

Internal Audit Benchmarking

Health of the Internal Audit Profession – Part One

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Purpose of this presentation

Chartered IIA is publishing a series of benchmarking presentations for members that are based on an analysis of the responses to our recent Health of the IA Profession Survey. This is the first of a series, with others following in January and February 2025.

The purpose is to provide some benchmarking information and discussion points for internal audit functions to use and consider. We are also aiming to highlighting the kind of output that is available from this survey, with the hope of pursuing this survey on a larger, more regular basis.

The presentations will not provide analysis or commentary on the statistics themselves, and users should understand they are based on a relatively small sample (ie the responses of 216 member participants from across the UK & Ireland, as well as role levels, sectors and industries).



Purpose of this presentation

A full report is intended to be published after this series, which will provide analysis on the statistical information contained in the presentations as well as on the comments provided by participants as part of completing the survey.

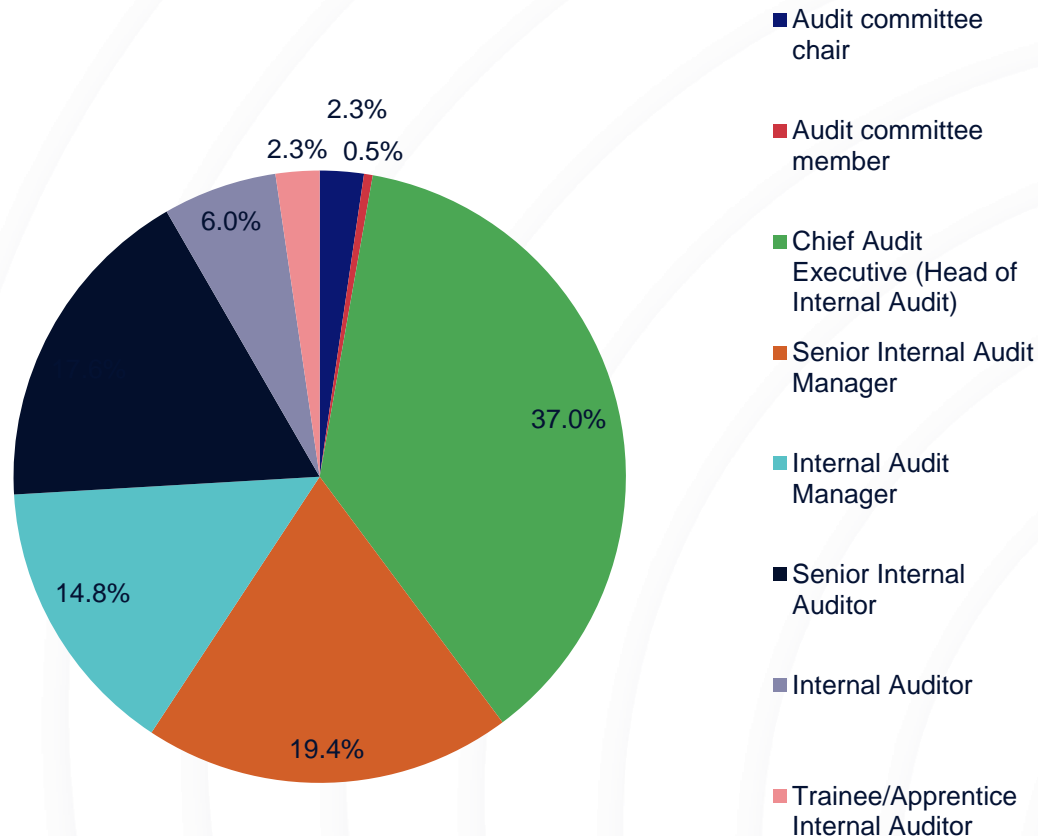
Based on feedback to these presentations, our longer-term aim will be to ask members to respond in greater numbers to this survey again in Autumn 2025 - so that we can then share an updated set of data, analyses, commentary and conclusions that are statistically more representative of the IA profession as a whole.



Survey Participants

- 216 participants completed the survey from a range of internal audit roles.
- The largest being Chief Audit Executives representing 37% of participants.
- The smallest proportion being Audit Committee Members with 0.5% of Participants

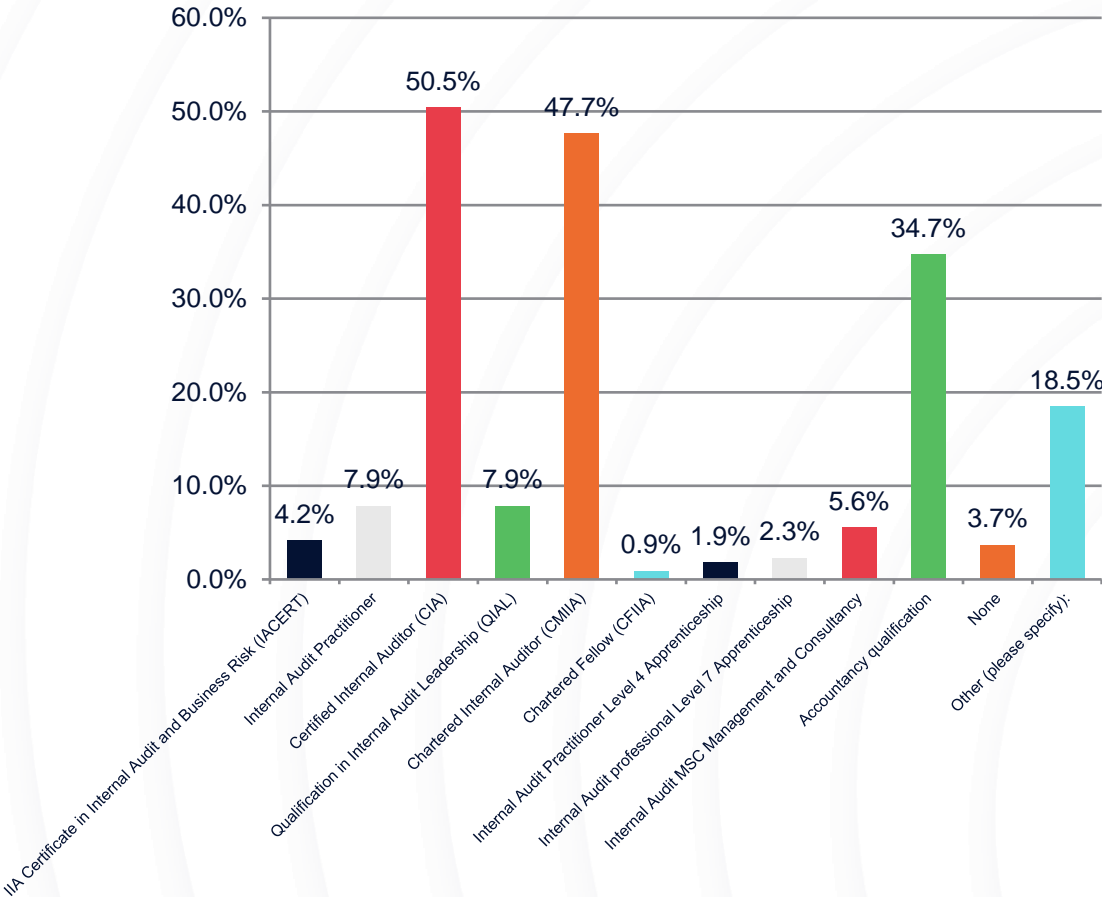
Please see the appendices for more information on the profile of respondents.



Professional Designations/Certifications

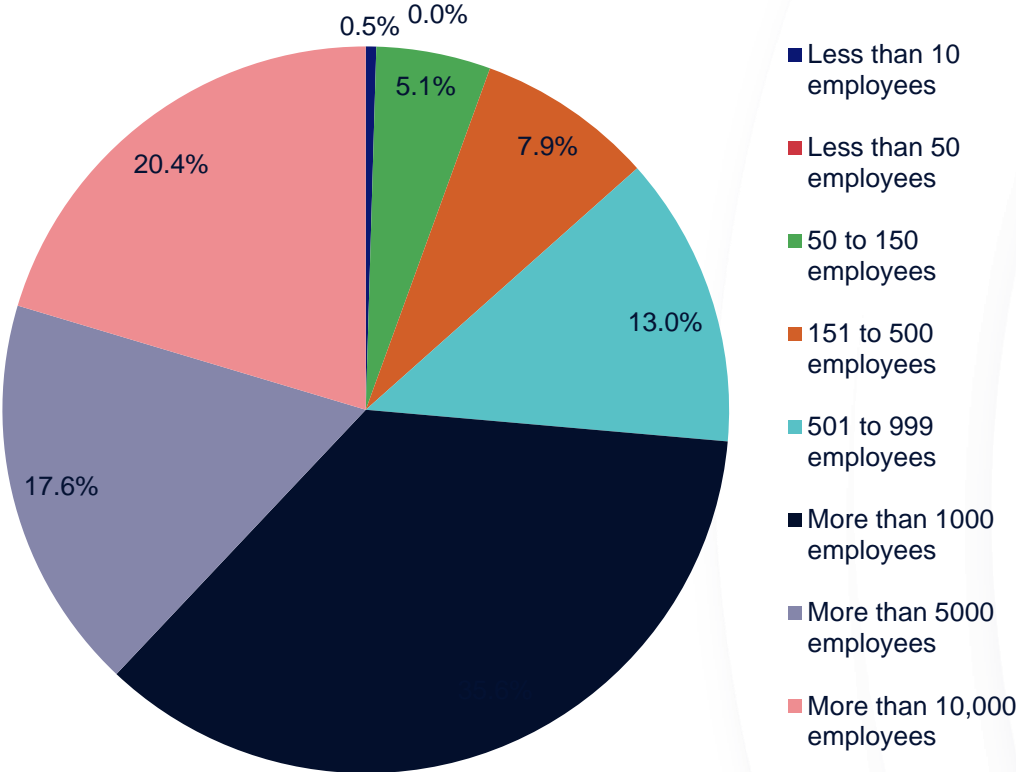
- CIA, Chartered Internal Auditor and Accountancy qualifications were the most popular and the rest each at below 8% of the population.
- Within 'Other' CISA/CISM was the most popular.
- **CAEs:** 55% - Chartered Internal Auditor Certification, 51% - accountancy qualification
- **Financial services:** 47% - Certified Internal Auditor, 41% Accountancy Qualification, and 42% Chartered Internal Auditor
- For both CAEs and financial services these statistics indicate that some held more than one qualification.

Which of the following professional designations do you hold, or are you studying towards? Tick all that apply



Size of organisations

What is the approximate / average size of the organisation(s) that you work for across UK and Ireland?



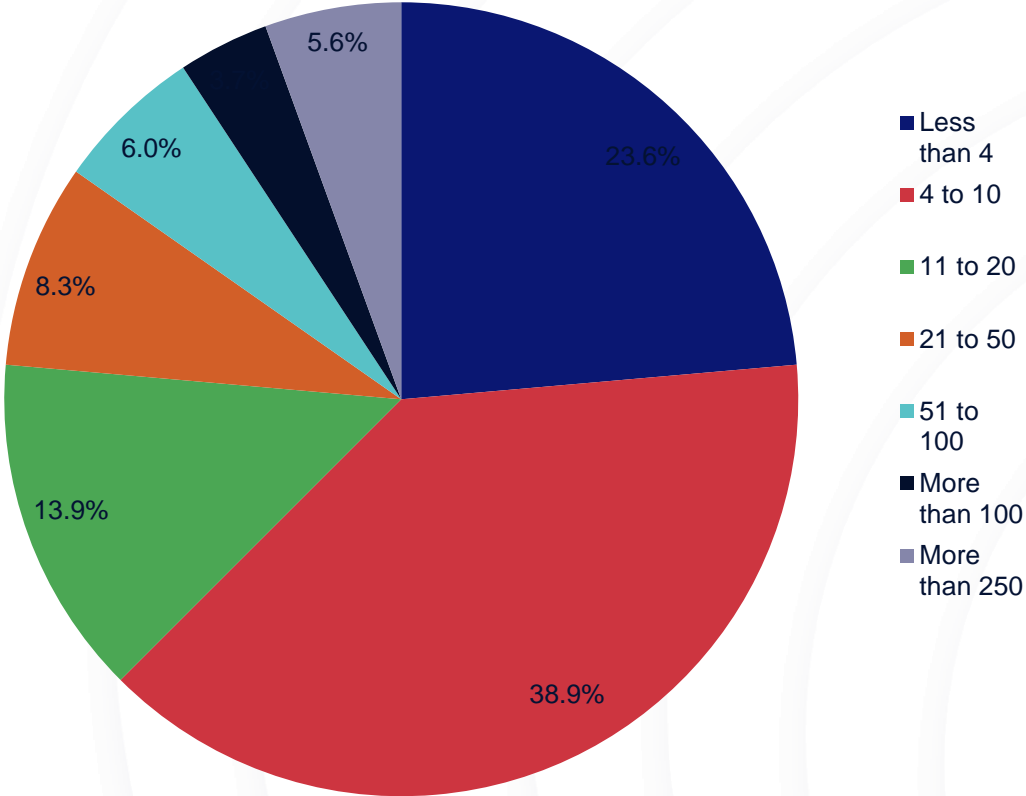
- The average size of the organisation participants worked for varied. 35.6% indicated that the average size of their organisation was more than 1,000 employees.
- **Private Sector:** 33.33% - more than 1,000 employees, with 23.96% indicating it was more than 10,000 employees
- **Public sector:** 33.33% - more than 1,000 employees, with 23.81% saying it was more than 5,000 employees
- **Not-for-profit:** 48.15% - more than 1,000 employees.



Size of internal audit functions

- Overall, 38.9% of respondents indicated that the full-time equivalent structure size was between 4 to 10.
- **Private Sector:** 29.17% - FTE between 4 to 10
- **Public Sector:** 48.57% - FTE between 4 to 10
- **Not for Profit:** 51.85% - FTE was less than 4

What is full time equivalent structure size of your internal audit function?



Size of internal audit functions – by organisation size

Org FTE vs IA FTE	Less than 500	501-999	1,000 -4,999	More than 5,000
IA size Less than 4	44.8%	42.9%	29.9%	21.7%
IA size 4 to 10	20.7%	32.1%	50.7%	53.9%
IA size 11 to 20	13.8%	14.3%	11.7%	13.9%
IA size 21 - 50	3.5%	7.1%	3.9%	6.1%
IA size 51 - 100	10.3%	3.6%	1.3%	1.7%
IA size More than 100	0	0	1.3%	1.7%
IA size More than 250	6.9%	0	1.3%	1%

- Organisation size of 1,000 employees seemed to be a key differentiator for the size of the internal audit team.
 - Organisation size of more than 1,000 FTE then 43.4% said their IA team was 4-10 FTEs
 - Organisation size of less than 1,000 FTE then 43.86% said their IA team was less than 4 FTEs
- **Financial Services:** 22.73% had IA FTE at 11-20.
- **Local authorities:** 61.19% had an IA FTE of between 4 – 10.



Size of internal audit functions - by sector

- **Public Sector:** 48.6% was in the 4 to 10 FTE, but a total of 61.9% if include the below 4 FTE.
- **Private Sector:** The most common size was 4-10 but the second highest was less than 4 FTE, however c45% had an IA FTE over 11.
- **Not for profit:** has on average smaller internal audit teams with c89% at below 10 FTE and none of IA team size above 100 FTE

Sector	Public	Private	Not-for-profit
IA size Less than 4	13.3%	26%	51.9%
IA size 4 to 10	48.6%	29.2%	37%
IA size 11 to 20	13.3%	17.7%	7.4%
IA size 21 - 50	8.6%	9.4%	0
IA size 51 - 100	10.5%	3.1%	3.7%
IA size More than 100	0	8.33%	0
IA size More than 250	5.7%	6.25%	0



Size of internal audit functions – by industry

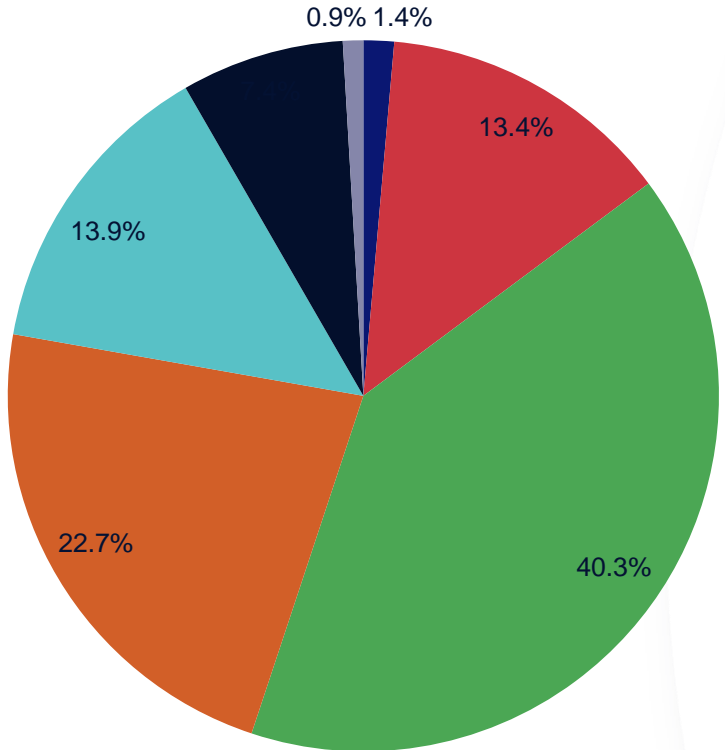
Industry	Education	Central Gov't	Local Authorities	Financial services	The rest
IA size Less than 4	42.1%	21.7%	13.4%	19.7%	26.5%
IA size 4 to 10	21.1%	8.7%	61.2%	19.7%	41%
IA size 11 to 20	15.8%	13%	10.5%	22.7%	9.6%
IA size 21 - 50	10.5%	17.4%	9%	13.6%	10.8%
IA size 51 - 100	10.5%	13%	6%	3%	8.4%
IA size More than 100	0	4.4%	0	10.6%	1.2%
IA size More than 250	0	21.7%	0	10.6%	2.4%

- **Education:** IA FTE were all below 100, with the majority (63,2%) at 10 or less
- **Central government:** had spikes in IA size at less than 4, 21-50 and more than 250.
- **Local Authorities:** all below 100 FTE, but the majority (61.2%) were in the 4 – 10 bracket
- **Financial services:** a clear split with 24.2% in the above 50 FTE and the rest at below, with a fairly even distribution.



Organisational governance

How would you describe your organisation's overall governance?



- Level 1 – Initial, e.g. ad hoc and unstructured governance
- Level 2 – Infrastructure, e.g. has structures in place, but not much beyond the mechanics of a process
- Level 3 – Integrated, e.g. co-ordinated across the organisation with good interaction
- Level 4 – Managed, e.g. Very good reporting and use of dashboards for risk-based decision making
- Level 5 – Optimised, e.g. Fully embedded and transparent with excellent professionally challenging discussions and variety of views fully explored before decisions are made for the benefit of the organisation.
- Not applicable – I provide internal audit for multiple client organisations
- Don't know

40.3% described their governance as level 3 = integrated.

13.9% described it as level 5 – optimised.



Organisational governance (filters)

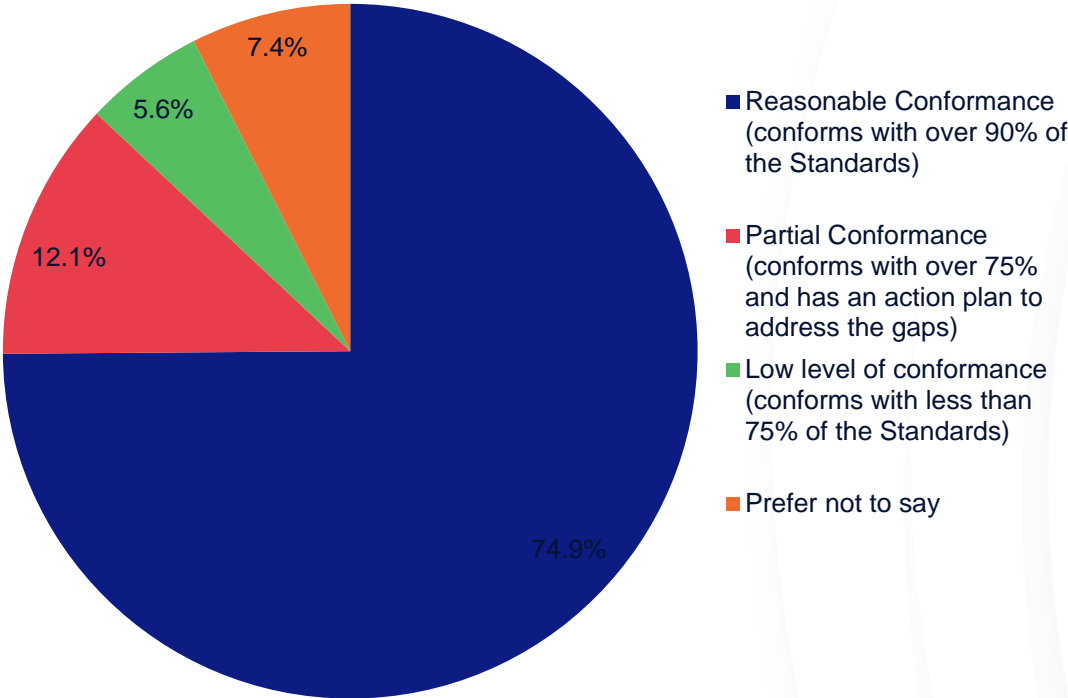
	Level 1	Level 2	Level 3	Level 4	Level 5	N/A	Don't know
All data	1.4%	13.4%	40.3%	22.7%	13.9%	7.4%	0.9%
Financial services	1.5%	12.1%	30.3%	24.2%	25.8%	6.1%	0
Local Authorities	3%	17.9%	44.8%	16.4%	3%	13.4 %	1.5%
Not-for profit-only	0	7.4%	37%	22.2%	14.8%	18.5 %	0
Private sector	1%	13.5%	35.4%	21.9%	20.8%	7.3%	0
Public sector	1.9%	13.3%	42.9%	21.9%	5.4%	12.4 %	1.9%
Organisation size - 1,000 or less	5.3%	17.5%	36.8%	12.3%	12.3%	14%	1.8%
Organisation size -1,000 or more	0	12%	41.5%	26.4%	14.5%	5%	0.6%
Internal audit size - 10 or less	1.5%	17%	46.7%	21.5%	8.2%	5.2%	0
Internal audit size 11 - 50	2.1%	10.4%	33.3%	22.9%	22.9%	6.3%	2.1%
Internal audit size – over 50	0	3%	24.2%	27.3%	24.2%	18.2 %	3%

- **Level 1:** Organisation size of less than 1,000 had the highest response as level 1, but this was only 5.3%, with the majority (54.3) at either 2 or 3.
- **Level 2:** There was a range here from 3% (IA size over 50 FTE) to 17.9%, with the majority of the filters looked at being between 12% and 14%.
- **Level 3:** This was the highest response overall, and this was the case for all filter's apart from an IA team size over 50 FTE where level 4 at 27.3% was the highest.
- **Level 4:** All filters looked at returned within the 21% to 27.3% range, with the exception of, local authorities at 16.4% (which had level 3 at 44.8%) and organisation size less than 1,000 at 12.3% (where level 3 was the highest at 36.8%)
- **Level 5:** saw a lowering of the %s but not as low as for level 1 and level 2 for many. The private sector had the highest % here at 20.8% for the 3 sectors, but financial services had the highest overall at 25.8%. The lowest was local authorities at 3%.



Conformance with the International Professional Practices Framework (2017)

What level is your internal audit function currently working at in relation to the International Professional Practice Framework (2017) which includes the Standards?



- 74.9% of surveyors indicated they reasonably conformed with the International Professional Practice Framework (2017) which includes the Standards.
- 12.1% partially conformed with the framework and
- 5.6% indicated that they had a low level of conformance.



Conformance with the International Professional Practices Framework (2017)

Key:

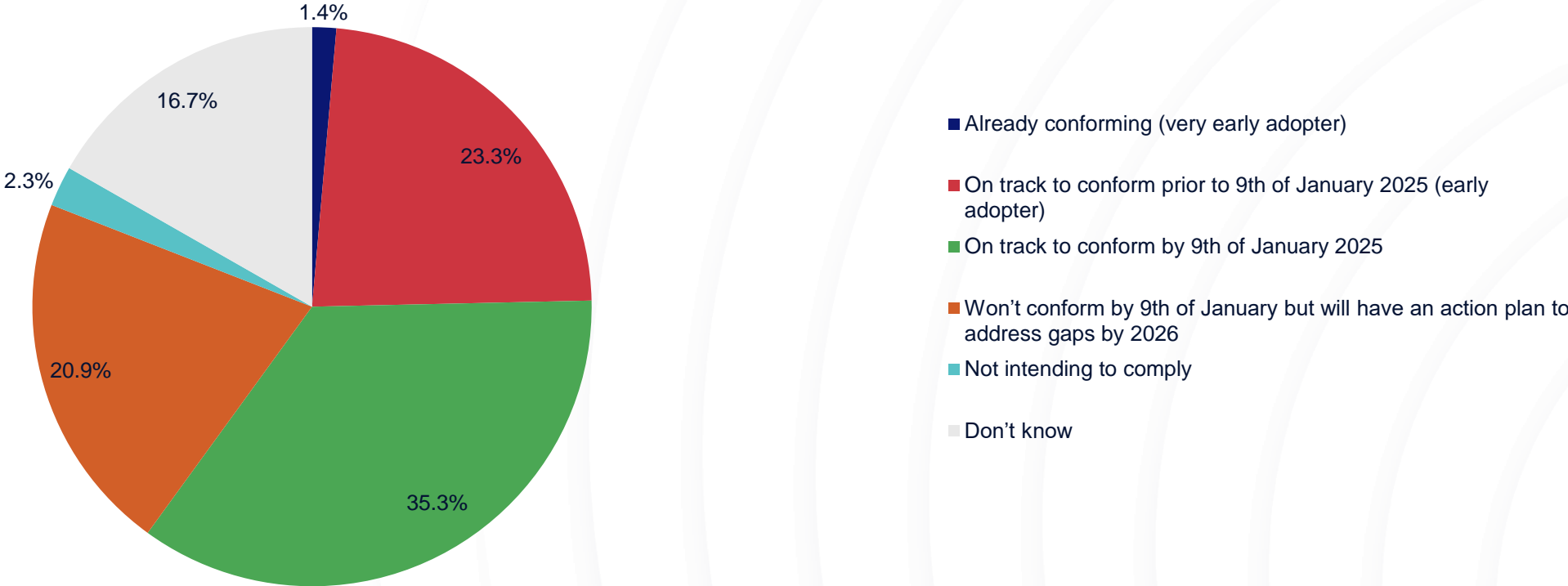
Green indicates higher performance than the 'all data', and red lower performance

Filter	Reasonable conformance	Partial conformance	Low level of conformance	Prefer not to say
All data	74.9%	12.1%	5.6%	7.4%
Financial services	81.82%	9.09%	6.06%	3.03%
Local Authorities	71.64%	8.96%	10.45%	8.96%
Not-for profit	66.67%	18.52%	0	14.81%
Private sector	72.63%	14.74%	5.26%	7.37%
Public sector	78.1%	8.57%	6.67%	6.67%
Organisation size - 1,000 or less	57.89%	19.3%	14.04%	8.77%
Organisation size – 1,000 or more	81.01%	9.49%	2.53%	6.96%
Internal audit size – 10 or less	67.41%	15.56%	7.41%	9.63%
Internal audit size 11 - 50	89.36%	4.26%	4.26%	2.13%
Internal audit size – over 50	84.85%	9.09%	0	6.06%



Conformance with the International Professional Practices Framework (2025)

How ready are you for the new IPPF 2025, particularly the Global Internal Audit Standards 2024?



Conformance with the International Professional Practices Framework (2025)

Filter	Already conforming	On track (before 9 th Jan)	On track (by 9 th Jan)	Won't conform by 9 th Jan	Not intending to comply	Don't know
All data	1.4%	23.3%	35.3%	20.9%	2.3%	16.7%
Financial services	1.5%	39.4%	39.4%	9.1%	1.5%	9.1%
Local Authorities	0	9%	37.3%	31.3%	1.5%	20.9%
Not-for profit	0	25.9%	29.6%	25.9%	7.4%	11.1%
Private sector	1.1%	35.8%	33.7%	12.6%	2.1%	14.7%
Public sector	1.9%	12.4%	38.1%	26.7%	1%	20%

Key:
Green indicates higher performance than the 'all data', and red lower performance



Appendices

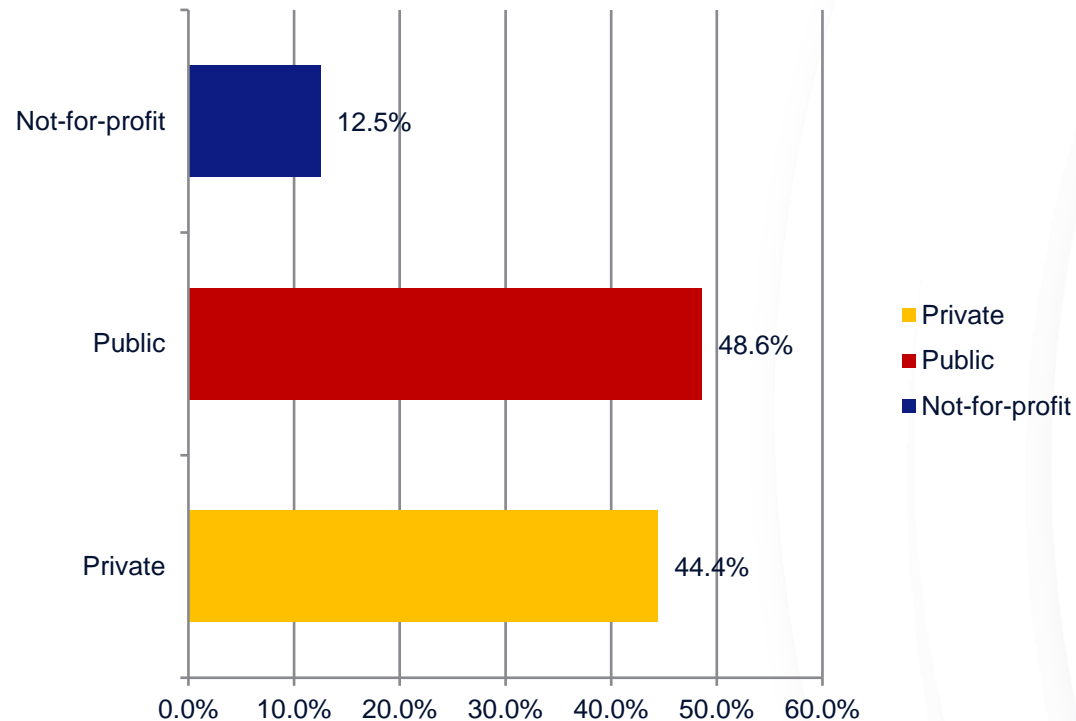
Appendix 1: Methodology

- The survey was open between the 1st of August and 14th of October receiving a total of 216 completed responses.
- The survey uses a combination of qualitative and quantitative methods questions.
- This survey will be repeated in order to identify trends, but also assess the impact of any actions that are taken by the Chartered IIA to champion and lead the profession.
- All survey responses are anonymous, and confidentiality is assured.



Appendix 2: Sector Breakdown

What is the sector of the organisation(s) you provide internal audit for? Tick all that apply



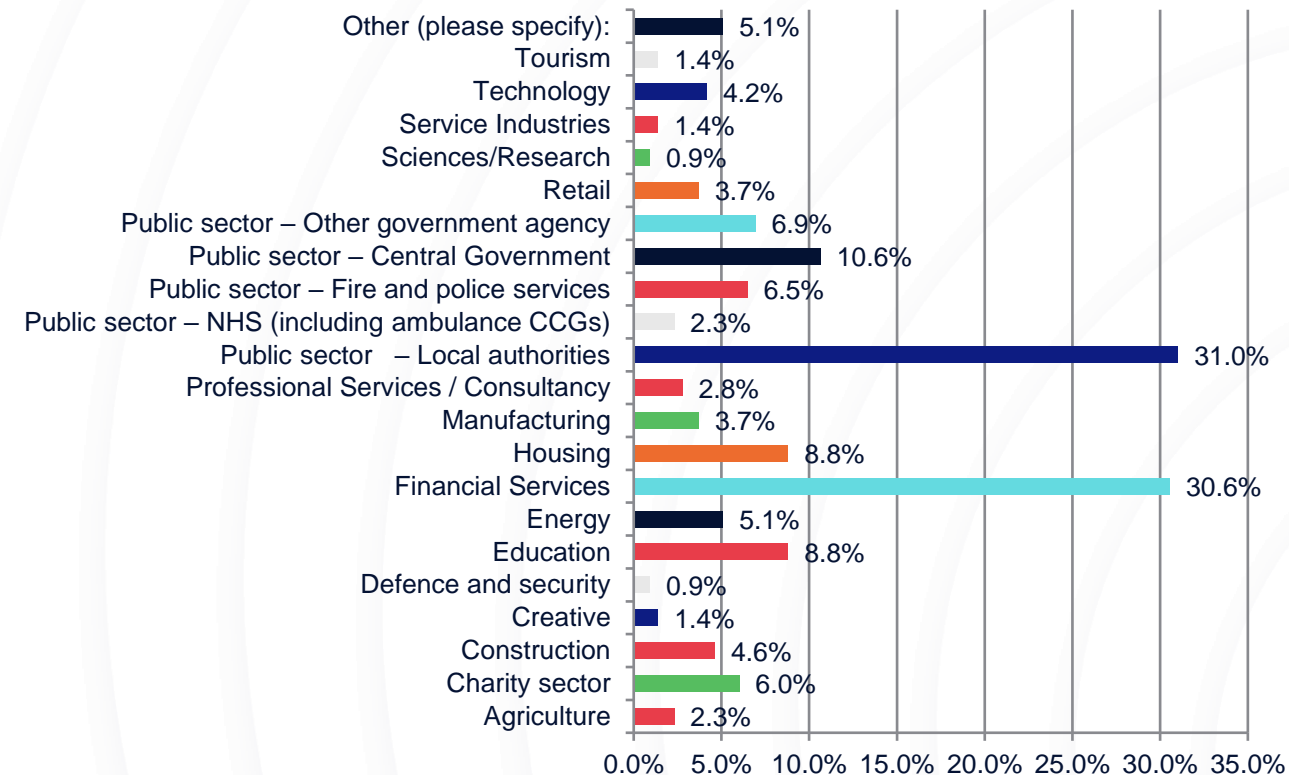
- 44.4% provided internal audit for the private sector, 48.6% provided it for the public sector and 12.5% provided it for the not-for-profit sector.
- Filtering the data by CAE's only saw 49% providing internal audit for private sector, 36% for the public sector and 19% for the not-for-profit sector



Appendix 3: Industry breakdown

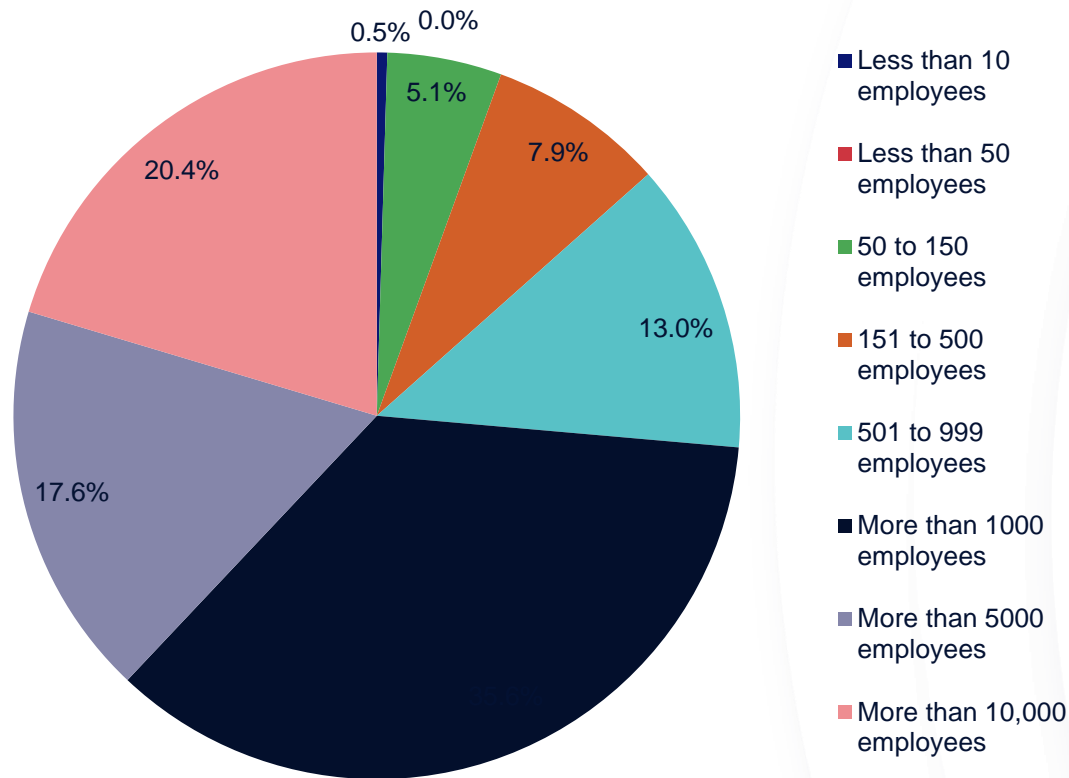
- Participants provided internal audit services for a broad range of industries. 31% provided it for local authorities, and 30.6% provided it for Financial services.
- 62.5% of private sector employees provided internal audit services to the financial services
- 60.95% of public sector employees provided internal audit services to the local authorities
- 40.74% of the not-for-profit sector employees provided internal audit services to the Housing industry, 37.04% to the education industry and 33.33% to the charity sector

What Industry do you provide internal audit services for? Tick all that apply



Appendix 4: Organisational size

What is the approximate / average size of the organisation(s) that you work for across UK and Ireland?



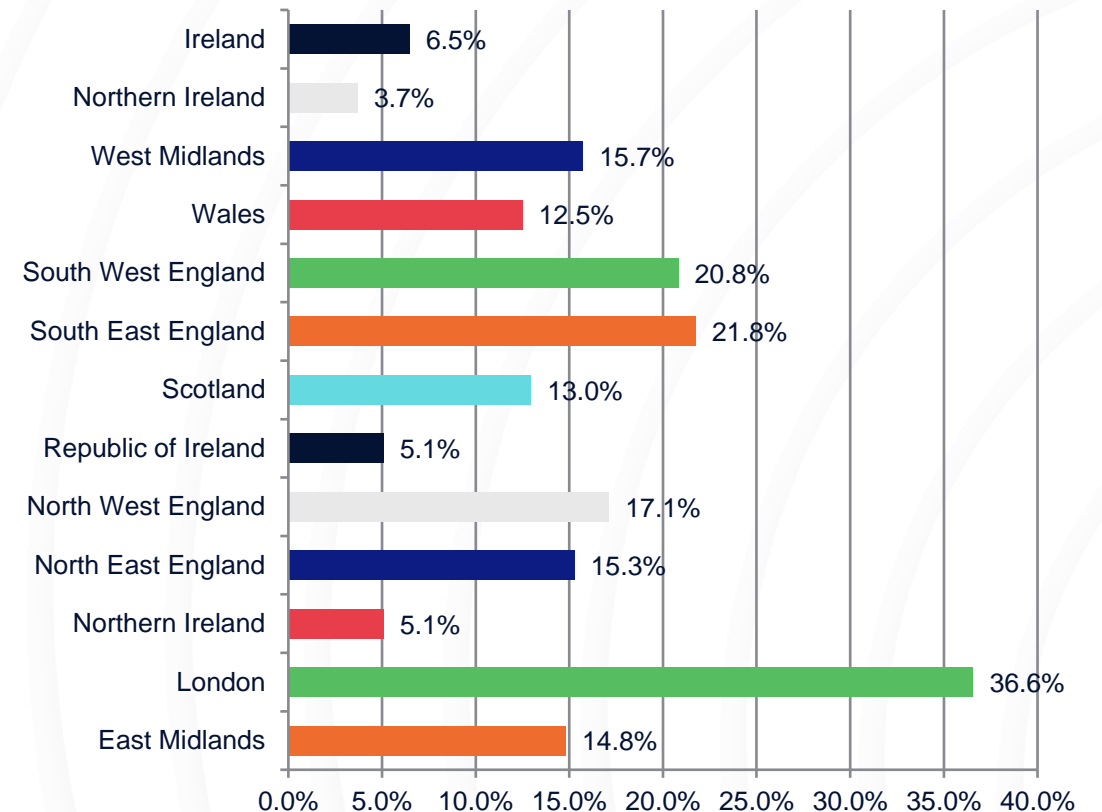
- 35.6% of the participants worked for an organisation of more than 1,000 employees, but less than 5,000.
- And c75% worked in organisations over this size.
- Smaller organisations of less than 50 employees accounted for only c13%



Appendix 5 – Geographic spread

- 36.6% of respondents to the survey indicated that they performed their internal audit work in London
- 21.8% in the South-West of England and 20.8 in the South-East of England
- 41.25% of CAE responses indicated that they performed their internal audit work in London
- 57.58% of respondents working in the financial services said they delivered their internal audit work in London

What location of the UK and Ireland do you perform most of your internal audit work? Tick all that apply





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Thank you

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