



Wolters Kluwer TeamMate Audit Solutions

In the driving seat: How TeamMate helped Nissan's internal audit team gear up for the future



Nissan Motor Co., Ltd. has a reputation for high quality and reliability, while being at the forefront of innovation and technological developments across the automotive industry. In line with Nissan's corporate purpose, "Driving innovation to enrich people's lives", Nissan took bold steps to improve its governance structure in 2019. The Internal Audit team had to evolve just as rapidly to keep up with new business demands and evolving risks. The speed and complexity of these changes meant that this evolution of the global Internal Audit team had to be underpinned by technology that enriched its purpose, to protect and enhance organisational value. To that end, the technology adopted had to be scalable, flexible and easy to implement quickly.

Wolters Kluwer supported this successful transformation over six months and continues to be a trusted partner to the Internal Audit Team.

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Michelle Baron
Chief Audit Executive
Nissan Motors

What Nissan Internal Audit needed

Michelle Baron, Vice President / Chief Internal Audit Officer (Chief Audit Executive) at Nissan, embarked on the quest with clear objectives:

- Enable stronger team cohesion, collaboration and consistency, by moving the geographically dispersed internal audit function, comprising close to 100 internal auditors across multiple locations globally, on to the same technology platform.
- Be more transparent and agile by enabling auditors to identify issues and report them in real time and reduce the manual labour involved in tracking management actions, while making these transparent and accessible to the executive.
- Embed quality by standardising the internal audit practices to documentation, including the way it was recorded, so that teams could share experiences, highlight common findings, and learn from each other collaboratively.

Collectively, these outcomes would drive greater performance in terms of strategic value that would be added and deliver operational productivity and efficiency gains.

In addition to functional outcomes, she also wanted to achieve a culture change within the organisation by demonstrating that the internal auditors were not "police officers", but rather were strategic partners, well positioned to add value and support to the business. Beyond providing assurance over regulatory compliance, she envisioned repositioning the Internal Audit team as a partner in discussions about new projects and business-critical developments that are seen as key contributors to driving business growth. To achieve this, the team had to focus on evaluating emerging risks and opportunities, providing advice on strengthening the control framework, and improving the effectiveness of the governance structure necessary to make growth successful.

As in any transformation, the first critical step was to win over the people in her team. Tasking them with wider roles and greater responsibility, while encouraging them to think more strategically and report and track issues faster using new technology, could be overwhelming and disruptive. Without staff buy-in, any system risks failure. On the other hand, if managed well, the opportunities to develop the internal audit role and scope were exciting and had the potential to energise and inspire staff as well as attract new talent.

The journey with TeamMate

TeamMate+ Audit was selected as the audit management solution to help Baron and her team achieve these aims and grow into the future. They researched and performed extensive due diligence, including reviewing well-documented success stories from internal audit peers and experiences of staff members who had used TeamMate in the past. Several capabilities of TeamMate were particularly important to them:

Centralised platform and faster reporting

“I like the way we can use TeamMate in many ways, across the end-to-end audit process, including reporting, tracking and managing J-SOX Compliance, and that TeamMate can accommodate different elements. Flexibility is important,” Baron says.

A centralised platform not only allowed auditors to collaborate better, share and compare findings over regions and time, it also enabled better communication at a time when many were working from home. “With far fewer business trips because of the pandemic, it is difficult to build personal relationships. The TeamMate platform gives us a common language,” says Takeshi Mashiko, General Manager, Global Internal Audit Office, at Nissan.

Additionally, the Audit Committee is focussed on ensuring that reported audit issues are properly resolved in a timely manner. With issue and recommendation information centralised, TeamMate offers Audit Committee members real-time information, eliminating the prolonged review and question process of the past. The ease of creating reports allowed the Audit Team to report more frequently and allowed the Audit Committee to enhance the quality of its oversight. With this, open recommendations dramatically

decreased and continues to remain at a very low level over the period of a year since implementation.

“For a globally operated company like ours, I think it is vital to have a single platform that transcends culture and allows people to see the same things at the same time,” Mashiko says.

Ease of use and implementation

Implementing a new audit management solution requires two precious Nissan resources, time and money, so it was essential to get it right. “TeamMate has helped us to transform as a function so that we can fully support the audit committee and the executive,” Baron says. “Leaders do not want to wait weeks for answers. If you must email someone to find out the state of play on an audit, it causes delays and wastes time.”

Management collaboration and reporting

“Compliance assurance is a vital baseline, but if this can be done with less manual input, it frees us up to think ahead, spot trends and act strategically,” Baron says. “This is great for management and for internal auditors who want a more influential and exciting role – I can tell potential auditors that internal audit is

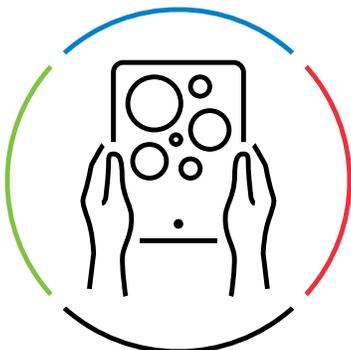
the place to understand the whole business and play a critical role in managing emerging risks.”

Not only has the team strengthened its reputation as a trusted adviser, it is now seen to proactively support business growth by providing timely, complete and accurate information to the board and shareholders.

Increased speed and agility

Nissan is performance-driven, and Baron wanted to speed up Internal Audit work and make it more agile. She was keen to ensure that audit reports from across the globe were submitted in a timely manner. Upon setting a reporting deadline, TeamMate allowed Internal Audit leaders to view their position against others and this unexpectedly created a healthy competition as they vied to submit their reports before colleagues.

This transparency also motivates managers to complete recommended actions and this was a real breakthrough, adds Mashiko. “We wanted to be more agile at grasping the identified issues. So we increased the frequency of follow-ups from plan-do-check-act (PDCA) audit findings from twice a year to four times a year. The dashboard allows us to see the number of outstanding issues at a glance, which creates motivating pressure,” he says.



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Michelle Baron



Continued evolution of Nissan Internal Audit

TeamMate has enabled the team to shift audit planning up a gear, from being an annual exercise to a more continuous process. Baron and her team are looking to transition to a more agile planning process that keeps pace with changes in the wider business environment. TeamMate functionality will be critical to embed this audit planning methodology change.

“TeamMate is critical because risks constantly shift, so we need a planning process that can accommodate change,” Baron says. “We have to be able to look at our resources and work across the world and see how we can reschedule the plan to meet an emerging need. We can only do this if we have all the data in one place with total transparency. We must be able to pivot.”

Environmental, social and governance (ESG) issues are particularly challenging in the automotive sector and Nissan is

setting ambitious goals, as well as planning developments in electrification, connected cars and artificial intelligence. Baron is confident that her team now has the tools to provide assurance as well as monitor and measure progress against these goals.

“These are shifts based in technology, so it is vital that we keep up,” she says. “We don’t have all the answers, but we need to continue to adapt our role to be a true business partner, and TeamMate is essential as our audit management platform in enabling us to do this.”

“TeamMate provides room to grow into,” says Mashiko. “Various functions are built in, but teams have the flexibility to use more functions over time. There is room to expand and develop, which is important for an organisation with a complex organisational structure.”

“We have just arrived at the starting point, he adds. “I believe we have the platform that will serve as the foundation for its auditing team in the future. The next stage will focus on how we analyze and use the data.”

Using TeamMate, Nissan Internal Audit has transformed the way it works globally over the past year. However, it’s clear that its journey will not stop here. TeamMate will continue to support the team as it finds new ways to offer the assurance that management and the Audit Committee require, and to add more value through transparent collaboration and its use of data and real-time information. In the fast-moving car industry, Internal Audit’s ability to evolve and support new developments will be the oil that keeps Nissan’s corporate engine running smoothly and safely.