



Chartered
Institute of
Internal
Auditors

Internal Audit Benchmarking

Health of the Internal Audit Profession – Part four

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March 2025

Agenda

Purpose of this presentation

Internal audit strategy

Internal audit delivery

Internal audit planning process

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Purpose of this presentation

The Chartered IIA is publishing a series of benchmarking presentations for members that are based on an analysis of the responses to our Health of the IA Profession Survey. This is the fourth of a series, with one more part to publish soon.

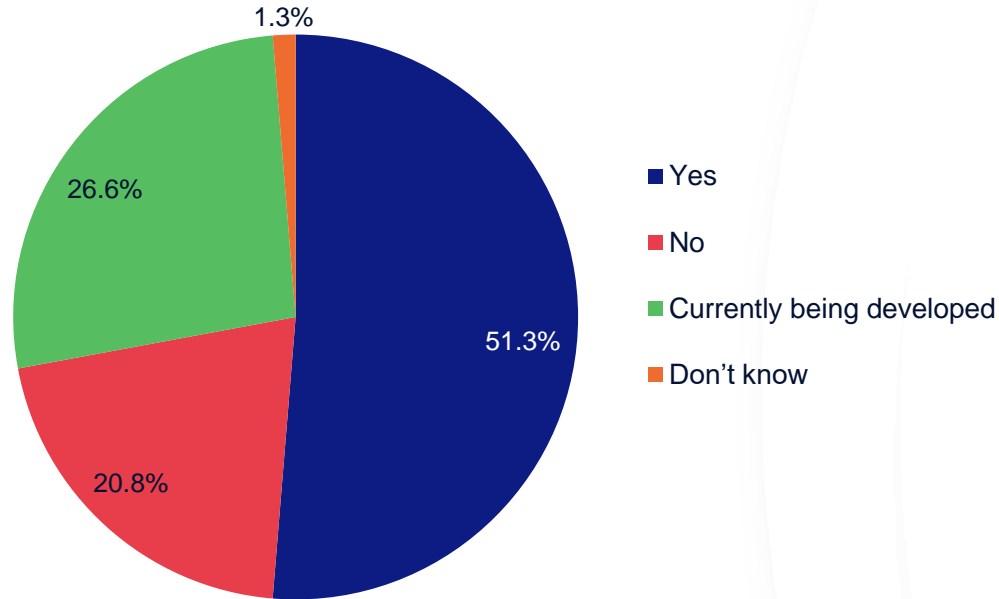
The purpose is to provide some benchmarking information and discussion points for internal audit functions to use and consider. The presentations will not provide analysis or commentary on the statistics themselves, and users should understand they are based on the responses of 216 participants.

The Appendices provide information regarding methodology and the profile of the participants.



Internal Audit Strategy

Do you have a 3-5 year internal audit strategy?



- At the time of the survey 20.8% of participants did not have an internal audit strategy, but all others either had one or were developing it (except 1.3% who did not know)
- Both the private and public sectors had the highest proportion with an IA strategy at 53%
- For the industries, central government had the highest percentage with an IA strategy, closely followed by financial services.
- In terms of internal audit function size it was the smaller functions of 10 or less where there were the fewest with an IA strategy



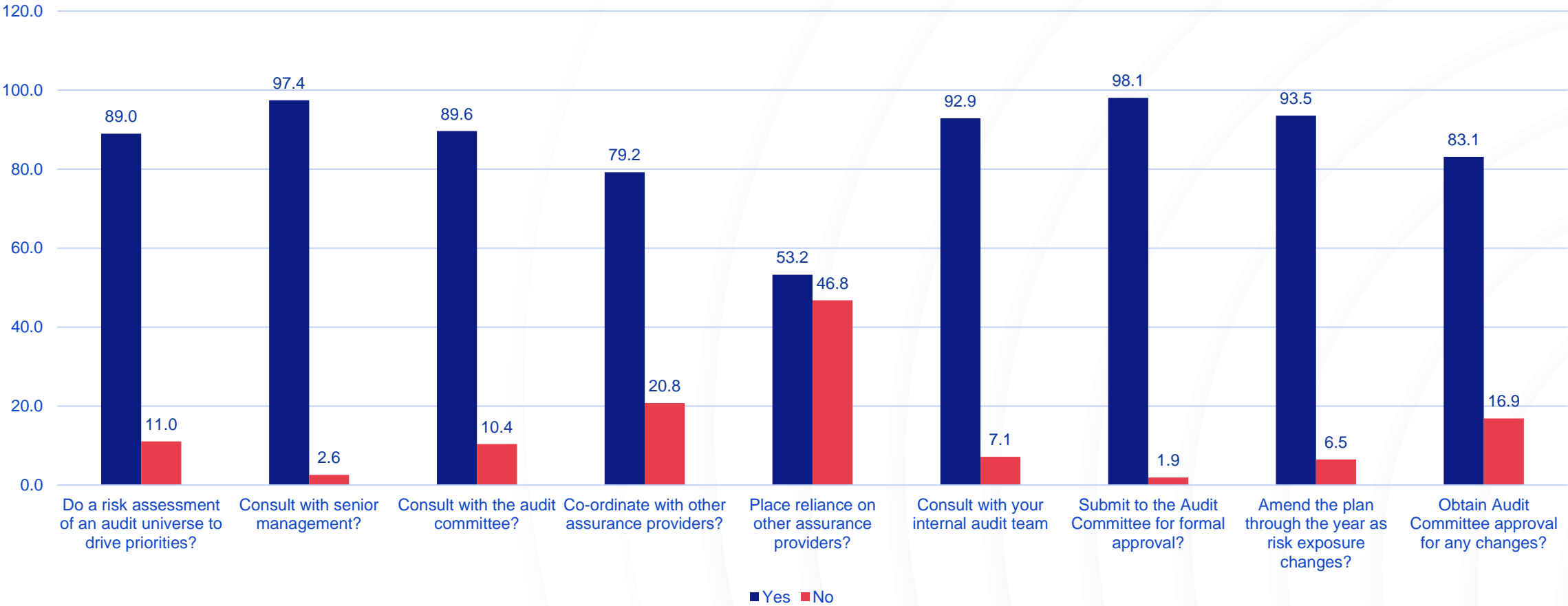
Internal Audit Strategy - filters

Filters	Yes	No	Currently being developed	Don't know
All completed responses	51.3%	20.8%	26.6%	1.3%
Private sector	53.9%	15.4%	29.5%	1.3%
Public sector	53.1%	20.3%	25%	1.6%
Not-for-profit sector	35.3%	41.2%	23.5%	0
Local authorities	42.9%	28.6%	26.2%	2.4%
Financial services	62.5%	12.5%	23.2%	1.8%
Central Government	66.7%	20%	13.3%	0
Education	38.5%	46.2%	15.4%	0
Internal audit size 10 or less	37.9%	26.3%	35.8%	0
Internal audit size – 11 - 50	70.27%	13.5%	16.2%	0
Internal audit size – over 50	77.3%	9.1%	4.6%	9.1%



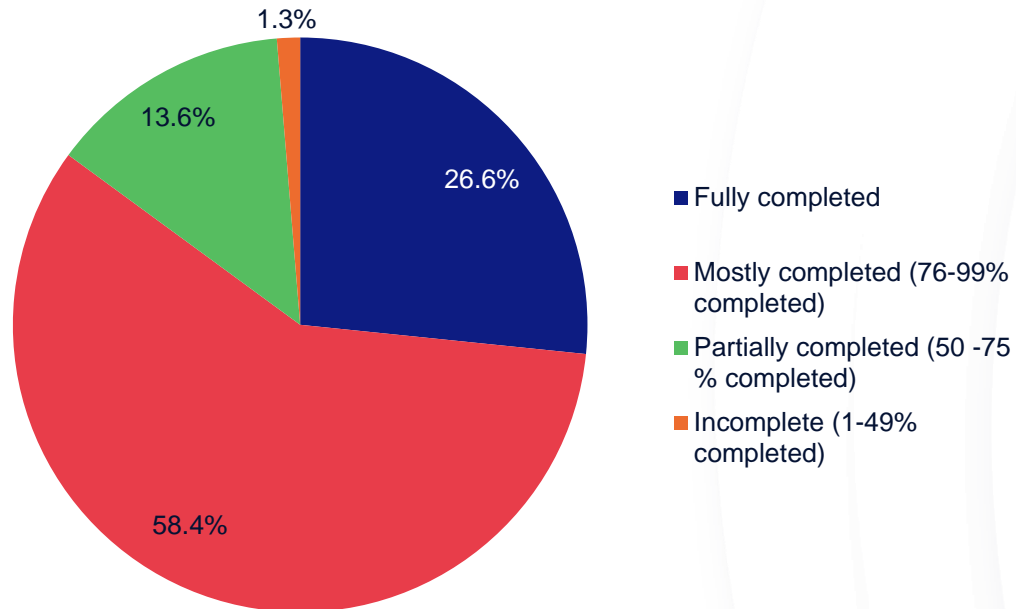
Internal audit planning

As part of your internal audit planning process do you routinely?



Internal audit plan

Have you been able to complete your internal audit plan for the 2023/24 year on time?



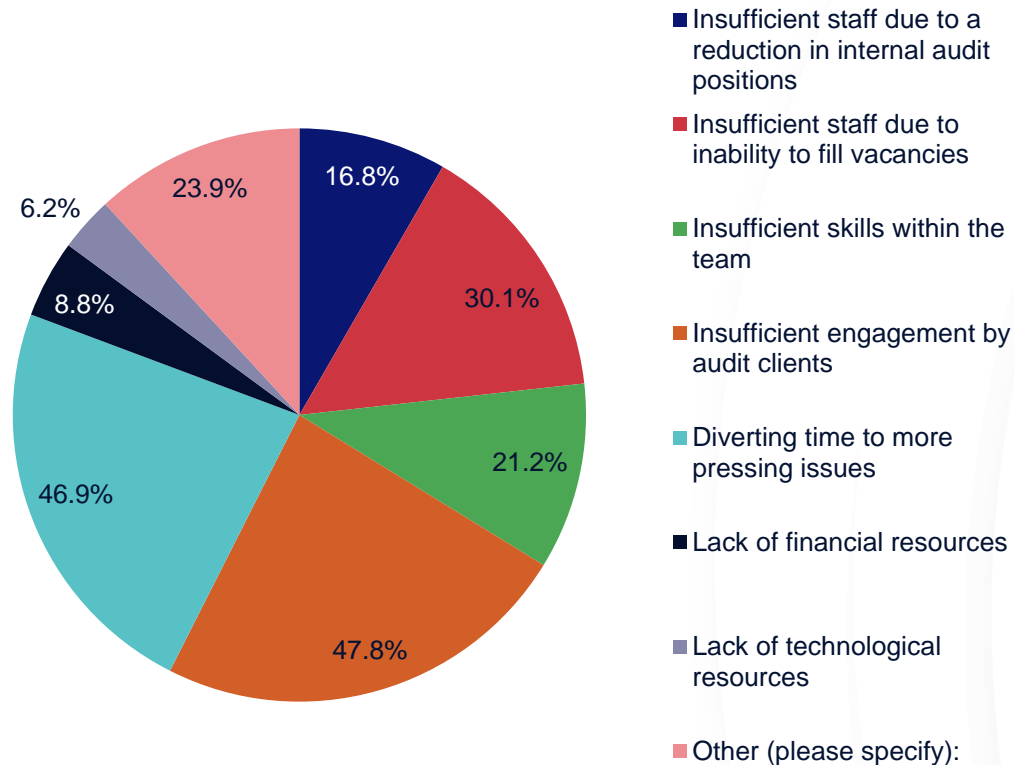
- 46.7% of Central government had completed internal audit plans.
- 11% of local authorities had completed internal audit plans.
- However local authorities did have a higher proportion of mostly completed internal audit plans with 73.8%

Internal audit plan filters

Filters	Fully completed	Mostly (76-99%)	Partially completed (50-75%)	Incomplete 1-49%
All completed responses	26.6%	58.4%	13.6%	1.3%
Private sector	29.5%	53.9%	15.4%	1.3%
Public sector	21.9%	65.6%	12.5%	0
Not-for-profit sector	35.3%	52.9%	5.9%	5.9%
Local authorities	11.9%	73.8%	14.3%	0
Financial services	30.4%	51.8%	16.1%	1.8%
Central Government	46.7%	53.3%	0	0
Education	38.5%	46.2%	15.4%	0
Internal audit size 10 or less	26.3%	57.9%	13.7%	2.1%
Internal audit size – 11 - 50	27%	56.8%	16.2%	0
Internal audit size – over 50	27.3%	63.6%	9.1%	0



Why have you been unable to complete your internal audit plan



- The biggest reason for being unable to complete your internal audit plan was diverting time to more pressing issues.
- This was followed by insufficient staff due inability to fill vacancies.

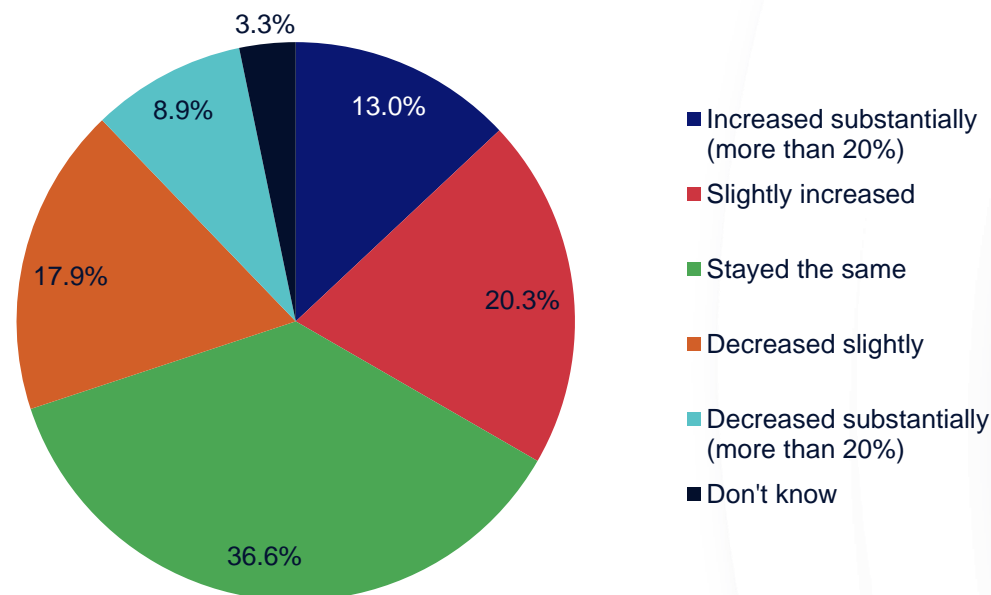
Internal audit delivery

Filters	Our current methodologies work extremely well in delivering our internal audit service.	I am very optimistic about developing and adopting artificial intelligence within the internal audit function processes.
All completed responses	72.2%	49.4%
Private sector	70.8%	53.2%
Public sector	71.6%	48.1%
Not-for-profit sector	81.2%	40%
Local authorities	72.1%	41.2%
Financial services	71.6%	53.4%
Internal audit size 10 or less	72.3%	41.8%
Internal audit size – 11 - 50	72.7%	56.8%
Internal audit size – over 50	67.7%	70%



Internal audit staffing

In the last two years, how has the number of full-time equivalent positions in your internal audit function changed?



Overall 36.6% stated that staffing had remained at the same level for the last two years.

Looking at movement though we see that the number of participants indicating a reduction was 27% and those indicating an increase was 33% – possibly suggesting that the number of posts in the profession has increased very slightly overall. However, looking at the filters we can see that this is not seen in every sector or industry, with some clearly having a greater reduction in staffing levels than others.



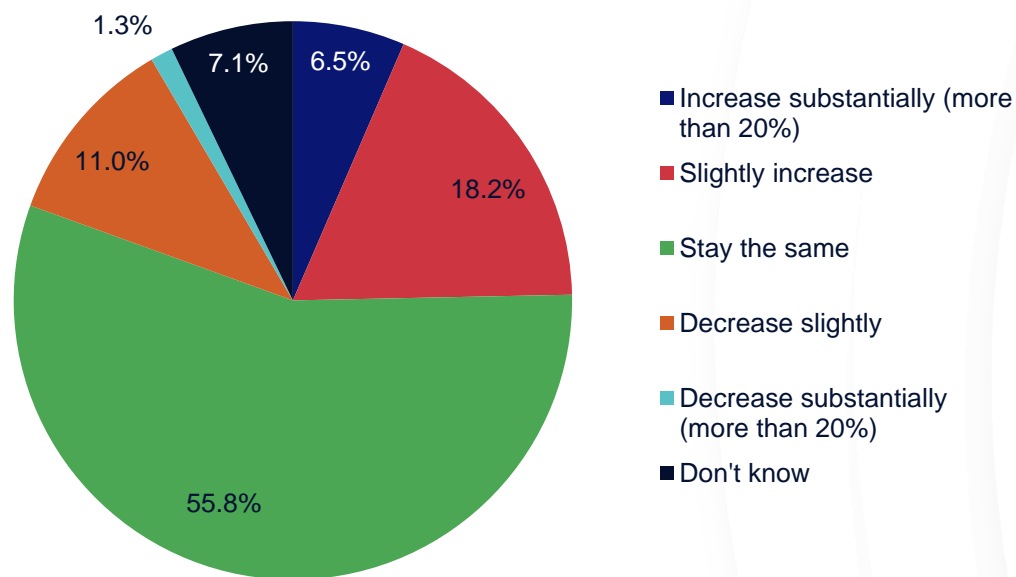
Internal audit staffing filters

Last two years	Increased substantially	Slightly increased	Stayed the same	Decreased slightly	Decreased substantially	Don't know
All completed responses	11.7%	21.4%	36.4%	18.8%	9.1%	2.6%
Private sector	12.8%	23.1%	38.5%	16.7%	6.4%	2.6%
Public sector	7.8%	23.4%	28.1%	25%	12.5%	3.1%
Not-for-profit sector	29.4%	5.9%	47.1%	11.8%	5.9%	0
Local authorities	9.5%	14.3%	26.2%	30.1%	14.3%	4.8%
Financial services	14.3%	28.6%	37.5%	14.3%	1.8%	3.6%
Internal audit size 10 or less	11.6%	11.6%	44.2%	20%	10.5%	2.1%
Internal audit size – 11 - 50	13.5%	37.8%	27%	16.2%	5.4%	0
Internal audit size – over 50	9.1%	36.4%	18.2%	18.2%	9.1%	9.1%



Internal audit staffing

In the next year, do you expect the number of full-time equivalent positions in your internal audit function to change?



- More participants predicted that for the next year overall the level of internal audit staffing will remain the same, with less changes in team size.



Internal audit staffing

In the next year	Increase substantially	Slightly increase	Stay the same	Decrease slightly	Decrease substantially	Don't know
All completed responses	6.5%	18.2%	55.8%	11%	1.3%	7.1%
Private sector	3.9%	18%	55.1%	10.3%	2.6%	10.3%
Public sector	9.4%	21.9%	51.6%	14.1%	0	3.1%
Not-for-profit sector	17.7%	5.9%	70.6%	0	0	5.9%
Local authorities	4.8%	21.4%	50%	16.7%	0	7.1%
Financial services	7.1%	21.4%	51.8%	10.7%	0	8.9%
Internal audit size 10 or less	4.2%	12.6%	64.2%	9.5%	2.1%	7.4%
Internal audit size – 11 - 50	10.8%	37.8%	40.5%	8.1%	0	2.7%
Internal audit size – over 50	9.1%	9.1%	45.5%	22.7%	0	13.6%



Delivering current internal audit plan

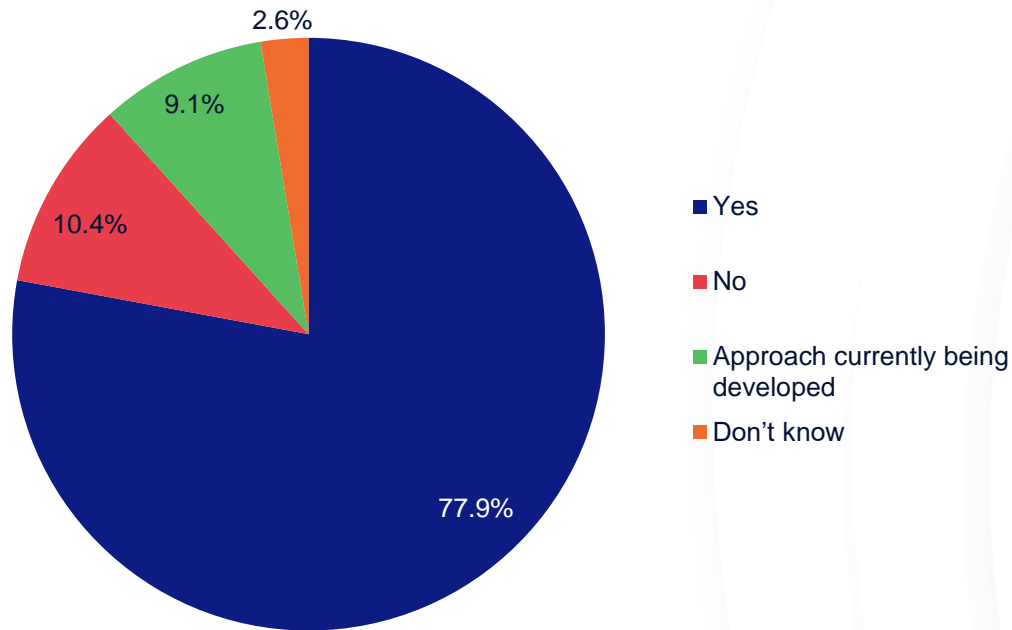
70.3% of participants agreed that ‘the size, structure and competencies of the internal audit team will deliver the current internal audit plan to a high standard.’

Filters	Agree
All completed responses	70.3%
Private sector	71%
Public sector	69.2%
Not-for-profit sector	77.6%
Local authorities	68.6%
Financial services	73.8%
Internal audit size 10 or less	69.5%
Internal audit size – 11 - 50	76.8%
Internal audit size – over 50	62.7%



Annual assurance opinion

Do you provide an annual assurance opinion for the audit committee?



An overwhelming 78% of participants stated that their internal audit function provide an annual audit opinion and 9% were also developing one.

- 92.3% of the Education industry and 90.6% of the public sector provide an annual opinion
- 17.7% of the not-for-profit sector said they did not provide an annual assurance opinion for the audit committee.

Annual assurance opinion filters

Filters	Yes	No	Approach currently being developed	Don't know
All completed responses	77.9%	10.4%	9.1%	2.6%
Private sector	69.2%	11.5%	15.4%	3.9%
Public sector	90.6%	6.3%	1.6%	1.6%
Not-for-profit sector	76.5%	17.7%	5.9%	0
Local authorities	92.9	7.1%	0	0
Financial services	80.4%	5.4%	10.7%	3.6%
Central Government	86.7%	13.3%	0	0
Education	92.3%	7.7%	0	0
Internal audit size 10 or less	71.6%	12.6%	14.7%	1.1%
Internal audit size – 11 - 50	89.2%	5.4%	0	5.4%
Internal audit size – over 50	86.3%	9.1%	0	4.6%



Assessing your internal audit function

For the internal audit services, you provide please indicate the level to which you agree with the following statements

The planning of internal audits engagements is very well designed and performed in my internal audit function (Principle 13)	68.6%
The fieldwork for internal audit engagements is very well designed and performed in my internal audit function (Principle 14)	71.4%
The reporting for internal audit engagements is very well designed and performed in my internal audit function (Principle 15)	72.7%
The supervision and quality assurance over the internal audit engagement process is very well designed and performed in my internal audit function (Standard 12.3)	74.5%
I have the knowledge, skills and resources that I need to perform internal audit engagements to a high standard (Principle 4)	76.8%





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Thank you

Name

Email address

Phone number

Name

Email address

Phone number

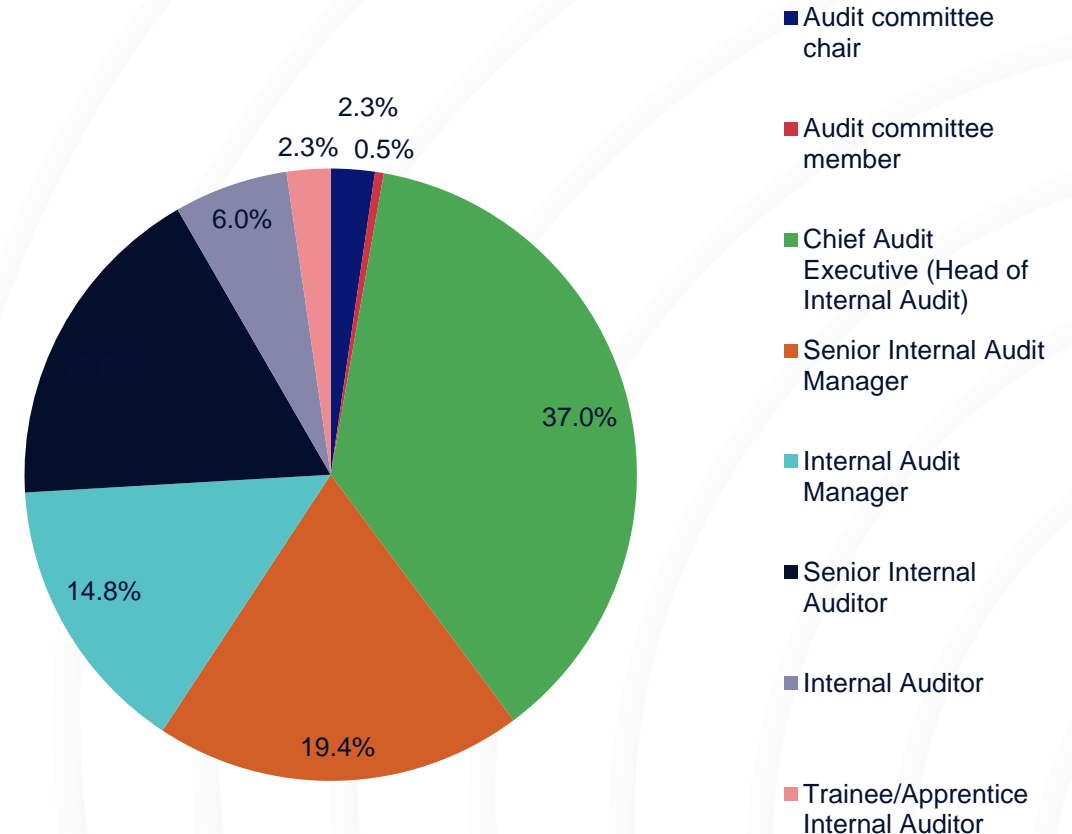
Appendix 1: Methodology

- The aim of this research is to assess the current and future health of the internal audit profession in the UK & Ireland, aimed at internal audit professionals at all levels.
- 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.



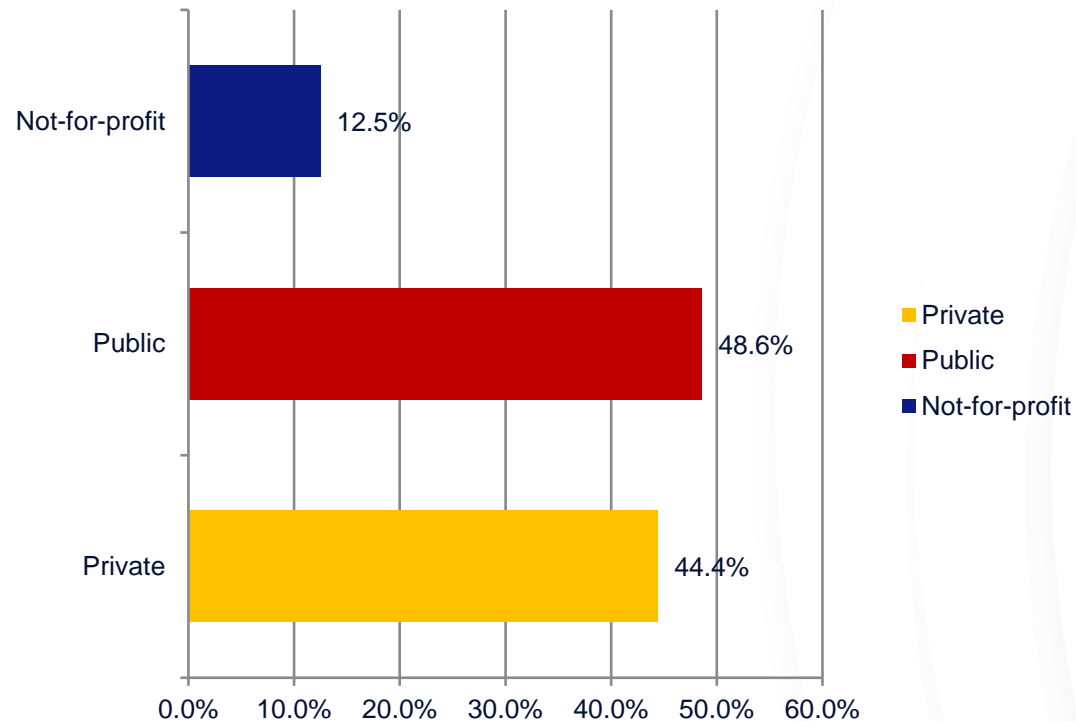
Appendix 2 - Survey Participants

- 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



Appendix 3: Sector Breakdown

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



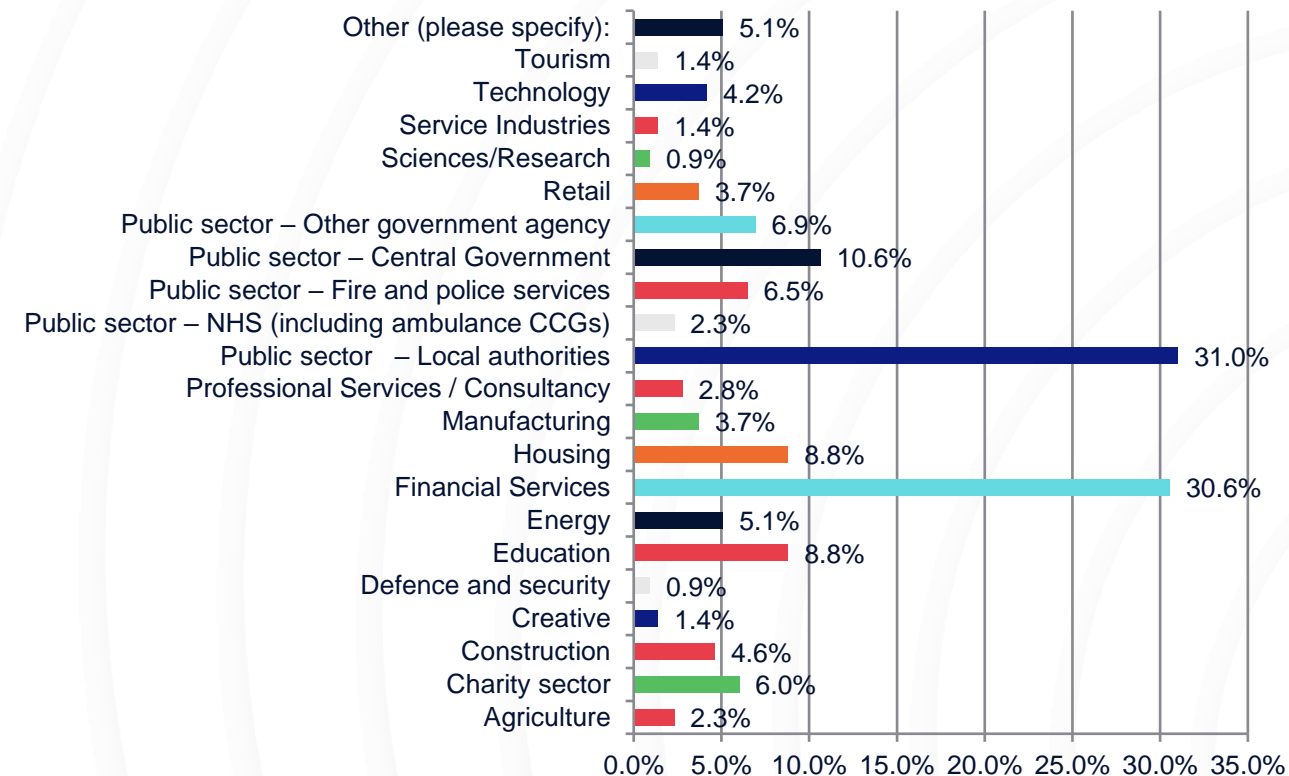
- 44.4% provided internal audit for the private sector, 48.6% provided it for the public sector and 12.5% provided it for the not-for-profit sector.
- Filtering the data by CAE's only saw 49% providing internal audit for private sector, 36% for the public sector and 19% for the not-for-profit sector



Appendix 4: Industry breakdown

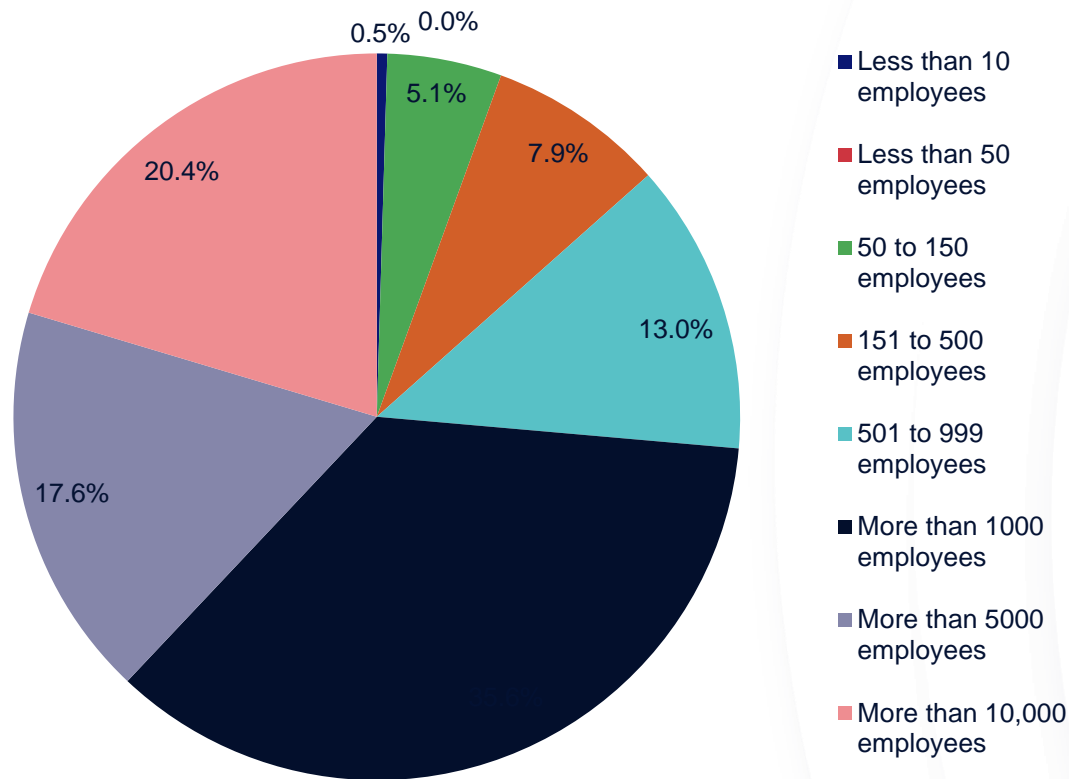
- Participants provided internal audit services for a broad range of industries. 31% provided it for local authorities, and 30.6% provided it for Financial services.
- 62.5% of private sector employees provided internal audit services to the financial services
- 60.95% of public sector employees provided 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 5: 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 6 – 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

