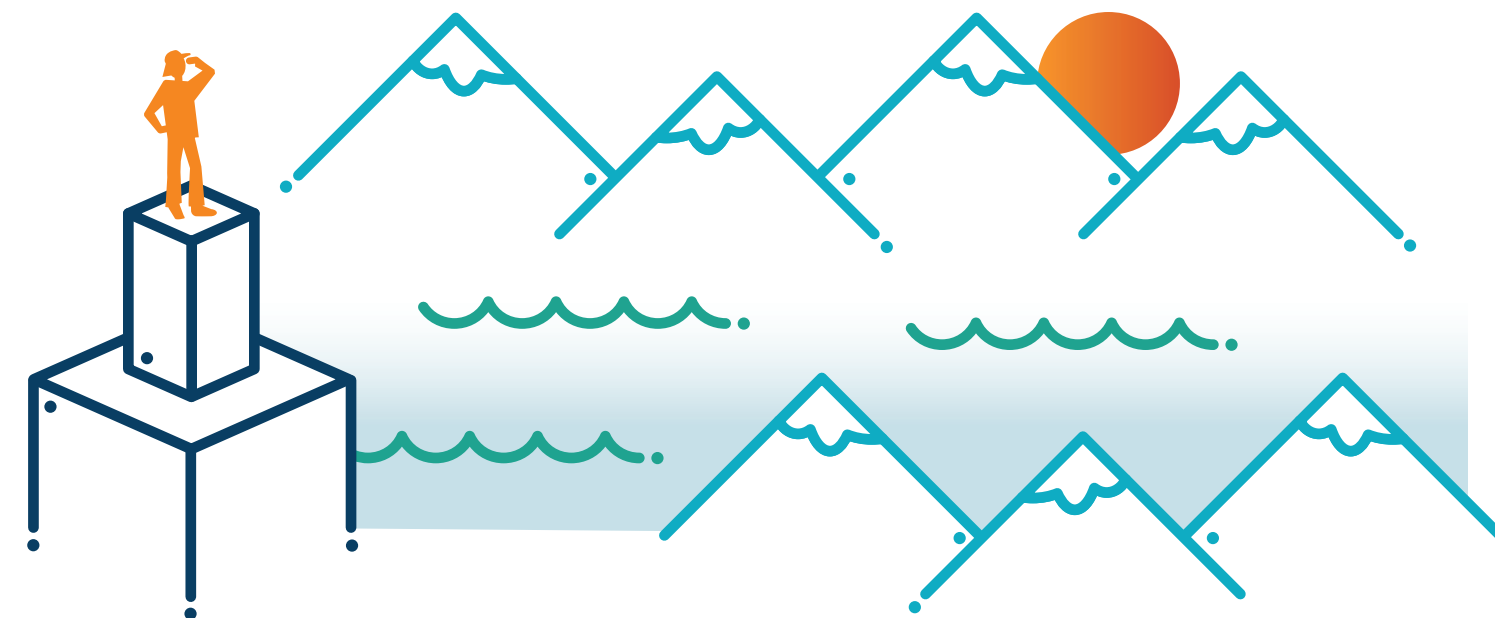


The Next Generation Internal Audit Journey Needs to Begin Now

Assessing the Results of Protiviti's 2021 Next-Generation Internal Audit Survey

CAEs and their teams have more challenges and demands today than at any time in recent memory, underscoring the need to adopt next-generation internal audit practices to be more agile and technology-enabled, to have the required skillsets, and to achieve a real-time level of engagement with risk management, data and controls. But for most, the next-generation audit journey is just beginning. The results from Protiviti's 2021 Next-Generation Internal Audit Survey reveal relatively low maturity levels in governance, methodology and enabling technology. But what is most telling is the skill and capability levels of organizations that we classify as "Digital Leaders." They are reaping the significant benefits of next-generation internal audit practices given their higher levels of maturity in these areas.



Level of Maturity: Next-Generation Internal Audit Capabilities – Overall Results*	All Respondents	CAE/Director of Auditing
GOVERNANCE		
Internal Audit Strategic Vision	5.4	5.8
Organizational Structure	5.4	5.5
Aligned Assurance	5.3	5.3
Resource & Talent Management	5.2	5.4
METHODOLOGY		
High-Impact Reporting	5.5	5.6
Dynamic Risk Assessment	4.8	5.0
Continuous Monitoring	4.8	4.6
Agile Audit Approach	4.5	4.5
ENABLING TECHNOLOGY		
Advanced Analytics	4.2	4.1
Automation	4.0	3.9
Process Mining	3.6	3.2
Machine Learning (ML) & Artificial Intelligence (AI)	3.1	2.6

* For each next-generation internal audit capability, the score represents the average response based on a 10-point scale, where "1" indicates a low level of maturity and "10" indicates a high level of maturity.

Level of Maturity: Next-Generation Internal Audit Capabilities – Organizations That Are Digital Leaders vs. All Others**	Digital Leaders	All Others
GOVERNANCE		
Internal Audit Strategic Vision	6.7	5.1
Organizational Structure	6.7	5.1
Aligned Assurance	6.5	5.1
Resource & Talent Management	6.3	4.9
METHODOLOGY		
High-Impact Reporting	6.8	5.2
Dynamic Risk Assessment	6.1	4.5
Continuous Monitoring	6.5	4.4
Agile Audit Approach	5.9	4.2
ENABLING TECHNOLOGY		
Advanced Analytics	6.4	3.8
Automation	6.0	3.6
Process Mining	5.9	3.0
Machine Learning (ML) & Artificial Intelligence (AI)	5.5	2.5

** For the purpose of our analysis, we have categorized our group of "Digital Leaders" to include those organizations and internal audit departments that rank themselves at "7" or higher on our 10-point digital maturity scale, where "1" is a Digital Skeptic and "10" is a Digital Top Performer.

For more information, read *The Next-Generation Internal Audit Journey Needs to Begin Now*, available at www.protiviti.com/IASurvey.

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