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Internal Audit, Assurance Reviews and Gap Analysis FAQs for Regulated Firms in the UAE

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Waystone supports regulated firms in the UAE with Internal Audit, assurance reviews, Discovery Sessions, gap analysis, remediation support, and independent validation.

Our work helps Boards, senior management, compliance officers, MLROs, risk officers and control function leaders assess whether governance, compliance, AML, risk, and control frameworks are operating effectively in practice.

Waystone works with firms regulated by the DFSA, FSRA, VARA, CBUAE and CMA.

1. What is an Internal Audit or assurance review?

An Internal Audit or assurance review is an independent assessment of whether a firm's governance, risk management, compliance, and control arrangements are properly designed and operating effectively in practice.

For regulated firms, this means looking beyond the existence of policies, procedures, and registers. A review considers whether obligations are clearly owned, controls are embedded into day-to-day operations, issues are escalated appropriately and conclusions are supported by evidence.

A well-structured review helps Boards and senior management understand where controls are working well, where gaps or weaknesses exist and what action may be needed to strengthen the control environment.

2. What is a Discovery Session or gap analysis?

A Discovery Session or gap analysis is a focused diagnostic review designed to identify potential weaknesses in a firm's governance, compliance, AML, risk, or control framework.

It can provide a high-level view across the firm's control environment or focus on a specific area such as AML, outsourcing, client onboarding, governance, regulatory reporting, conduct risk or remediation.

This type of review is often useful where a Board or senior management team wants early insight before deciding whether a broader Internal Audit programme or targeted assurance review is required.

3. How is a Discovery Session different from Internal Audit?

A Discovery Session is typically lighter, faster, and more diagnostic. It helps identify key themes, potential gaps and areas that may require further review.

Internal Audit or a formal assurance review usually involves more detailed testing. This may include document review, stakeholder interviews, process walkthroughs, sample testing, control design assessment, operating effectiveness testing, and formal reporting.

In practical terms:

- Discovery Session: identifies likely gaps, themes, and priorities.
- Targeted assurance review: tests a specific area in more detail.
- Internal Audit: provides structured, independent assurance over agreed areas of the control framework.

A Discovery Session can therefore be a useful starting point for firms that want to understand where material risks may sit before committing to a more detailed review.

4. Is Internal Audit mandatory for all regulated firms in the UAE?

Internal Audit requirements vary depending on the regulator, licence category, business activity, size, complexity, and applicable regulatory obligations.

Even where a full Internal Audit function is not expressly required, regulated firms are still expected to maintain effective governance, compliance, risk management, and control arrangements. Firms should also be able to demonstrate that key controls are operating as intended and that issues are identified, escalated, tracked, and remediated appropriately.

For some firms, a full Internal Audit programme may be appropriate. For others, periodic targeted assurance reviews or Discovery Sessions may provide a more proportionate and practical approach.

5. What areas can Waystone review?

Waystone can perform broad Internal Audit reviews, targeted assurance reviews, Discovery Sessions, and gap analysis across a range of risk and control areas.

Common areas include:

- AML, CFT, sanctions and financial crime controls
- governance and committee oversight
- compliance monitoring programmes
- regulatory reporting controls
- outsourcing and third-party oversight
- client onboarding, due diligence, and classification
- breach, complaint and incident management
- conduct risk and client-facing controls
- operational resilience and business continuity
- remediation plans and closure evidence

Reviews can be completed as a one-off assessment, as part of an annual Internal Audit plan or as independent validation after remediation activity.

6. How is Internal Audit different from compliance monitoring?

Compliance monitoring is usually performed by the compliance function and focuses on whether specific regulatory obligations, policies and controls are being followed

Internal Audit provides a more independent level of assurance. It assesses whether the wider governance, compliance, risk, and control framework is appropriately designed, risk-focused, evidence-based and operating effectively.

Both have an important role. They should complement each other, avoid unnecessary duplication, and provide senior management with a clearer view of control effectiveness.

7. What does “beyond the paperwork” mean in an assurance review?

Many firms can produce policies, monitoring plans, training records, committee packs, risk assessments, and issue logs. These records are important, but they do not always demonstrate that the control environment is working effectively.

Going beyond the paperwork means testing whether documented controls are actually being followed, whether evidence supports the conclusions reached, whether issues are escalated at the right level and whether remediation addresses the underlying cause.

This approach helps identify practical weaknesses that may not be visible through routine reporting alone.

8. Can Waystone support remediation and independent validation?

Yes. Waystone can support firms with remediation planning, policy and procedure enhancements, control redesign, governance reporting, evidence packs, action tracking, and closure validation.

Independent validation is usually performed after management has completed agreed actions. It assesses whether the action has been implemented properly, whether the evidence supports closure and whether the root cause has been addressed.

This can be particularly valuable before reporting closure to a Board, committee, or regulator.

9. When should a firm consider an assurance review or gap analysis?

The timing and frequency of assurance work should be risk-based and proportionate to the firm’s size, complexity, business activity, and regulatory obligations.

A firm may consider an assurance review or gap analysis following:

- business expansion or a change in operating model
- new products, services, or customer types
- regulatory or Federal change
- a change in senior management or control functions
- a regulatory visit, information request, or thematic review
- a material breach, incident, or complaint
- persistent control issues
- significant outsourcing or technology change
- remediation activity requiring independent validation

The purpose is to identify issues early, support practical action and help the firm evidence that its control environment remains appropriate.

10. Why choose Waystone for Internal Audit, assurance reviews, and gap analysis?

Waystone has provided compliance and regulatory services in the Middle East for over 15 years, supporting regulated firms across UAE regulatory frameworks including the DFSA, FSRA, VARA, CBUAE and CMA.

Our team combines regulatory knowledge, practical operating experience, and disciplined assurance methodology. We support firms with Discovery Sessions, Internal Audit, co-sourced support, targeted assurance reviews, rule mapping, remediation support, and independent validation.

Our reviews are designed to give Boards, senior management, and control function leaders clear insight into whether governance, compliance, risk, and control frameworks are operating effectively in practice, and what should be done where improvement is needed.

Speak to Waystone's Middle East team

If your firm needs a focused diagnostic review, independent assurance over a specific control area, remediation support, or a broader Internal Audit programme, Waystone can help you assess your current position and identify practical next steps.

Speak to Waystone's Middle East team about Internal Audit, assurance reviews, Discovery Sessions, or gap analysis for your regulated firm in the UAE.

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