



Chartered
Institute of
Internal
Auditors

Internal Audit Benchmarking

Health of the Internal Audit Profession – Part Two

Mamun Madaser

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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 second of a series, with others following in February and March 2025.

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.



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 - 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.



Internal audit profession

- Overall, 62.4% felt extremely positive about the profession of internal audit and feel it is well regarded and has an appropriate profile.
- In the categories analysed the range was from 58.1% (not –for-profit) up to 70.3% (financial services).
- Organisation size had no impact on the percentage feeling extremely positive, while for internal audit size those in the 11 – 50 bracket was higher at 67.4% and the smaller sized team had the lowest with 60.4%.

| Filters | I feel extremely positive about the profession of internal audit and feel it is well regarded and has an appropriate profile |
|-----------------------------------|--|
| All completed responses | 62.4% |
| Private sector | 64.8% |
| Public sector | 60.4% |
| Not-for-profit sector | 58.1% |
| Local authorities | 61.6% |
| Financial Services | 70.3% |
| Organisation size - 1,000 or less | 62.6% |
| Organisation size -1,000 or more | 62.3% |
| Internal audit size - 10 or less | 60.4% |
| Internal audit size 11 - 50 | 67.4% |
| Internal audit size – over 50 | 63.3% |



Internal audit key stakeholders

| Filters | Our Internal Audit key stakeholders fully understand and value the service we provide |
|-----------------------------------|---|
| All completed responses | 62.1% |
| Private sector | 65.9% |
| Public sector | 58.4% |
| Not-for-profit sector | 66.3% |
| Local authorities | 59.3% |
| Financial Services | 67.7% |
| Organisation size - 1,000 or less | 60.9% |
| Organisation size -1,000 or more | 62.5% |
| Internal audit size - 10 or less | 60.9% |
| Internal audit size 11 - 50 | 64.7% |
| Internal audit size – over 50 | 63.3% |

- Overall, 62.1% of internal audit professionals felt internal audit key stakeholders fully understand and value the service they provide.
- Again the range in the breakdown was similar with the lowest at 58.4% (public sector) up to 67.7% (financial services).
- In terms of organisation size there was a slight different with over at 62.5% and below at 60.9%, and for internal audit team size 10 or less came in at the lowest at 60.9% and 11-50 the highest at 64.7%.



Internal audit key stakeholders - most difficult to understand

Looking across the different breakdowns, many were generally in consensus with the total responses. There were some variations of order within the top, middle and bottom rankings.

However, there were some notable differences.

Please rank the following areas which you believe your key internal audit stakeholders find the most difficult to understand, with first being the most difficult to 7th being the least.

| | |
|---|------|
| Understanding the IPPF, in particular the new Global Standards | All1 |
| The authority of internal audit | 2 |
| Internal Audit Provision of insight and foresight | 3 |
| Internal Audit's role within the governance of the organisaiton | 4 |
| The value of assurance | 5 |
| The risk-based approach | 6 |
| The need for independence and objectivity | 7 |



Internal audit key stakeholders - most difficult to understand

Please rank the following areas which you believe your key internal audit stakeholders find the most difficult to understand, with first being the most difficult to 7th being the least.

| | CAEs only | ACs only |
|---|-----------|----------|
| Understanding the IPPF in particular the new Global Standards | 1 | 3 |
| The authority of internal audit | 3 | 6 |
| Internal Audit Provision of insight and foresight | 2 | 2 |
| Internal Audit's role within the governance of the organisation | 4 | 1 |
| The value of assurance | 5 | 4 |
| The risk-based approach | 6 | 5 |
| The need for independence and objectivity | 7 | 7 |

There is clearly a different view between CAEs and Audit Committee Chairs and members, most notably in the authority of internal audit and internal audit audit's role within the organisation.

While we could also say this of the understanding of the IPPF, the respondents to this survey are more likely to be aware as they are interacting with the Chartered IIA and therefore are likely to have a higher understanding.



Internal audit key stakeholders - most difficult to understand

| Please rank the following areas which you believe your key internal audit stakeholders find the most difficult to understand, with first being the most difficult to 7th being the least. | 50+ | FS |
|---|-----|----|
| Understanding the IPPF in particular the new Global Standards | 1 | 3 |
| The authority of internal audit | 5 | 2 |
| Internal Audit Provision of insight and foresight | 3 | 1 |
| Internal Audit's role within the governance of the organisation | 7 | 7 |
| The value of assurance | 2 | 4 |
| The risk-based approach | 4 | 6 |
| The need for independence and objectivity | 6 | 5 |

Two other notable differences were for internal audit functions of over 50 and the FS sector, with internal audit's role within governance becoming the most understood, rather than mid ranking.

We also see the value of assurance being far better understood in larger internal audit functions, but more needed on the authority of internal audit.



Integrity of internal audit

| Filters | The integrity (including professional courage) of our internal audit service is outstanding (Principle 1) |
|-----------------------------------|---|
| All completed responses | 79.7% |
| Private sector | 81.4% |
| Public sector | 78.4% |
| Not-for-profit sector | 80.4% |
| Local authorities | 81.6% |
| Financial Services | 80.9% |
| Organisation size - 1,000 or less | 74.6% |
| Organisation size -1,000 or more | 81.5% |
| Internal audit size - 10 or less | 81.0% |
| Internal audit size 11 - 50 | 78.1% |
| Internal audit size – over 50 | 76.7% |

- Overall, 79.7% of all respondents felt the integrity of their internal audit service was outstanding.
- This highest percentage with this view came from the local authority sector, but many were very close with a small range here.
- For organisation size, however those with less than 1,000 employees had the lowest at 74.6%, and the lowest for IAF size was for over 50 at 76.7%.



Independence and objectivity of internal audit

- 80.2% of all respondents felt the independence and objectivity of their internal audit service is outstanding.
- Looking at sector/industries this figure was highest for the not-for-profit sector at 85.6% and the lowest in the public sector at 78.2%.
- Organisation size has a slight difference at below and above 1,000 employees (76.1% and 81.7% respectively) and the IAF team size has little bearing with them all in the range of 78.9% to 80.8%.

| Filters | The Independence and objectivity of our internal audit service is outstanding (Principle 2) |
|-----------------------------------|---|
| All completed responses | 80.2% |
| Private sector | 82.3% |
| Public sector | 78.2% |
| Not-for-profit sector | 85.6% |
| Local authorities | 80.3% |
| Financial Services | 82.7% |
| Organisation size - 1,000 or less | 76.1% |
| Organisation size -1,000 or more | 81.7% |
| Internal audit size - 10 or less | 80.8% |
| Internal audit size 11 - 50 | 78.9% |
| Internal audit size – over 50 | 79.7% |



Professional development opportunities

Please rank from one to six the professional development opportunities you currently have access to (Principle 3), with the first being the most have access to.

All

| | |
|---|---|
| Access to internal audit guidance | 1 |
| Attending internal training | 2 |
| Networking | 3 |
| Attending external training | 4 |
| Mentoring / coaching programme | 5 |
| <u>Studying Chartered IIA certification</u> | 6 |

While the top three available were largely lower cost, mentoring and coaching which could be provided internally was not provided routinely according to the rankings.

Looking at the breakdowns by sector, industry, IAF size and the CAE role, the rankings were largely the same or moved only one position, with the exception of for IAFs size of 11-50, where Networking dropped from 3rd to 5th place and studying the Chartered qualification moved up to 4th.





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Thank you

Name

Email address

Phone number

Name

Email address

Phone number

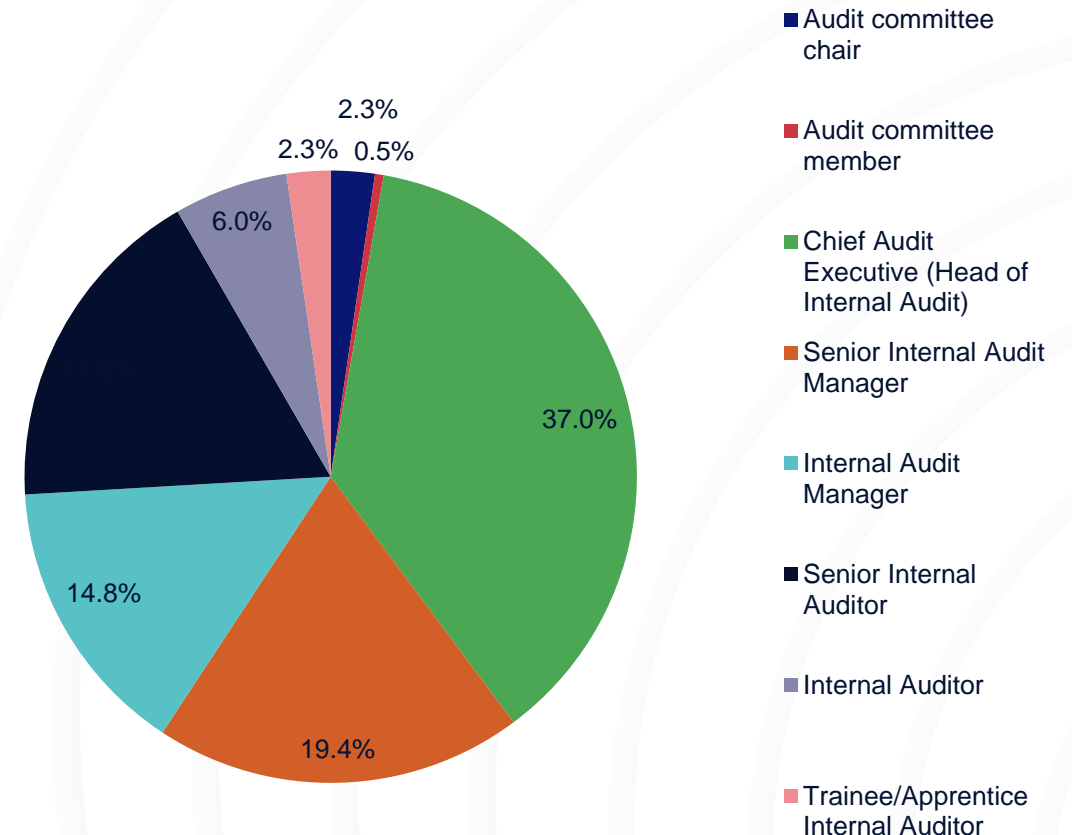
Appendix 1: Methodology

- 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.



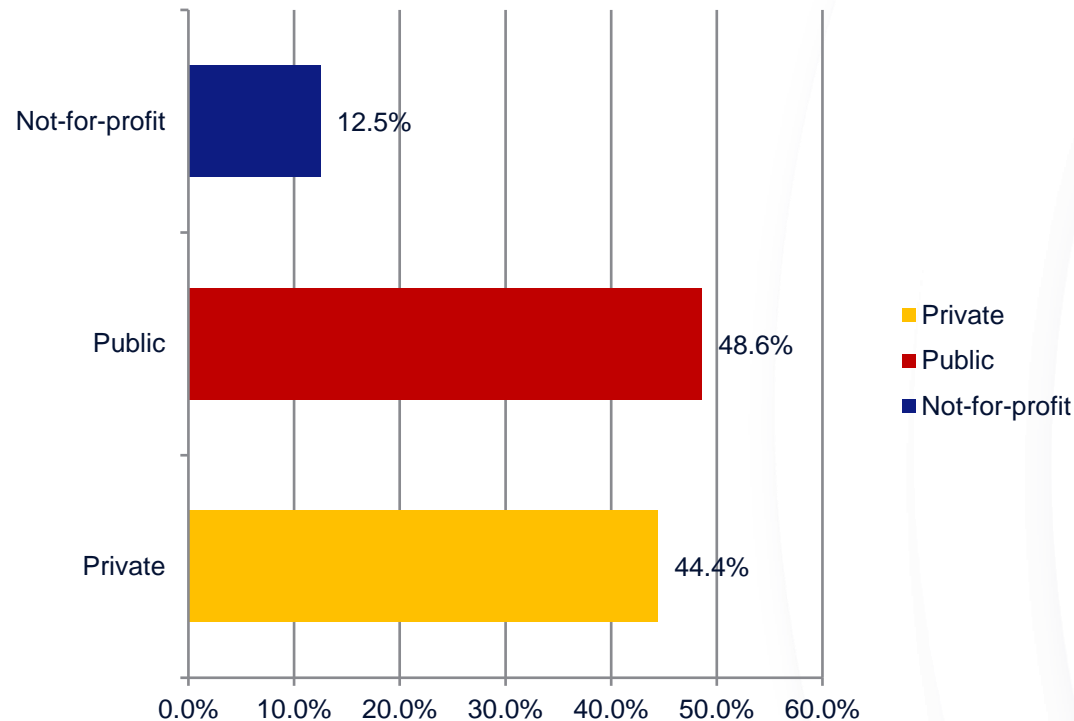
Appendix 2 - Survey Participants

- 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



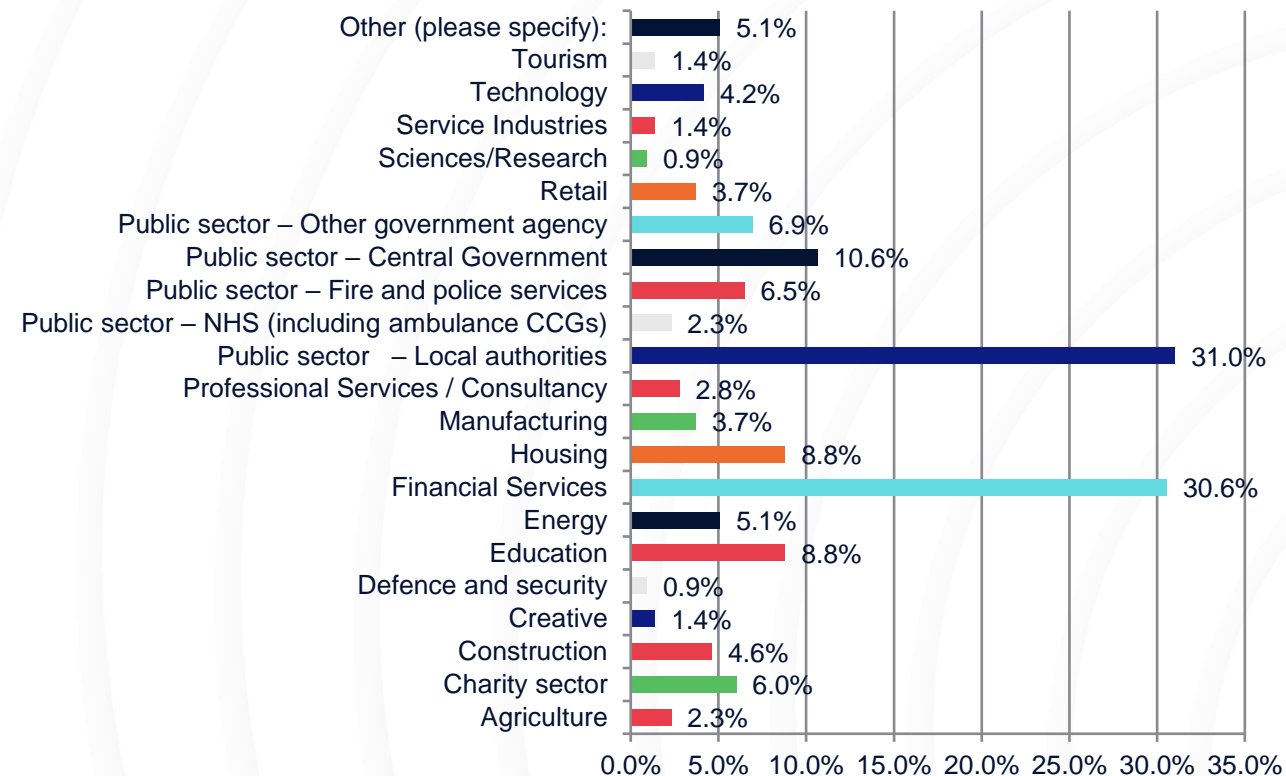
- 44.4% provided internal audit for the private sector, 48.6% provided it for the public sector and 12.5% provided it for the not-for-profit sector.
- Filtering the data by CAE's only saw 49% providing internal audit for private sector, 36% for the public sector and 19% for the not-for-profit sector



Appendix 4: Industry breakdown

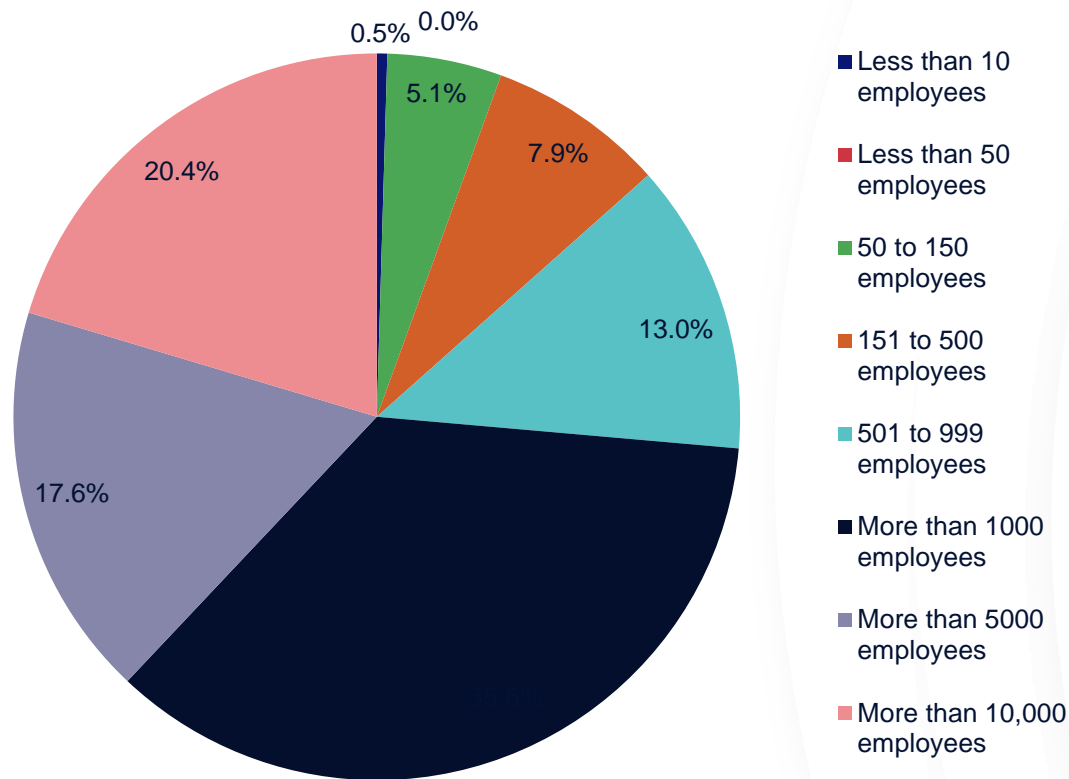
- Participants provided internal audit services for a broad range of industries. 31% provided it for local authorities, and 30.6% provided it for Financial services.
- 62.5% of private sector employees provided internal audit services to the financial services
- 60.95% of public sector employees provided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

