

Five Success Factors for IT Audit

Highlights From the ISACA-Protiviti 2019 Global IT Audit Benchmarking Study

IT audit leaders are focused on cybersecurity, privacy, data management and governance, the ripple effects of ongoing digital transformation and disruption, and talent and skills challenges – all issues of particular interest to the board of directors. IT audit functions also are looking to improve their partnerships with the IT organization. Effective collaboration between the IT organization and IT audit group yields vital benefits for the enterprise and its strategic technology projects, not the least of which are innovations achieved with the proper controls and compliance measures.

These likely are issues that will grab the attention of today's board members. They also are underlying reasons behind five success factors for IT audit functions that we've identified based on the results of a global survey of IT audit leaders and professionals conducted by ISACA and Protiviti.

- 1. A constructive relationship between IT audit and the IT organization –**
Our research shows that the strength of the partnership between IT audit and the IT organization is a major differentiator in the overall success of IT projects, IT audit effectiveness and IT risk assessments. For example, among organizations with strong levels of collaboration between these two groups, 50% of IT audit participate in data privacy working groups, versus 30% in other organizations. We similar variances with regard to committees and working groups on information security (70% vs. 51%), IT governance/risk management (79% vs. 55%), and IT strategy (36% vs. 21%). Furthermore, 59% of collaboration "leaders" have a formal process to determine whether to continue or postpone a strategic technology project if new risks are identified, compared with 48% of other companies.



A strong IT audit-IT partnership also results in the board of directors receiving more meaningful insights and recommendations concerning strategic technology initiatives and risks. On the other hand, poor or ineffective levels of collaboration between these two groups can give rise to “hidden” or “shadow” IT projects that elude audit scrutiny, major gaps in risks and controls, guesswork and frustration among IT auditors, delays in issuing IT audit reports and recommendations to the board, and strategically misaligned guidance.

These are among many reasons why the board should set a tone in its guidance to the C-suite that helps foster an effective partnership between IT audit and the IT department.

- 2. An innovative talent management strategy** – As has been well-documented, new skillsets are in high demand within audit departments. Among IT audit groups, skills in advanced and enabling technologies stand out as the most sought after, as cited by 46% of the IT audit leaders we surveyed (critical thinking ranks second, far behind at 32%). As CAEs strive to recruit, hire and retain professionals with specialized technology expertise, boards can help by assessing and monitoring the efficacy of the enterprise’s overall talent management strategy: *Is it effective in the face of severe competition for advanced technology skills? Does our talent management strategy reflect and demonstrate an innovation mindset? Are our job profiles, sourcing approaches and other talent management mechanisms innovative and agile enough?*
- 3. Board-level cybersecurity engagement** – IT security and privacy, along with cybersecurity, represent the top IT audit challenge, by a substantial margin, over all other issues. Our research also indicates that boards remain significantly engaged with cybersecurity matters. Boards cannot afford to let their focus on cybersecurity diminish. Vigilant cybersecurity oversight is crucial. Directors should be ready to challenge CAEs and IT audit leaders to share with the board relevant and timely information and recommendations regarding the organization’s cybersecurity posture.
- 4. Board-level technology expertise** – A significant number of boards (ranging from 24% to 31%, depending on organization size) are adding technical expertise to their ranks. Such expertise is beneficial in providing effective governance regarding the top technology challenges IT audit leaders are addressing, which include not only security and privacy issues, but also data management and governance, emerging technology and infrastructure changes, resource and skills challenges, and third-party/vendor management. In addition, boards with this technical expertise are more likely to understand how to push CAEs and IT audit leaders to adopt a more data- and technology-enabled mentality and operating mode. This is vital because many audit groups still lack a long-term strategy to become a next-generation audit function that is data-driven and makes use of leading technology solutions. Boards should expect a higher level of data and technology enablement within internal and IT audit to drive the delivery of more efficient audits, deeper insights and increased risk assurance.
- 5. A growing focus on data management and governance** – Not only are data management and governance top challenges, but their importance to IT audit leader has



increased dramatically in the past 12 months. This makes sense given the soaring value of data assets, the increasing magnitude of data-related risks, and the growing number of data security and privacy regulations such as the EU's General Data Protection Regulation. As the board's engagement with cybersecurity strengthens, IT audit should be counted on for assessments of the data management and governance activities that underpin an effective information security and privacy program.

Top Technology Challenges

1. IT security and privacy/cybersecurity
2. Data management and governance
3. Emerging technology and infrastructure changes - transformation, innovation, disruption
4. Resource/staffing/skills challenges
5. Regulatory compliance
6. Third-party/vendor management
7. Cloud computing/virtualization
8. Project management and change management
9. Budgets and controlling costs
10. Bridging IT and the business

Want to know more? Further insights and our full report, *Today's Toughest Challenges in IT Audit: Tech Partnerships, Talent, Transformation*, are available at www.protiviti.com/ITAuditSurvey.



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