The Aligned Assurance Model:
Transforming Oversight into Insight

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Introductions



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Session Agenda & Learning Objectives

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1. Overview of the Aligned Assurance Model
   - ✓ Understand the purpose of the Aligned Assurance Model across audit, compliance, risk, and finance functions
2. Common challenges when Audit, Compliance, Risk, and Finance work in silos
   - ✓ Recognize common challenges caused by uncoordinated assurance and oversight activities
3. Why Aligned Assurance matters for every function
   - ✓ Explain how Aligned Assurance strengthens governance and leadership oversight
4. Practical steps to implement Aligned Assurance
   - ✓ Identify opportunities to improve collaboration across Audit, Compliance, Risk Management, and Finance
5. Proven benefits and how alignment strengthens emerging risk response
   - ✓ Apply Aligned Assurance concepts to enhance efficiency and deliver better insight to leadership

Introduction to Aligned Assurance

Definition:
Coordinating Assurance Across the Three Lines

- Aligned Assurance is a structured approach to coordinating assurance activities across the Three Lines of Defense:

First Line:	Owns and manages risk (business operations, financial reporting, accounting)
Second Line:	Oversees risk and compliance (compliance, risk management, quality)
Third Line:	Provides independent assurance (internal audit)

- Alignment **strengthens**, not blurs, accountability

Why Organizations Are Re-Thinking Assurance Models

Industry Data: The State of Integrated Assurance

Key findings from Wolters Kluwer global survey of 850 audit & assurance professionals

Misalignment is the norm	Duplicative efforts persist	Urgent demand for coordination	Three Lines Model widely adopted
Only **16%** of organizations report clear, fully aligned risk management efforts across their functions	**40%** struggle with duplicative assurance activities, and **64%** maintain multiple risk libraries across the organization	**56%** indicated a “strong” or “critical” need for greater alignment, communication, and collaboration	**93%** have adopted it to some extent, yet **31%** lack a common risk taxonomy and **57%** use different risk rating methodologies

Source: Wolters Kluwer. (2025, February 6). “Paving the Way to Integrated Assurance: A Proactive Approach.” Retrieved from https://www.wolterskluwer.com/en/news/wolters-kluwer-new-report-key-trends-challenges-opportunities-integrated-assurance

The Problem: Fragmented Assurance Drives Inefficiency and Risk Blind Spots

The Problem

- **Assurance fatigue:** For accounting and finance teams, this often shows up as continuous audit disruption (e.g., multiple groups asking for similar walkthroughs, documentation, and explanations at different times throughout the year.) ***The work isn't the issue, the lack of coordination around that work is.***
- **Inconsistent risk assessment:** Audit, compliance, risk, and finance each use their own frameworks, scales, and terminology, making it hard to compare or aggregate risk across the organization
- **Siloed reporting:** Findings stay trapped in separate workstreams, so leadership, the board, and each function only see fragmented snapshots instead of a unified risk view
- **Gaps and blind spots:** Without coordination, some areas receive overlapping attention while others go unexamined, leaving critical exposures undetected across all functions

The Shift: From Fragmented Oversight to Aligned Assurance

The Solution

Moving from fragmented oversight to coordinated, decision-ready insight…
this is known as *Aligned Assurance*.

From duplicated effort…	**To shared intelligence across functions**
From siloed reporting…	**To unified risk view for Leadership**
From activity-based assurance…	**To insight-driven coordination**

What Each Function Contributes and Gains: Finance and Accounting

- **Contributes:**
  - Process walkthroughs and documentation
  - Reconciliation and review controls
  - Insight into financial reporting risks and operational processes

- **Gains:**
  - Reduced audit disruption and fewer repeat walkthroughs
  - Greater reliance on existing documentation and control activities
  - More predictable timing of audit and compliance activities
  - Clearer visibility into how audit, risk, and compliance efforts impact finance

What Each Function Contributes and Gains: Compliance

- **Contributes:**
  - Ongoing monitoring results and regulatory testing outcomes
  - Regulatory intelligence and emerging compliance requirements
  - Compliance risk assessments and program effectiveness evaluations

- **Gains:**
  - Greater visibility with the board through integrated reporting of compliance findings
  - Reduced duplication where compliance and audit testing overlap
  - A seat at the assurance planning table to coordinate scope and priorities
  - Stronger influence on how regulatory risks are communicated to leadership

What Each Function Contributes and Gains: Risk Management

- **Contributes:**
  - Enterprise risk assessments and risk appetite frameworks
  - Risk taxonomy and consistent rating methodologies across the organization
  - Cross-functional risk context that connects operational, financial, and compliance risks

- **Gains:**
  - A more complete enterprise risk picture informed by audit and compliance findings
  - Assurance priorities driven by ERM's risk assessment rather than separate function plans
  - Stronger influence on governance through a unified risk narrative for leadership
  - Greater credibility when risk data is corroborated across multiple assurance functions

What Each Function Contributes and Gains: Internal Audit

- **Contributes:**
  - Independent assurance findings and objective evaluations of control effectiveness
  - Control evaluations that validate or challenge management's risk assertions
  - Objective risk validation that provides the board with an unbiased perspective

- **Gains:**
  - Better intelligence for audit planning through shared risk data and compliance insights
  - Ability to rely on Second Line work and reduce redundant testing of monitored areas
  - More strategic focus by redirecting limited resources to the highest-risk areas
  - Enhanced credibility with the board through alignment with the broader assurance picture

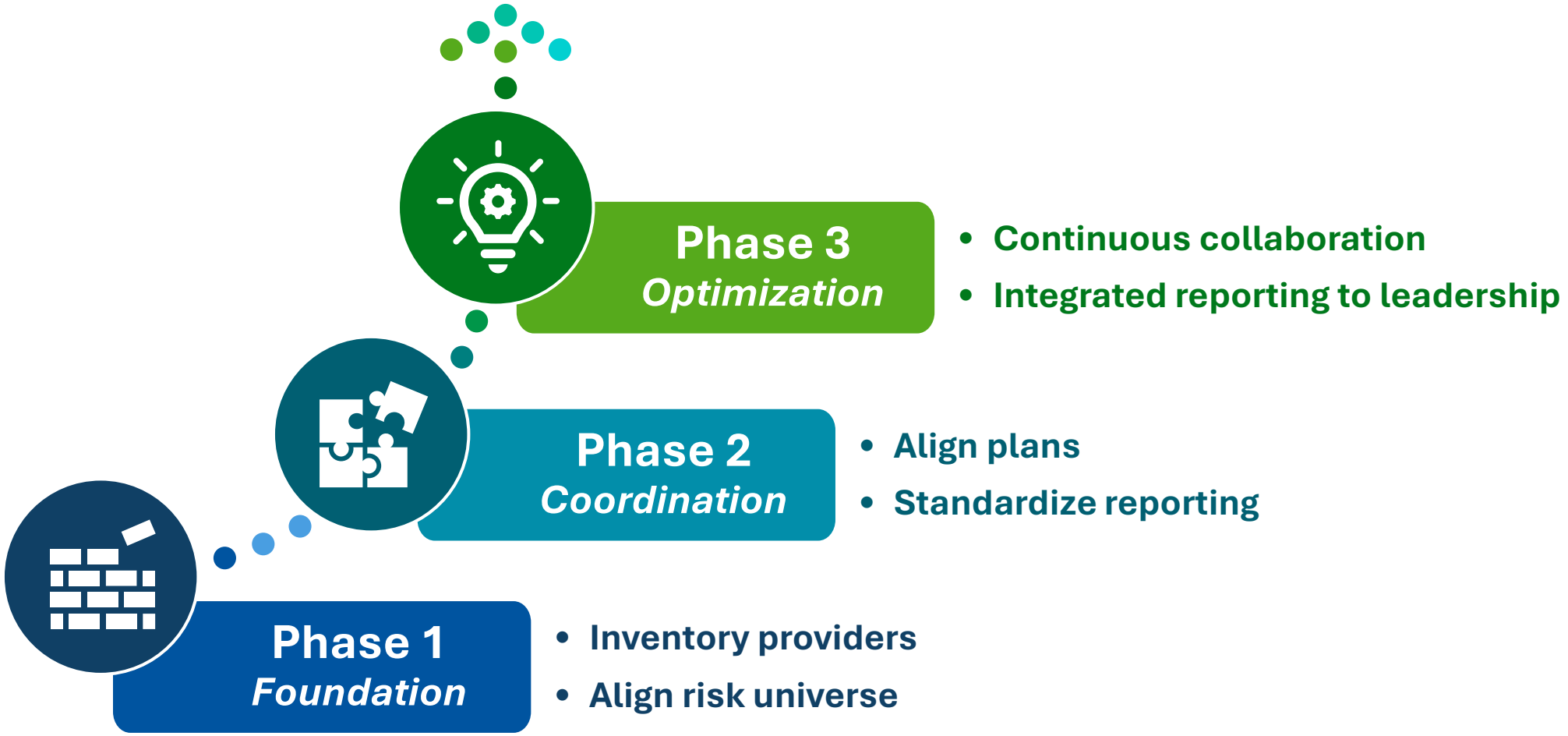
Aligned Assurance Is About *Coordination*, Not Consolidation

- The goal is not consolidation, but coordination. Every function retains its distinct role and authority.
- What coordination means in practice:
  - One shared risk language, not one shared department
  - Findings and intelligence flow across functions, not reporting lines
  - Each function plans with awareness of what others are doing, not in isolation
  - Assurance coverage is deliberate and risk-based, not duplicated by default
- **The result: Leadership receives a unified view of risk and control effectiveness**



How to Implement an Aligned Assurance Model

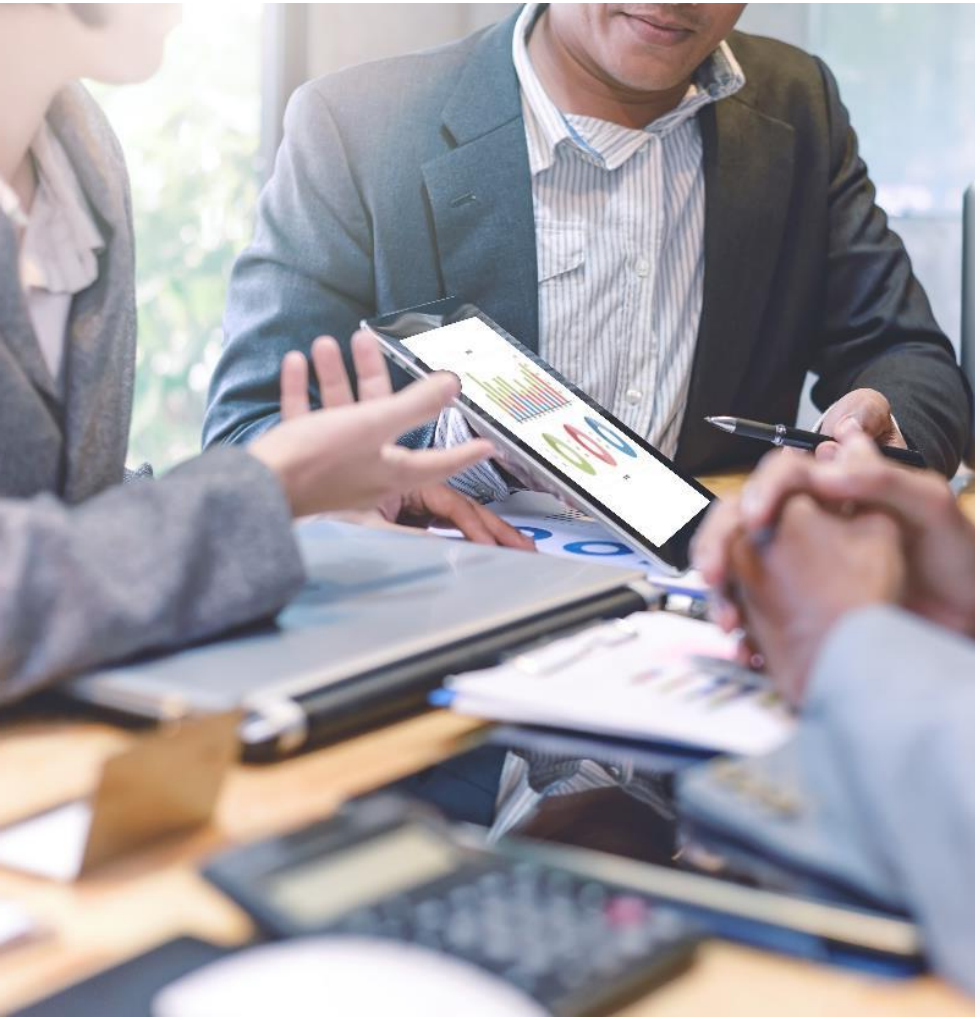
Implementation Roadmap: from Foundation to Optimization



Where to Start: Practical First Steps for Alignment

1. **Begin with high-risk or high-visibility areas where multiple functions already overlap**
   (e.g., Accounts Payable, Revenue Cycle, etc.)
2. **Pilot alignment across one or two functions**
   (e.g., align audit and compliance testing over a shared regulatory area)
3. **Leverage existing governance forums:**
   - Risk committees
   - Compliance meetings
   - Audit committee sessions
4. **Coordinate risk assessment timing between ERM, internal audit, and compliance**
5. **Focus on insight, not perfection, and facilitate open communication across all functions**

What Aligned Assurance Looks Like in Practice



- Cross-functional leaders (Finance, Risk, Compliance, Internal Audit, IT) meet monthly in a dedicated forum
  - Each group shares what they're working on now and what's coming next
  - The team identifies operational changes that could impact risk
  - Together, they:
    - ✓ **Leverage each other's work (avoid duplication)**
    - ✓ **Adjust scope where appropriate**
    - ✓ **Coordinate on evidence and testing already completed**
    - ✓ **Provide greater visibility into ongoing activities that may impact finance, reporting, or close processes**

The Payoff: Proven Benefits and Future-Risk Readiness

Industry Data: The Benefits of Coordination Are Clear

Key Findings from the IIA, Baker Tilly, & Wolters Kluwer TeamMate (*March 2026*)

~90%

survey respondents reported positive outcomes from coordination between internal audit and risk management

Top reported benefits of coordination

28% Improved risk coverage	**26%** Reduced duplication of effort
20% Stronger organizational alignment	**11%** Enhanced board communication

60%

respondents expect further integration between internal audit and risk management in the next five years

Source: The IIA, Baker Tilly, & Wolters Kluwer TeamMate. (2026, March). "New Research Highlights Increased Synergy between Internal Audit and Risk Management."

How Aligned Assurance Strengthens Governance Decisions

- Alignment turns governance from passive oversight into active decision-making:
  - **Risk appetite:** Leadership calibrates appetite using corroborated cross-functional data
  - **Resource allocation:** Boards direct resources via a unified map, not competing requests
  - **Strategic initiatives:** M&A, conversions, and expansion get a pre-built multi-dimensional risk lens
  - **The CFO perspective:** Fewer late-cycle surprises, earlier visibility into control gaps, stronger assertions to external auditors, and greater confidence in disclosures and filings

From Compliance Work to Business Advisory

- Alignment frees assurance professionals to focus where they add the most value:
  - **Reclaimed capacity:** Eliminating redundant testing and duplicative requests gives internal audit, compliance, and finance significant time back
  - **Internal audit as strategic advisor:** Auditors can partner with accounting and finance on close-process improvements, internal control design, and reporting risk—not just repeat compliance walkthroughs
  - **Broader impact:** Compliance advises finance on evolving regulatory requirements; risk managers provide forward-looking insight on exposures affecting financial reporting
  - **Advisory in practice:** Proactively flagging risks to financial reporting, advising on system and process changes before they go live, and coordinating with finance on audit timing and scope

Why Emerging Risks Demand Aligned Assurance

- Emerging risks don’t respect functional boundaries; they demand a coordinated response:
  - **AI and automation:** financial reporting integrity, algorithmic bias, regulatory uncertainty, and control design all converge across functions
  - **Cybersecurity and data privacy:** IT controls, regulatory compliance, financial exposure, and audit testing must inform each other in real time
  - **ESG and sustainability reporting:** new disclosure requirements touch finance, compliance, risk, and audit simultaneously with no single owner
  - **Rapid regulatory change:** when new rules emerge, siloed functions react independently, creating gaps and inconsistent responses

Aligned Assurance as Your Emerging Risk Advantage

- When functions are already aligned, the organization can respond to emerging risks faster and more effectively:
  - Shared risk language means new threats get classified consistently from day one — no time lost translating between frameworks
  - Cross-functional forums surface early signals: compliance sees the regulatory shift, finance sees the exposure, audit sees the control gap
  - Coordinated response plans prevent duplication and gaps: each function knows its role before a crisis hits
  - Leadership receives one unified assessment instead of conflicting interpretations from separate functions



Wrap-Up

Key Takeaways

Working in silos costs every function

Duplicated effort, inconsistent conclusions, and blind spots that affect the entire organization

Alignment strengthens each function's distinct role

Audit, Compliance, Risk, and Finance all retain their authority and accountability

Every stakeholder benefits

Leadership gets a unified risk view, and each function gains efficiency, visibility, and influence

Start where you are

One shared conversation, one pilot area, one step toward better coordination can drive meaningful progress

Sources and References

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INSIDE public accounting TOP 100 FIRMS 2025

accountingTODAY 2025 Top 100 Firms

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