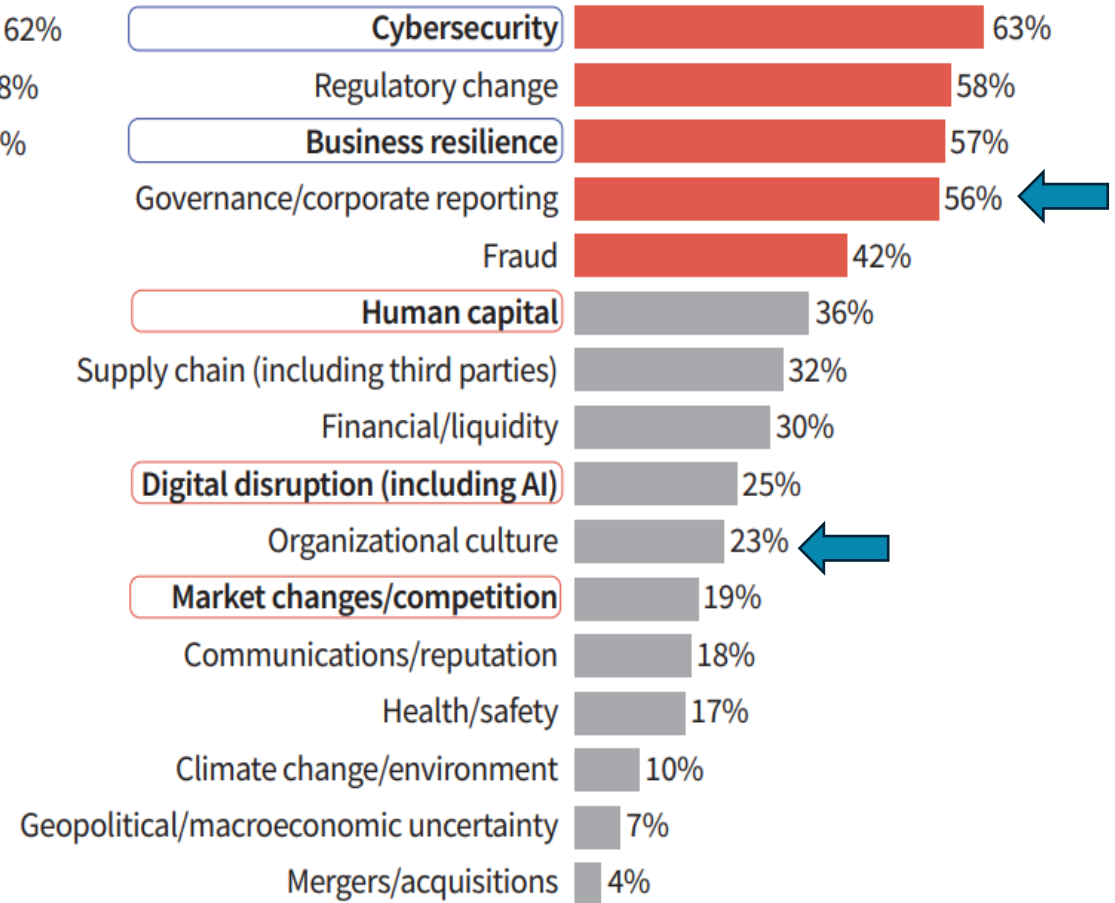
Note: Risk in Focus survey conducted online from April 28 to June 6, 2025, by the Internal Audit Foundation and partners. n = 4,073 for global.

# Risk in Focus 2026 ...cont'd

## Asia Pacific – Highest Risks



## Asia Pacific – Highest Audit Priorities



■ Highest risks and audit priorities 
 Areas with both high risk and high audit priority
Areas with high risk but lower audit priority

Note: Risk in Focus survey conducted online from April 28 to June 6, 2025, by the Internal Audit Foundation and partners. n = 865 for Asia Pacific.

# Internal Audit Strategic Role

## Advisory

Offer recommendations to improve processes, efficiency, and **risk mitigation**

*(Recommendation for governance structure/alignment culture-risk management; assess culture; active for training awareness; investigate breaches)*

## Assurance

Provide independent and objective evaluations of **risk management, control, and governance processes.**

*(Policy & procedure evaluation to prevent any unethical behavior; compliance audit over code of conduct/ethics training/WBS Policy; etc)*

## Insight

Provide deeper understanding of **organizational risks** and performance trends

*(Identify ethical risk such as Col, Fraud, Corruption, Compliance); Employee Survey regarding behavioral indicator; etc)*

## Foresight

Anticipate emerging risks and future challenges to **enable proactive action**

*(Predictive Analysis for fraud/compliance risk/ Red flag monitoring; Scanning for regulatory changes; advising on sustainability & ESG risks)*





**GIAS 2024 Related**

# GIAS 2024 - Ethics and Professionalism

## Global Internal Audit Standards



### 5 Domains, 15 Principles

#### Domain I: Purpose of Internal Auditing

#### II. Ethics and Professionalism

1. Demonstrate Integrity

2. Maintain Objectivity

3. Demonstrate Competency

4. Exercise Due Professional Care

5. Maintain Confidentiality

#### III. Governing the Internal Audit Function

6. Authorised by the Board

7. Positioned Independently

8. Overseen by the Board

#### IV. Managing the Internal Audit Function

9. Plan Strategically

10. Manage Resources

11. Communicate Effectively

12. Enhance Quality

#### V. Performing Internal Audit Services

13. Plan Engagements Effectively

14. Conduct Engagement Work

15. Communicate Engagement Conclusions and Monitor Action Plans

# GIAS 2024 – Principle 1 Demonstrate Integrity

## Global Internal Audit Standard 2024 – Domain II

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### Principle 1 Demonstrate Integrity

Internal auditors **demonstrate integrity** in their work and behavior.

Integrity is the foundation of the other **principles of ethics** and **professionalism**, including objectivity, competency, due professional care, and confidentiality.

The integrity of internal auditors is essential to **establishing trust and earning respect**.

# GIAS 2024 – Standard 1.1

## Honesty & Professional Courage

### Requirements

- Internal auditors must **perform their work with honesty** and **professional courage**.
- Internal auditors must be **truthful, accurate, clear, open, and respectful** in all professional relationships and communications, even when expressing skepticism or offering an opposing viewpoint.
- Internal auditors must **not make false, misleading, or deceptive statements, nor conceal or omit findings or other pertinent information** from communications.
- Internal auditors must **disclose all material facts known** to them that, if not disclosed, could affect the organization's ability to make well-informed decisions.
- Internal auditors must **exhibit professional courage** by communicating truthfully and taking appropriate action, even when confronted by dilemmas and difficult situations.
- **The chief audit executive must maintain a work environment where internal auditors feel supported when expressing legitimate, evidence-based engagement results, whether favorable or unfavorable.**

# GIAS 2024 – Standard 1.2

## Organization's Ethical Expectations

### Requirements

- Internal auditors must **understand, respect, meet, and contribute to the legitimate and ethical expectations** of the organization and must be able to recognize conduct that is contrary to those expectations.
- Internal auditors must **encourage and promote an ethics-based culture** in the organization.
- If internal auditors identify behavior within the organization that is inconsistent with the organization's ethical expectations, they **must report the concern** according to applicable policies and procedures.

# GIAS 2024 – Standard 1.3

## Legal and Ethical Behavior

### Requirements

- Internal auditors must **not engage in or be a party to any activity that is illegal** or **discreditable** to the organization or the profession of internal auditing or that may harm the organization or its employees.
- Internal auditors must **understand** and **abide by the laws and/or regulations relevant** to the industry and jurisdictions in which the organization operates, including making disclosures as required.
- If internal auditors identify legal or regulatory violations, they **must report such incidents** to individuals or entities that have the authority to take appropriate action, as specified in laws, regulations, and applicable policies and procedures



Conclusion

# Key Success Factors

1. Leadership Commitment
2. Clear Policies & Standards
3. Effective Communication & Training
4. Integration into Processes
5. Balancing independence with collaboration
6. Periodic Monitoring
7. Leveraging technology for monitoring
8. Continuous Improvement



# Key Takeaways

**Integrity is not optional - it's a strategic imperative.**

Embedding risk management and ethical principles into corporate culture is essential for **building trust, ensuring accountability**, and **driving sustainable success**.

**Ethics and risk management must be integrated into corporate DNA.**

**Internal auditors play a key role** in risk management and ethics, which are essential for a strong corporate culture.

**Internal auditors are guardians of trust and culture.**

They **provide independent assessments**, **promote ethical standards**, and work with management to **manage risks** while **ensuring integrity** and **accountability**.

This approach **improves performance**, **builds trust with stakeholders**, and supports the organization's **long-term success** and **sustainability**.

A tall, white lighthouse stands on a sandy beach at sunset. The sun is low on the horizon, casting a warm glow across the sky and reflecting on the wet sand. The lighthouse is silhouetted against the bright sky. In the foreground, a seagull is visible on the left. The text "THANK YOU" is centered in a white rectangular box.

THANK YOU

*"Integrity is doing the right thing, even when no one is watching." – C.S. Lewis*