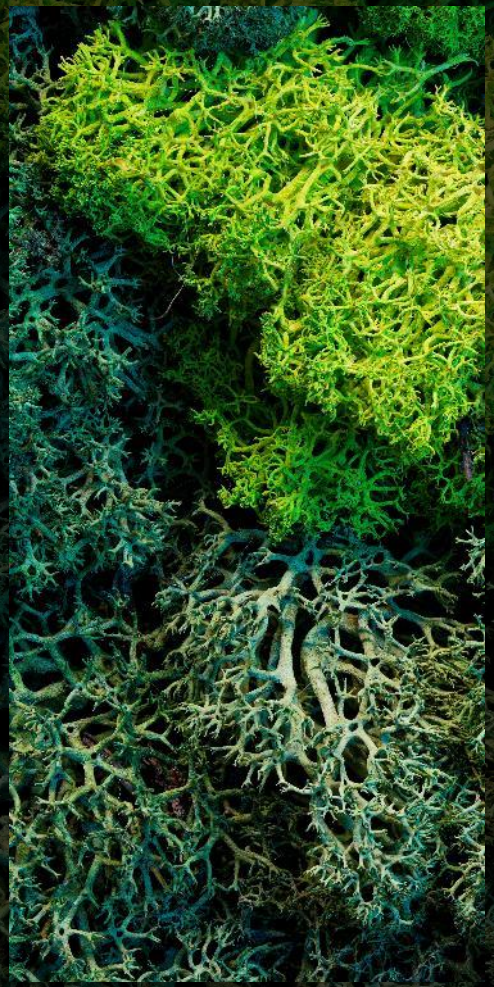
Deloitte.

Blooming in the digital age

Internal audit digital & data analytics survey 2025

Amidst the greenery



01

Digital in bloom

Foreword and executive summary

Digital in bloom

Foreword

Data-driven internal audit is flourishing but overcoming data challenges and cultivating digital skills remain crucial for continued growth.

Faiza Ali
Technology & Transformation Partner

We are pleased to welcome you to our 2025 Internal Audit analytics survey.

We surveyed organisations across industry sectors to understand future vision and strategy for Internal Audit (IA) digital and analytics. As with prior surveys, we focused on challenges and opportunities as well as key learnings from organisational adoption, skills development to tooling.

The survey is based on an online questionnaire together with qualitative insights from interviews with IA Analytics leaders, practitioners and our own experiences supporting functions in their digital transformation journeys.

We hope you find the content thought-provoking and helpful as you continue this journey.

We would especially like to thank our clients who took part in this survey. Your willingness to share challenges and success stories was insightful, inspiring and greatly appreciated.

Survey Overview

The 2025 Internal Audit digital and analytics survey reflects the views of IA functions across the world.

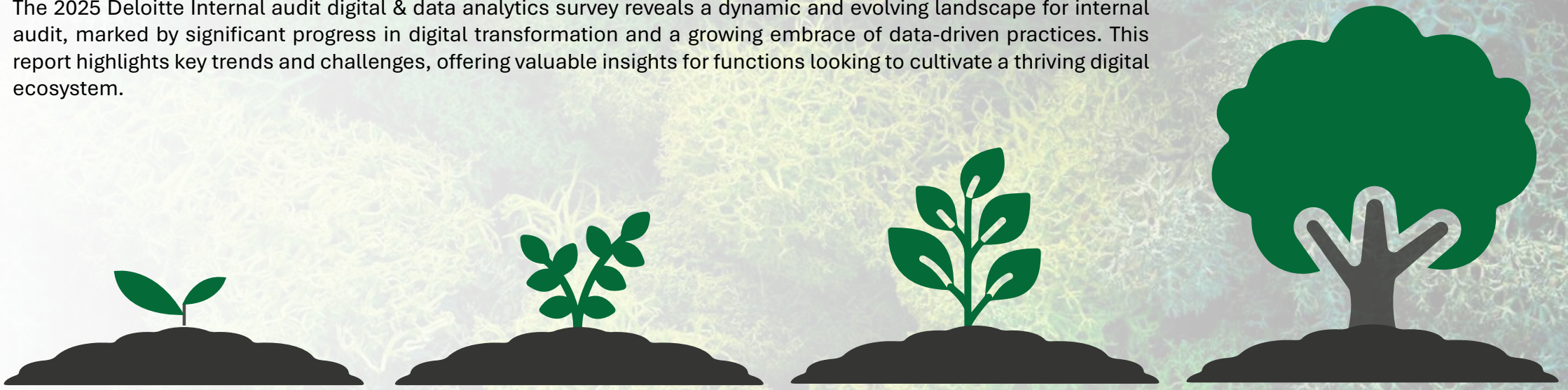
Our survey was responded to by IA functions in all major industries, including but not limited to Consumer, Financial Services, Government & Public Sector and Technology, Media & Telecom.

The findings reflect the aggregated views from all sizes of internal audit functions and organisations.

Digital in bloom

Executive summary

The 2025 Deloitte Internal audit digital & data analytics survey reveals a dynamic and evolving landscape for internal audit, marked by significant progress in digital transformation and a growing embrace of data-driven practices. This report highlights key trends and challenges, offering valuable insights for functions looking to cultivate a thriving digital ecosystem.



Generative AI is poised to transform Internal Audit

The rapid rise of Generative AI (GenAI) is significantly impacting internal audit. A substantial majority of functions are already exploring and implementing GenAI tools, primarily through Microsoft Co-pilot, to enhance efficiency, improve decision-making, and unlock new insights. This highlights the transformative potential of GenAI to reshape and create new tools for the future of internal audit.

Strategic alignment is flourishing

A remarkable 90 percent of functions now possess digital and analytics plans fully integrated with their overall strategic objectives, a substantial increase from previous years. This demonstrates a strong commitment to leveraging technology for enhanced audit quality and strategic value, aligning with the updated IPPF standards.

Data access and quality remain critical hurdles

Despite progress, access to appropriate data (83%) and data quality (52%) continue to be major barriers. Addressing these challenges through improved data governance, proactive data quality initiatives, and strategic partnerships is crucial for unlocking the full potential of digital and analytics tools.

Building digitally savvy teams is key

Our survey reveals a significant shift towards hybrid team structures to support digital and analytics initiatives. A proactive approach to upskilling and talent development, coupled with strategic investment in dedicated resources, is essential for building a robust and adaptable workforce capable of navigating the evolving digital landscape.

02

The digital landscape

Current state and maturity

Assessing the current terrain

Generative AI is here to stay and growing rapidly

Our 2025 survey highlights the continued growth of analytics in fieldwork, demonstrating a strong commitment to data-driven auditing. However, we observe a significant shift towards more sophisticated techniques, moving beyond simple population testing to embrace advanced methods like Natural Language Processing (NLP) and machine learning. Blossoming analytical capabilities allows for deeper insights and more effective risk assessment. While fieldwork leads the way, other audit lifecycle stages, especially later stages like reporting and audit committee reporting, require further development.

The previously high barrier to entry for advanced analytics tools is being significantly lowered by the rise of accessible GenAI solutions and improved Audit Management Systems (AMS). This empowers smaller and medium-sized functions to cultivate more robust data-driven processes.

We encourage all functions to fully embrace this evolution and expand the use of analytics and digital tools across the entire audit lifecycle, allowing your function to flourish in this digital age.

The previously high barrier to entry for advanced analytics tools is being significantly lowered by the rise of Generative AI.

Figure 1: Analytic types being used by organisations across the audit lifecycle

	Descriptive	Diagnostic	Prescriptive	Predictive	Cognitive	Gen AI
AC reporting	66%	17%	17%	3%	3%	24%
Annual planning	59%	17%	28%	0%	7%	14%
Audit reporting	45%	21%	21%	7%	3%	41%
Fieldwork	90%	69%	48%	14%	24%	38%
Follow up	45%	10%	17%	3%	3%	0%
Functional	3%	0%	0%	0%	0%	0%
Individual audit planning	76%	14%	21%	3%	10%	48%
Quality assurance	52%	17%	14%	0%	0%	10%
Resource planning	34%	10%	17%	0%	3%	0%
Scheduling	72%	7%	21%	7%	0%	7%

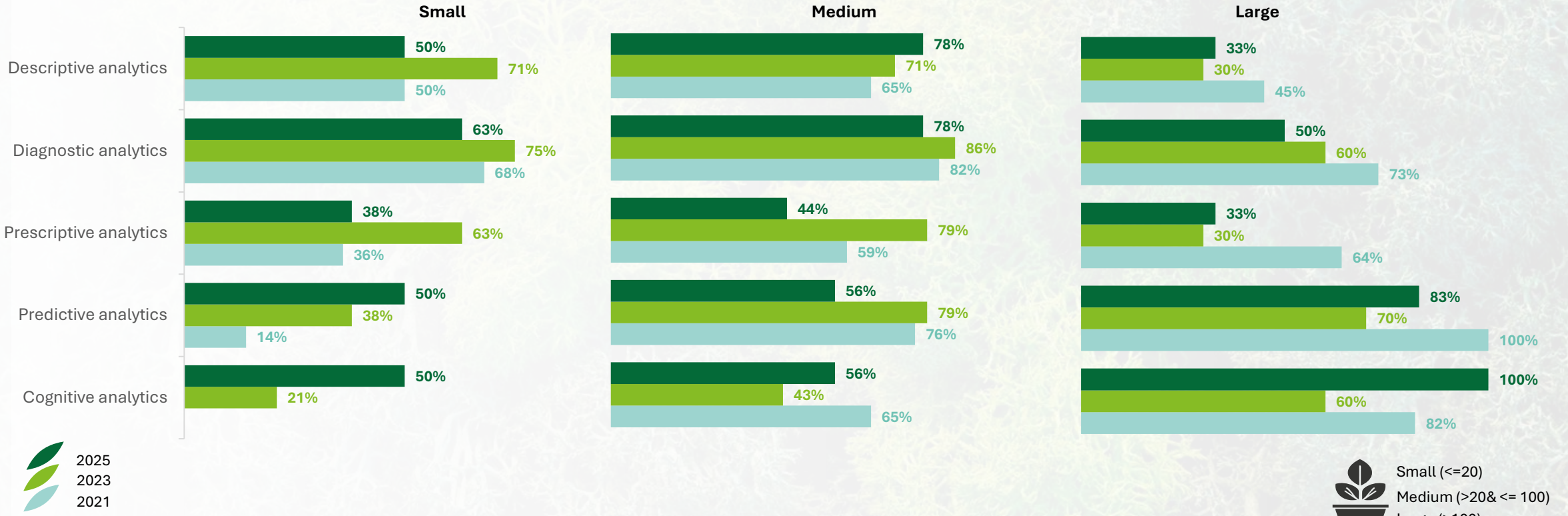
Survey Question: In the matrix please enter a % to show the type of analytics used in the function at present across the relevant activities.

Assessing the current terrain

Sustaining growth - what functions are aiming to achieve in the next 3 to 5 years

The 2025 survey highlights a dynamic shift in internal audit's future strategic priorities. Across all function sizes, there's a clear commitment to expanding cognitive analytics, including GenAI. While descriptive and diagnostic type analytics remains a strong focus area for smaller functions, larger functions have established a high baseline for analytics in this area and continue to focus on refining established processes and scaling their existing capabilities. This diverse landscape demonstrates the ongoing development and maturation of internal audit within the broader digital transformation.

Figure 2: Analytic types being used over time by small, medium and large functions



Survey Question: Which of the following do you expect to increase your use of in the next 3-5 years?

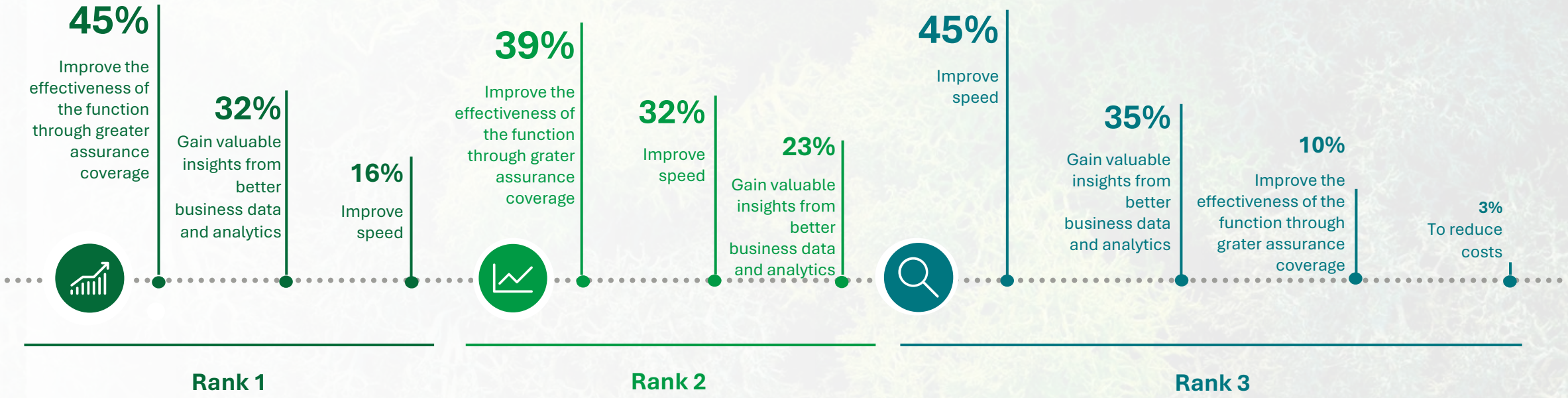
Assessing the current terrain

Improving the effectiveness of the function remains the main objective for functions three years running

For the third year running, improving functional effectiveness remains the top priority for internal audit teams. This consistent focus underscores the importance of continuous improvement and the ongoing need to adapt and evolve in the face of dynamic challenges and opportunities. This commitment to enhancing audit quality and value creation is vital for continued success in the digital age.

The strategic value of data-driven insights is clearly demonstrated by its second-place ranking among internal audit priorities. Leveraging improved business data and analytics empowers internal audit to provide more targeted, insightful, and valuable assurance, ultimately enhancing its contribution to the overall success of the organisation as it navigates the flourishing digital landscape.

Figure 3: Priorities for internal audit functions in using digital and data analytics



Survey Question: What are the key outcomes that the function has been aiming to achieve through the use of analytics to date?

Assessing the current terrain

Increasing use of analytics across all risk types in fieldwork

This section illustrates the increasing application of analytics across various risk types in fieldwork. While financial and operational risks remain prominent areas of focus, reflecting the richness of available data, we see a notable shift in emphasis over time.

There has been a significant increase in the application of analytics to regulatory and compliance risks (from 41% in 2021 to 55% in 2025), financial crime (48% to 62%), cybersecurity (35% to 69%), and fraud risk (54% to 86%). This upward trend reflects a growing awareness of the importance of these emerging risks in today's complex and rapidly evolving digital landscape. The substantial increase in attention to cyber security and data privacy highlights the importance of internal audit adapting its approach to keep pace with these digital challenges. The consistent increase in the application of data and analytics across these risk areas shows internal audit's commitment to keeping pace with these challenges in the rapidly changing environment. This highlights the importance of internal audit's ability to adapt and innovate using data and analytics.

The continued focus on financial and operational risks highlights the enduring significance of these areas, but the shift toward emerging risks underscores the dynamic and ever-evolving nature of the risk landscape in the digital age.

Figure 4: Risks that internal audit functions use analytics techniques for

Survey Question: What types of risks does the function use analytics techniques in?

Assessing the current terrain

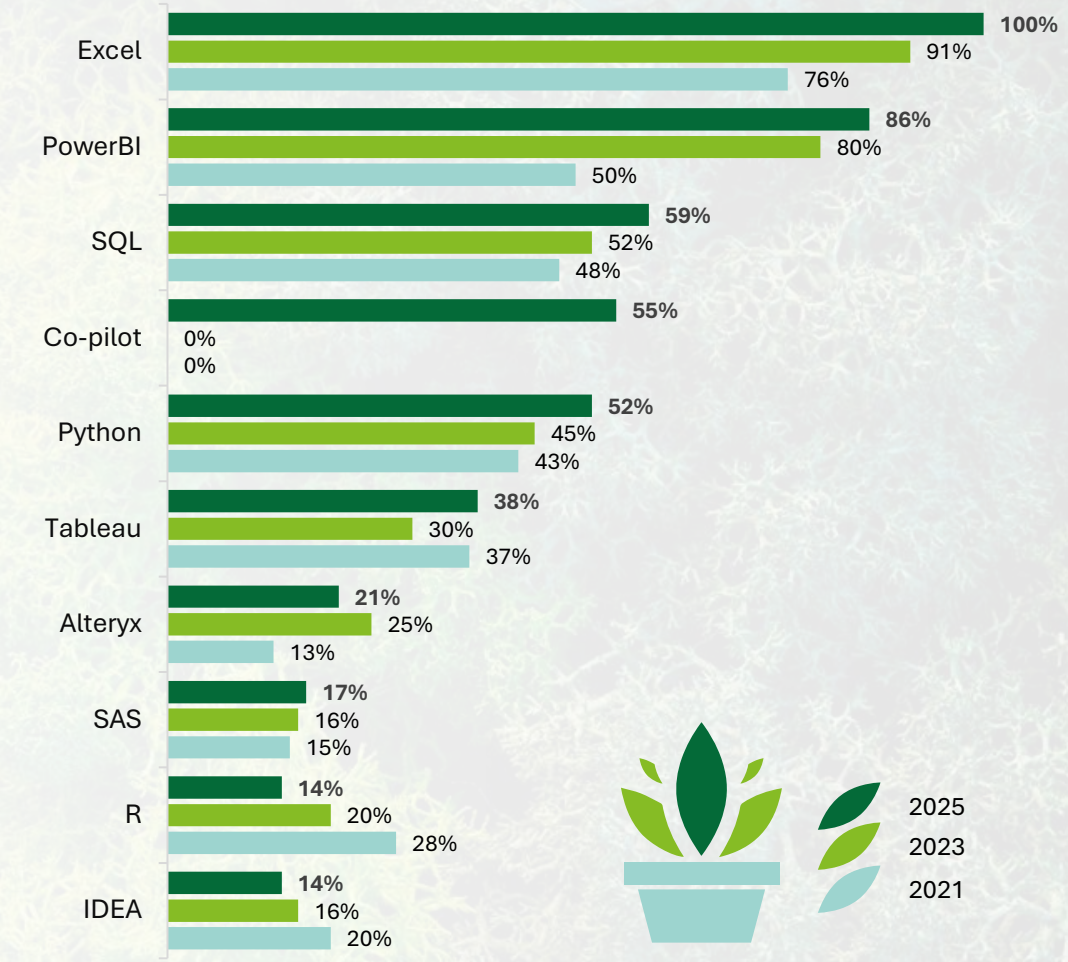
Digital and analytics tooling used within the function

The evolving technological landscape reflects the ongoing digital transformation within internal audit, with the emergence of new capabilities such as GenAI and a focus on efficiency and advanced analytics.

Our 2025 survey results showcase the evolution of digital and analytics tooling within internal audit functions. While Excel remains a pervasive tool (reaching 100% adoption in 2025), the landscape is still transforming. The significant rise of Power BI (from 50% in 2021 to 86% in 2025) and the emergence of Microsoft Co-pilot (reaching 55% in 2025 as the fourth highest used tool) highlight a clear trend towards cloud-based solutions and AI-powered capabilities. Co-pilot's rapid adoption reflects the increasing demand for GenAI, enhanced automation and the resulting efficiencies on offer to functions.

Interestingly, we noticed a decrease in the usage of some traditional tools. The decline in R, IDEA, and Alteryx might be attributed to several factors. This could indicate a shift towards more user-friendly and integrated platforms like Power BI and Tableau, which offer broader functionality and may reduce the reliance on specialised tools. The rise of cloud-based solutions and GenAI-driven capabilities likely contribute to this trend, presenting a more streamlined and efficient workflow for audit professionals. The continued presence of Python, along with SQL, demonstrates the continued need for scripting and database interaction, while also suggesting a shift towards more complex and advanced analytical techniques.

Figure 5: Digital and data analytics tools used by internal audit functions



Survey Question: What type of digital and analytics tools are used within the function?

Assessing the current terrain

Growth cycles in Continuous Controls Monitoring (CCM)

The role of internal audit in CCM remains a subject of ongoing debate

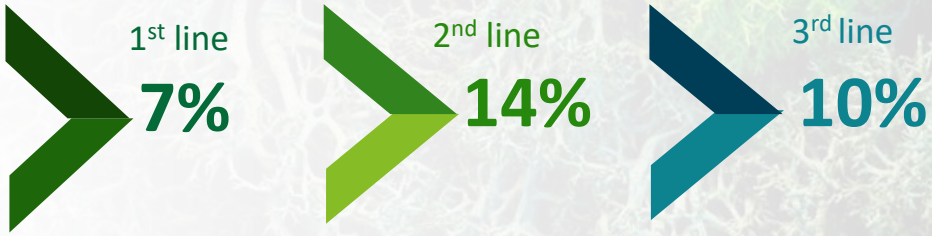
While some see significant value in CCM's application for proactive risk monitoring and informing future audit priorities, others view it as primarily a first or second-line responsibility.

Figure 6: Organisations that have CCM capability

Survey Question: Does your organisation have CCM (Continous Controls Monitoring) capability?

This division of opinion highlights the need for careful consideration and a strategic approach tailored to the specific context of each function. Many functions are still exploring the practical implementation and demonstrable value of CCM. However, the successful application of CCM hinges on two crucial pillars: a clearly defined value proposition and readily actionable results.

Figure 7: Where does the CCM capability sit across the three lines of defence?



Survey Question: Is your CCM capability within 1st line, 2nd line or 3rd line?

First, the 'why' must be clearly articulated—what specific problems does CCM solve, and what strategic value does it bring? Implementing CCM simply for its own sake, without a clear directional target, is unlikely to yield positive outcomes.

Second, ensuring that CCM results translate into concrete action is critical. The use of dashboards and other visualisation tools can be invaluable, but without pre-defined actions and assigned responsibilities, these outputs will likely be underutilised. If a control breaches a pre-defined threshold, who takes ownership of the issue? What steps will be taken to mitigate or rectify the situation? These must be clearly established beforehand to ensure CCM's effectiveness.

Strategic investment in robust data governance, high-quality data, and the necessary technology is paramount for successful CCM implementation. This investment not only facilitates the technological aspects of CCM but also ensures the reliability and trustworthiness of the insights it generates.

The potential benefits are significant but a carefully considered and clearly articulated plan is crucial for realising the full potential of CCM in the flourishing digital age.

Assessing the current terrain

Planting the seeds of GenAI

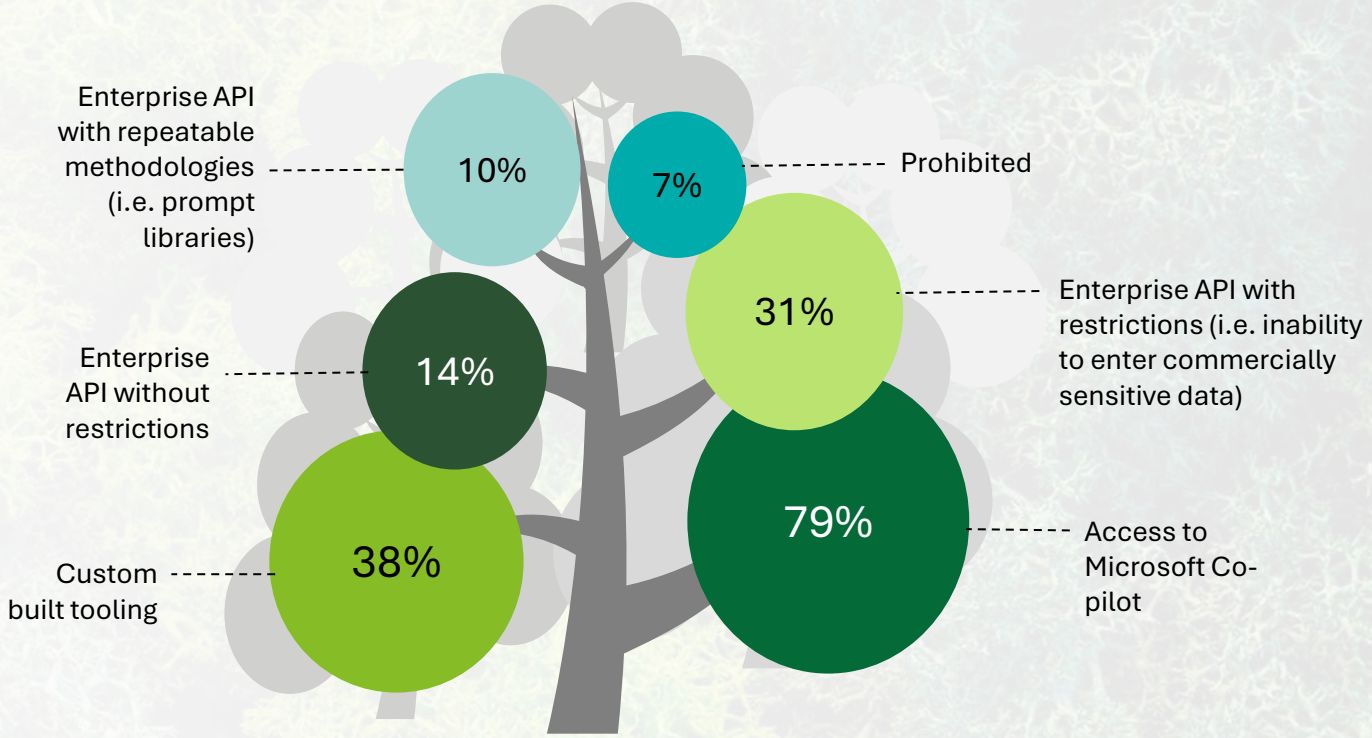
Since our last survey in 2023, the rapid rise of GenAI has been the most significant development impacting internal audit.

The transformative potential of GenAI is evident in its widespread adoption. While a small percentage (7%) of functions are delaying access pending broader organisational risk assessments, the majority are embracing this technology. The vast majority (79%) of functions already have access to Microsoft Co-pilot, highlighting its rapid integration into ways of working.

Many organisations are exploring enterprise versions of GenAI chatbots, with varying levels of access, control mechanisms, and repeatability (such as prompt libraries). This approach demonstrates a thoughtful strategy for managing risk while maximising the benefits of GenAI. An increase of (3%) in the use of enterprise API mirrors our own Deloitte Internal Audit & Controls Hub™—the development of custom workflows and user interfaces built upon Large Language Models (LLMs). This showcases the adaptability and potential of GenAI to be tailored to specific organisational needs and workflows.

The early results are promising, suggesting that GenAI is not just a passing trend, but a transformative technology poised to reshape the future of internal audit. Its ability to boost efficiency and unlock new insights suggests that it is poised to help internal audit functions to flourish within the digital landscape.

Figure 8: Organisations' current access to GenAI

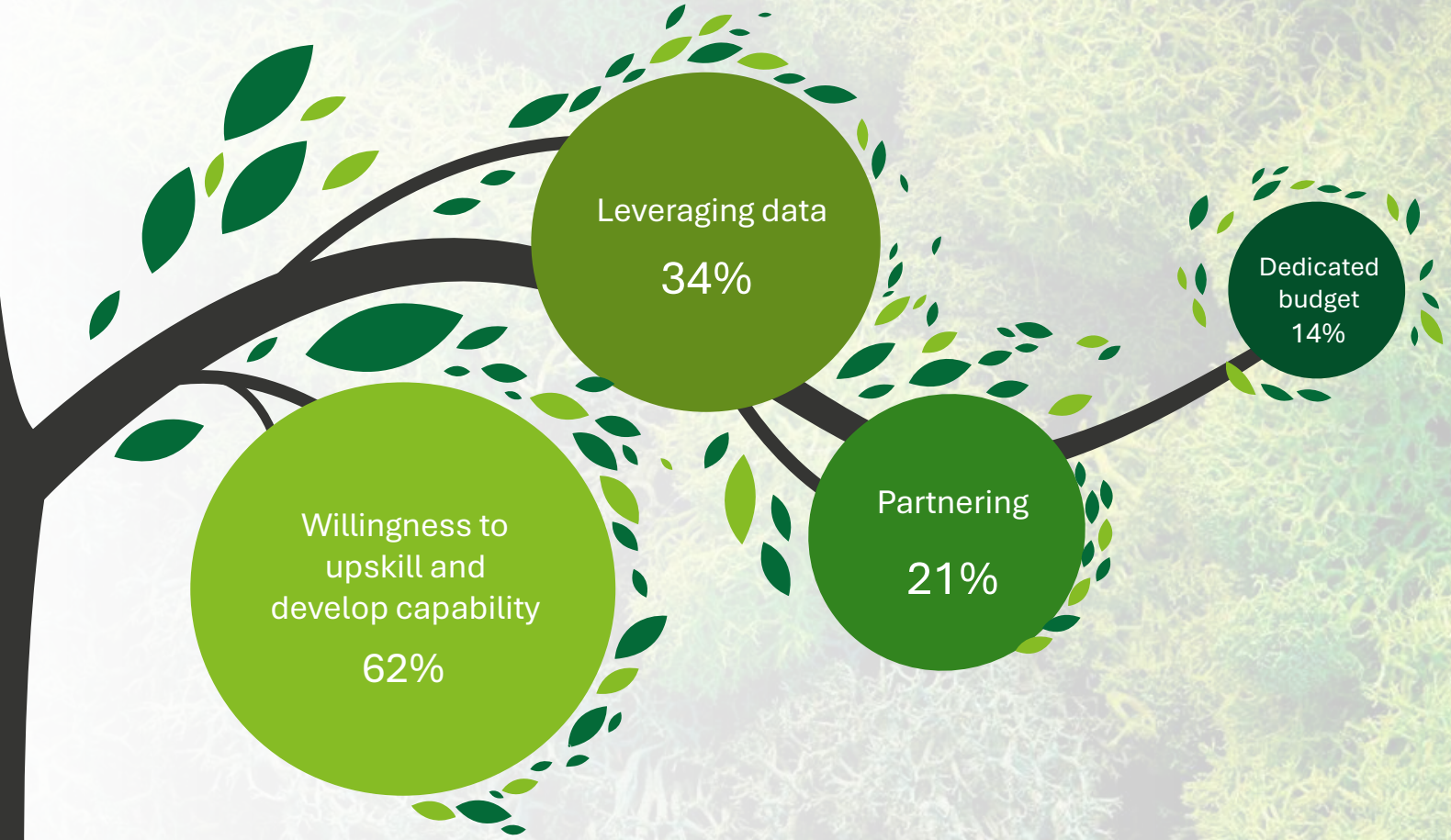


Survey Question: What is your current access to Gen AI?

Assessing the current terrain

Success factors in advancing the GenAI journey

Figure 9: What has worked well to advance the GenAI journey?



Survey Question: What has worked well so far to advance your GenAI journey?

The successful implementation of GenAI within internal audit requires a holistic approach that prioritises both technological capabilities and human expertise.

Our survey reveals that leading functions attribute their success to a combination of key enablers: a proactive commitment to upskilling and capability development, effectively leveraging and focusing on high-quality data, establishing strong partnerships, and securing dedicated budgets. These elements are crucial for fostering a supportive environment that enables organisations to cultivate and fully realise the transformative potential of this technology. However, technology alone is insufficient; a focus on upskilling and empowering audit teams is equally important to ensure the successful integration and effective utilisation of GenAI. This balanced approach—emphasising both technological advancement and human expertise—is essential for cultivating a flourishing GenAI ecosystem within internal audit and realising its full potential in the evolving digital landscape.

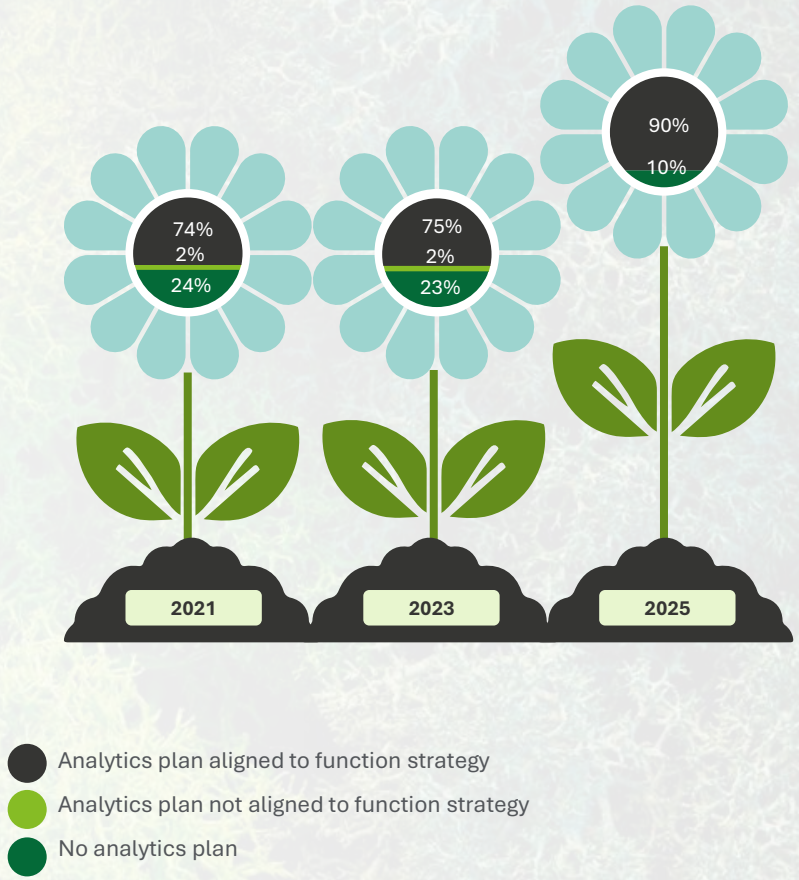
Assessing the current terrain

Digital and analytics plans are aligned to the overall function strategy in most functions

The 2025 Internal audit digital & data analytics survey reveals a significant improvement in alignment between digital and analytics plans and overall function strategy. A remarkable 90% of functions now have a plan firmly rooted in their overall strategic goals, compared to 75% in 2023. This represents a significant increase in strategic planning and integration, signifying a healthy and growing digital ecosystem within Internal Audit. Only 10% of functions lack such a cohesive plan, down from 23% in 2023. This positive trend demonstrates a clear commitment to leveraging technology and data analytics for enhanced effectiveness.

This surge in strategic planning is further bolstered by the updated IPPF (International Professional Practices Framework), now the Global Internal Audit Standards. These standards explicitly emphasise a digital strategy for internal audit functions, highlighting the critical need for technology and data analytics to cultivate higher audit quality and deliver greater strategic value. The increasing alignment reflects a proactive adoption of these global best practices and a forward-looking approach to the future of internal audit. The continued growth in strategic planning, symbolised by the increased adoption of aligned digital and analytics plans, promises further growth and increased impact in years to come. We can anticipate even more robust results and a more mature internal audit practice in the future.

Figure 10: Analysis of whether functions have analytics plans and strategies overtime



Survey Questions: Do you currently have a strategy and plan for digital and analytics in the function? Is the strategy aligned to broader function priorities?

Assessing the current terrain

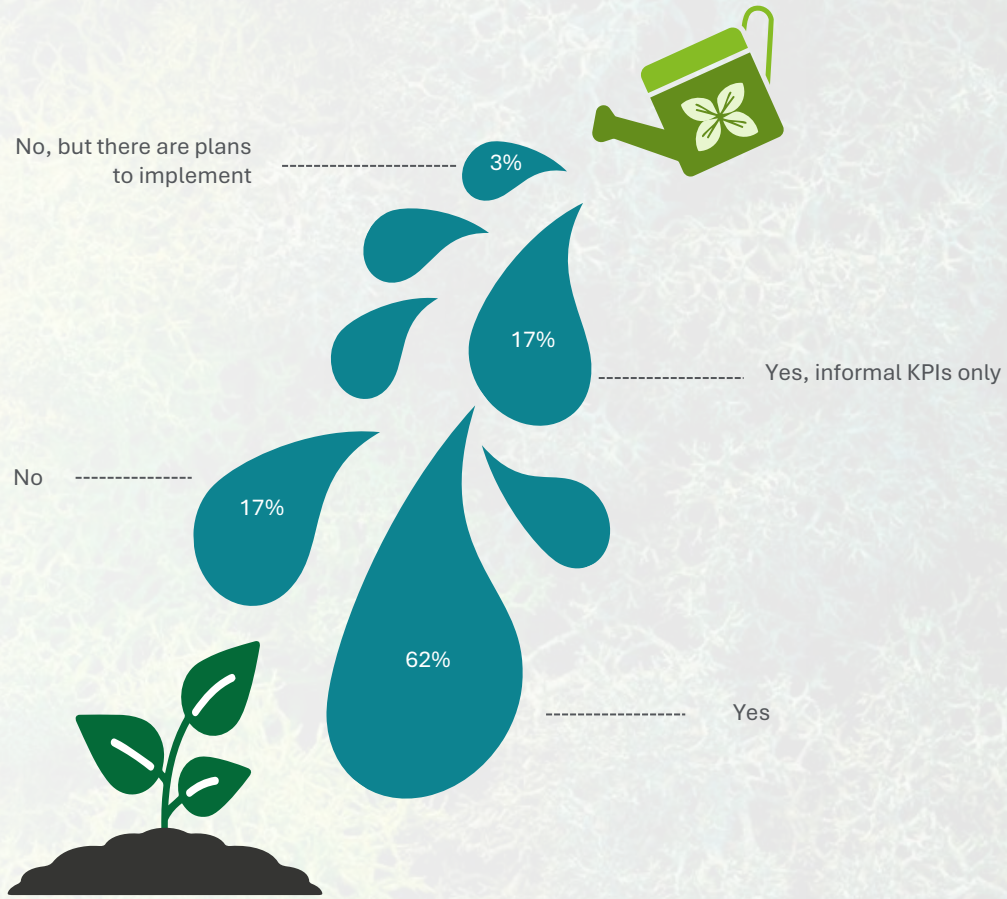
Harvesting the rewards of digitalisation

The successful cultivation of a data-driven internal audit function requires careful tending and a clear understanding of what constitutes a healthy yield. This is where Key Performance Indicators (KPIs) play a vital role. Our 2025 survey reveals a significant increase in the use of KPIs to measure the success of digital and analytics initiatives within internal audit. A substantial 62 percent of functions now utilise KPIs to track their progress, demonstrating a results-oriented approach.

While 17 percent currently employ informal KPIs, highlighting an awareness of the need for measurement, the remaining 17 percent have yet to implement any form of KPI framework. However, a further 3 percent have plans to implement KPIs soon, indicating a recognition of the importance of data-driven performance management. The adoption of formal KPIs is crucial for demonstrating the value and impact of digital and analytics initiatives to stakeholders. The various examples of common KPIs such as time savings, cost reduction, automation rate, controls coverage etc, offer a roadmap for functions looking to enhance their measurement capabilities.

By focusing on these key metrics and regularly monitoring progress, internal audit functions can ensure that their digital transformation initiatives are not only thriving but also delivering tangible benefits. The continued growth in KPI adoption promises a bountiful harvest of efficiency gains, improved audit quality, and enhanced strategic value.

Figure 11: Analysis of the extent to which functions use KPIs in relation to digital and analytics



Survey Questions: Are there KPIs (Key Performance Indicators) regarding the use of digital and analytics approaches (tooling) in support of audit execution?

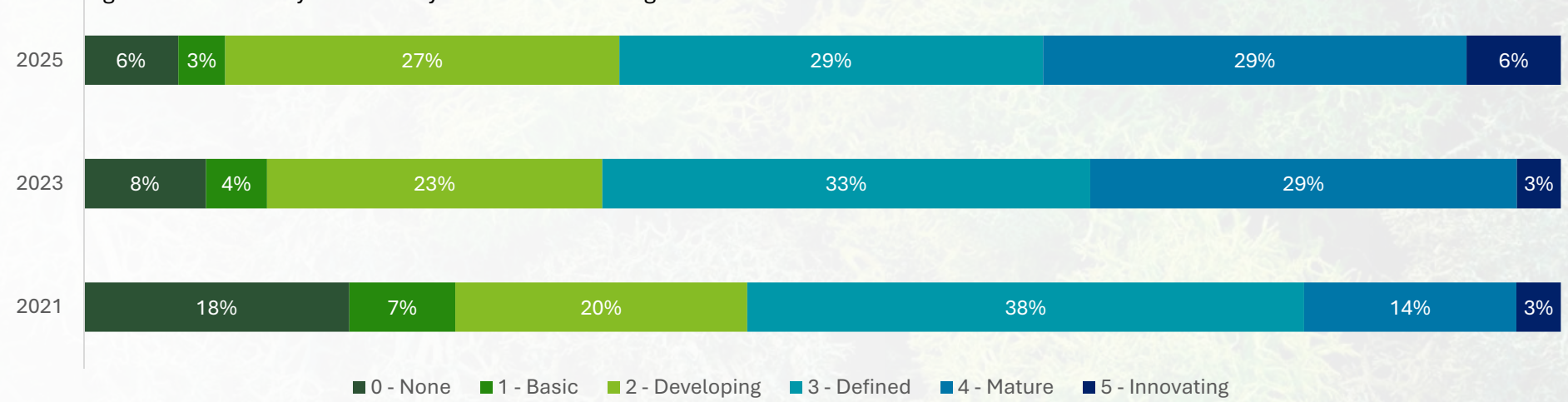
Assessing the current terrain

Maturity in bloom - the evolving landscape of Internal Audit

Our 2025 Internal audit digital & data analytics survey reveals a continuous evolution in the maturity of internal audit functions regarding their adoption of digital and analytics capabilities. The data paints a picture of steady growth and development, with a clear upward trend in maturity levels over the past three years. In 2025, a significant 35 percent of functions (combining the ‘Mature' and ‘Innovating' categories) demonstrate a high level of maturity, showcasing a robust and well-established digital and analytics practice. This figure has increased compared to 2023 (32%) and 2021 (17%), indicating a sustained progression.

While a smaller proportion of functions are still in the earlier stages of development ('None', 'Basic', and 'Developing'), these organisations also have shown improvement over time. The significant reduction in the percentage of functions reporting 'None' or 'Basic' maturity highlights a widespread commitment to digital transformation. The increase in functions reaching 'Mature' and 'Innovating' levels demonstrates a clear progression towards a more sophisticated and effective use of digital and analytics tools. The data suggests a healthy and vibrant ecosystem, with functions continuously striving to improve their capabilities and embrace new technologies. This continued growth represents a commitment to enhancing the effectiveness of internal audit. The path towards digital maturity is ongoing, but the results clearly indicate a positive shift towards increasing digital maturity.

Figure 12: Trend of digital and data analytics maturity over time across organisations



Survey Questions: N/A - a combination of survey questions and Deloitte standards were used to allocate a maturity score per organisation

03

Cultivation challenges

Barriers to progress

Cultivation Challenges

Barriers to growth and the use of digital and analytics in internal audit

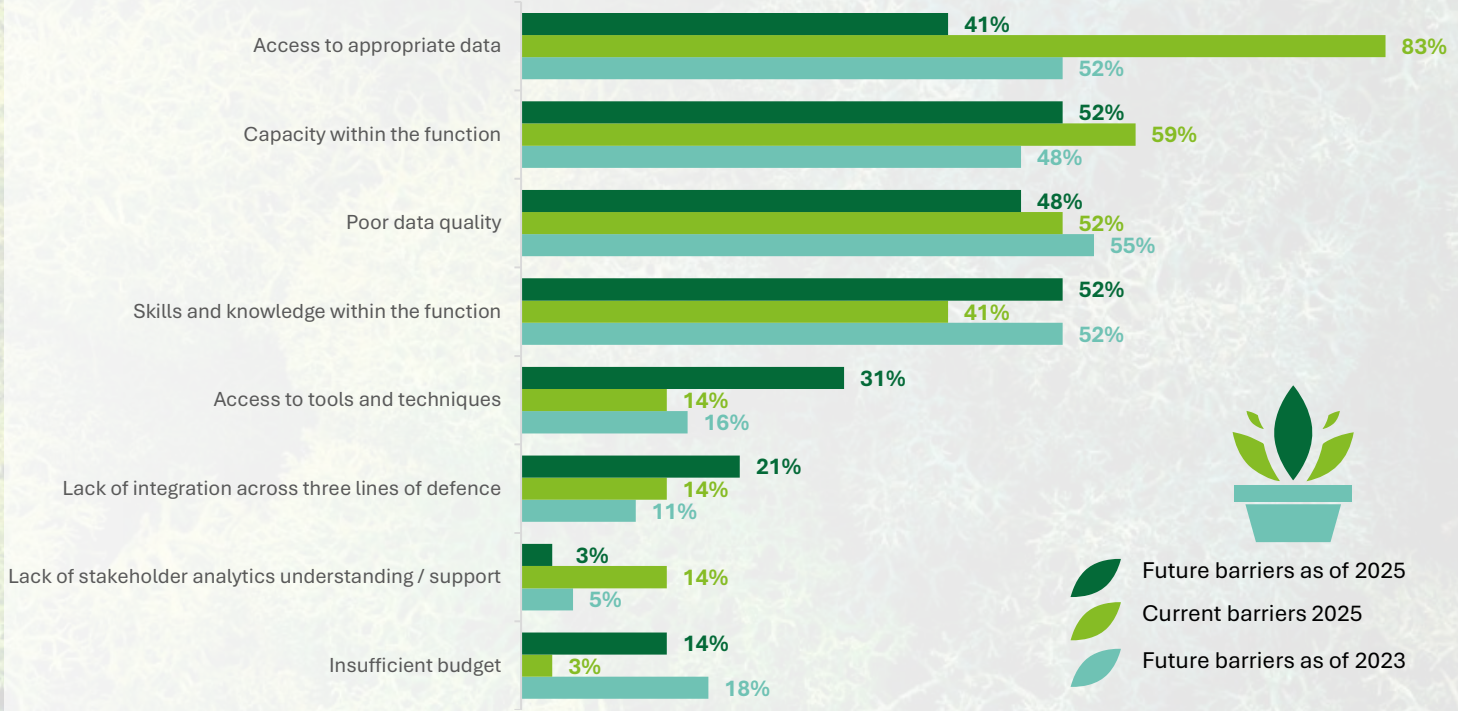
The four biggest barriers for IA functions in 2025 are data access (83%), capacity (59%), poor data quality (52%) and skills and knowledge (41%). This aligns with challenges which were anticipated in 2023, and challenges predicted for 2025 and beyond. While currently, data access (83%) and capacity (59%) are the most significant barriers, skills and knowledge, alongside capacity, are expected to become the primary obstacles in the future.

Improved data quality and enhanced skills and knowledge are contingent upon sufficient data access and capacity. Therefore, data access and capacity are understandably the more significant barriers at present.

Insufficient budget, access to tools and techniques, and lack of integration across the three lines of defence were also anticipated barriers in 2023. Access to tools and techniques as well as lack of integration increased significantly as anticipated barriers beyond 2025, whereas insufficient budget reduced from 18% to 14%.

Limited function capacity currently hinders the full realisation of digital and data analytics benefits. Recognising this, many functions are proactively addressing the gap by leveraging technologies such as GenAI, aiming to reduce capacity constraints from 59% to 52% in the coming years. While budget is always a consideration, its relatively low ranking as a barrier showing that organisations are prioritising investment. From discussions with IA function leads, we have found that investments are being made in advanced tools, technologies, and human resources to address capacity constraints and realise the value of digital and data analytics.

Figure 13: An extract of key barriers and challenges across organisations over time



Survey Questions: What are the top 3 key reasons / barriers currently preventing the function using analytics as planned? What do you see as being the main reason or barrier preventing the function from realising its future digital and analytics aims and ambitions?

Consistent with our 2023 findings, access to appropriate data remains a significant barrier for 83% of IA functions.

The journey towards leveraging the power of digital and data analytics within internal audit continues to present barriers to overcome. While progress has been made, persistent challenges remain, as well as new challenges emerging as the technological landscape evolves.

Cultivation Challenges

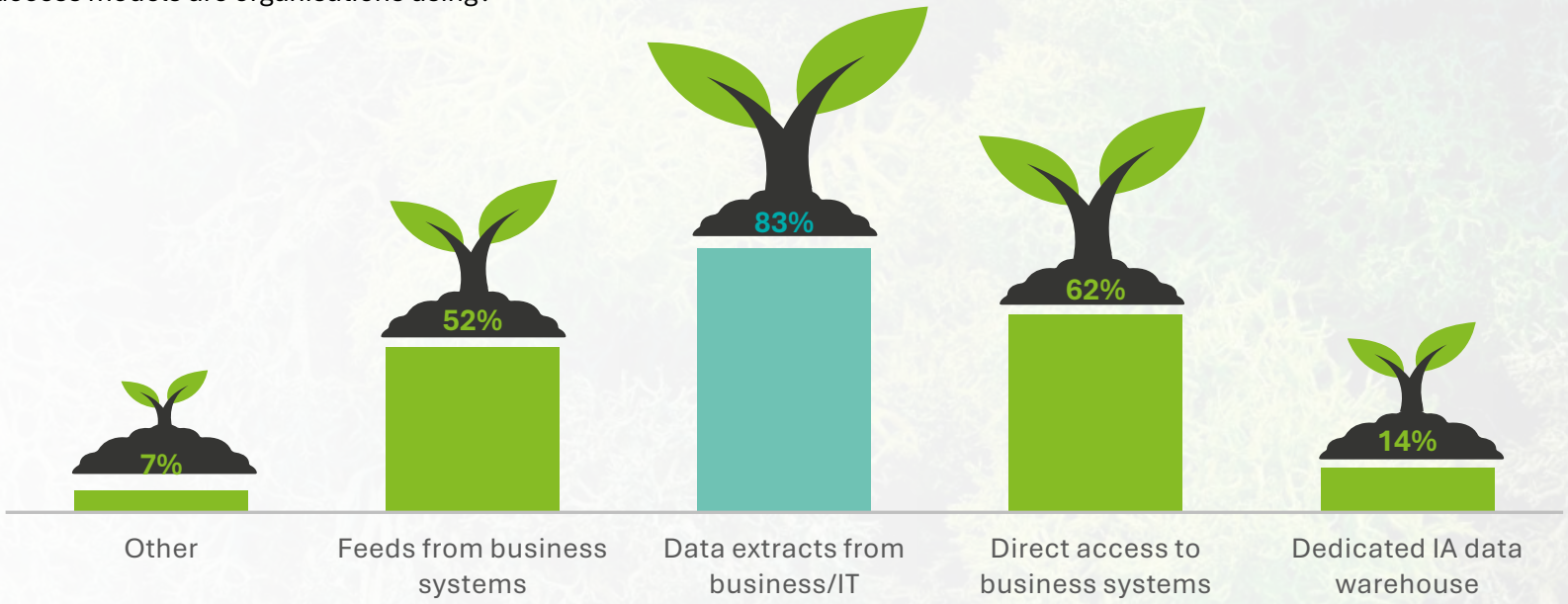
The ongoing challenge of data access and quality

Readily accessible, high-quality data is fundamental to effective data-driven auditing. Without clarity on data locations, ownership, and access, digital and data analytics initiatives become impossible.

Appropriate data access is also a part of broader effective data governance. Proactively establishing standardised data access procedures and implementing initiatives such as data cataloguing or asset mapping can help ensure data is readily discoverable and usable.

83% of functions said that their primary data access model is receiving data extracts from business / IT. 62% have direct access to business systems and 52% have feeds from business systems. A significant reliance on other teams for data access is a major contributor to the widespread data access challenges experienced by 83% functions. This indirect model, combined with a lack of standardised procedures and effective communication channels, increases the risk of delays and compromised data quality.

Figure 14: What data access models are organisations using?



Survey Question: Please select the option that best describes your data access model?

Cultivation challenges

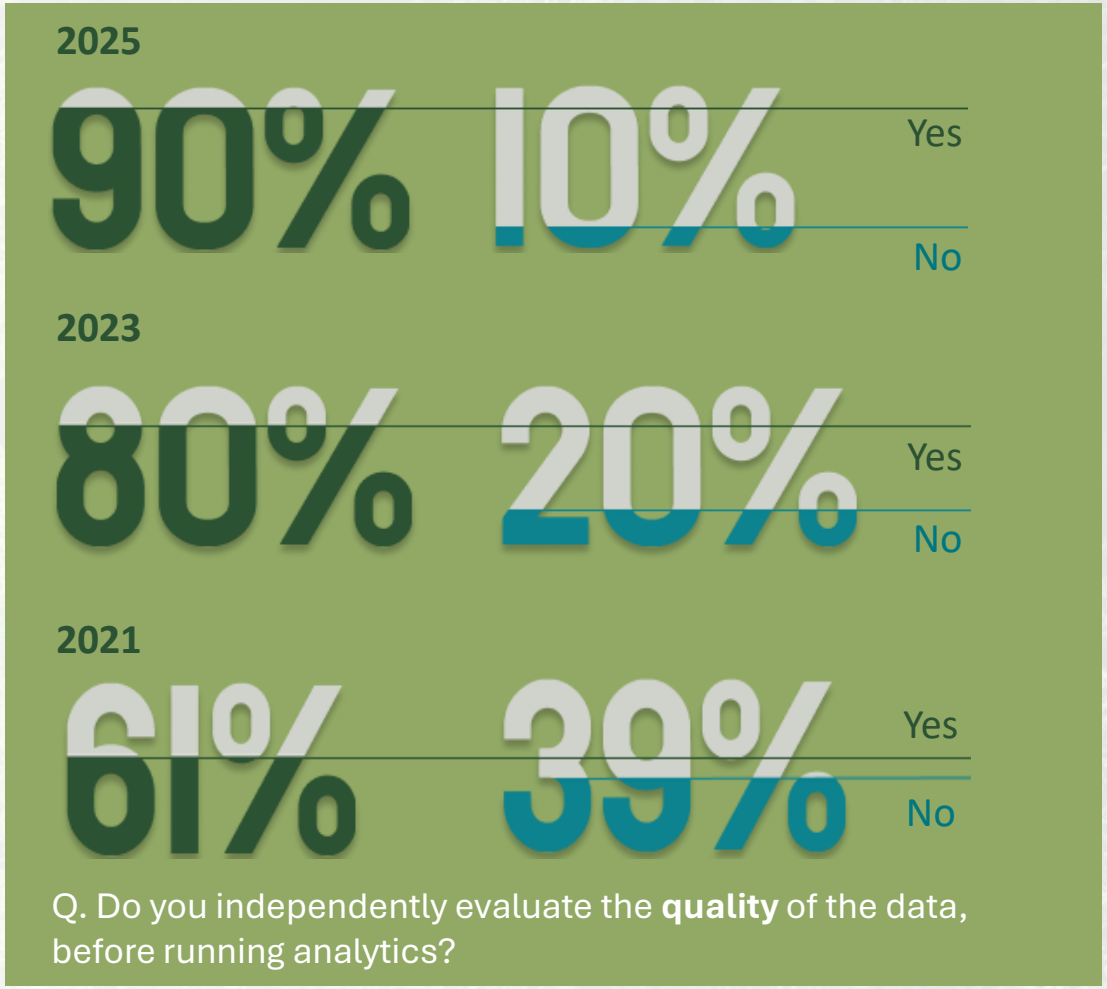
The ongoing challenge of data access and quality

Despite a notable increase in functions independently evaluating data quality before analysis (90% in 2025, up from 80% in 2023), data quality remains a critical concern for 52% of functions. Poor data quality can hinder a function's ability to derive useful insights, mask underlying system issues and increase the risk of regulatory non-compliance. Improving data quality is therefore a top priority for many organisations' and we have seen an increase for its consideration in broader data governance strategies.

Improving data quality should be considered as an iterative approach that best suits your maturity. Some areas to consider include: establishing clear data ownership and quality standards, implementing data validation checks at each stage of the data lifecycle, leveraging data quality tools where appropriate, and providing training to employees on data handling best practices.

There is an opportunity for IA to have a much stronger voice in the organisation's digital & data strategy and to represent interest of the organisation at large.

Figure 15: Organisations evaluating data quality over time



Survey Question: Do you independently evaluate the quality of the data, before running analytics?

04

Investing in the ecosystem

Team structure and talent development

Investing in the ecosystem

Evolution of the hub and spoke model

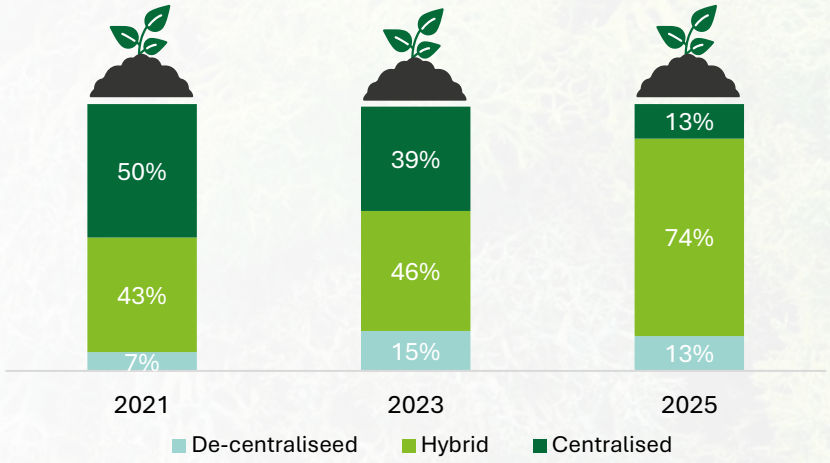
The effectiveness of any data-driven initiative hinges on the capabilities of the team. Our 2025 survey explores the organisational structures designed to foster digitally savvy teams within internal audit functions. The results showcase a nuanced shift towards the hybrid model (also referred to as the hub and spoke model), with greater use of self-service and GenAI tools across the function, audit teams are more empowered than ever to harness the power of digital technologies without needing deep technical knowledge.

In 2025, almost three quarters (74%) of functions have adopted a hybrid structure advanced analytics and digital development, compared to 46% in 2023 and 43% in 2021. Analysis of year-on-year movement reveals a clear trend: functions are actively transitioning towards hybrid structures.

This is insightful, as many of our clients value the hybrid model, with research and development and deep technical expertise at the centre, supported by empowered auditors and analytics champions delivering basic day-to-day analytics. This model has shown great success, with functions seeing more self-service tools become available, including GenAI-based tools that potentially lessen the need for auditors to spend as much time coding or wrangling data independently. This is consistent with the drop in the use of low-code tooling such as Alteryx and IDEA that the survey highlights. The focus now is on helping auditors become digitally savvy in applying these tools, bringing in efficiencies that support time spent on activities like relationship building and getting to the heart of issues, rather than on admin-intensive tasks.

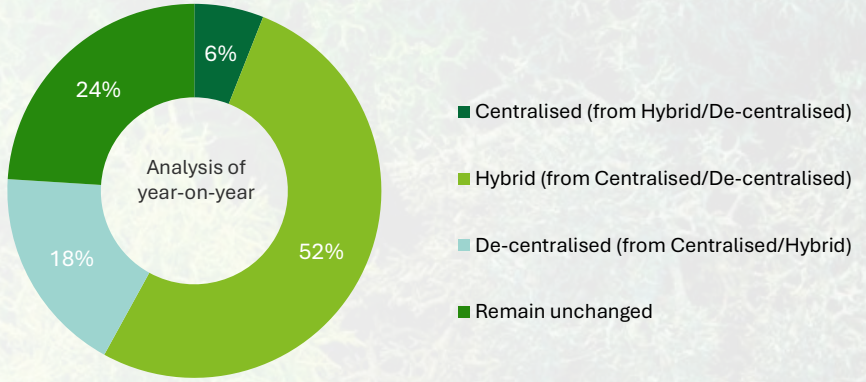
Analysis of year-on-year movement reveals a clear trend: functions are actively transitioning to hybrid models.

Figure 16: Operating models adopted by organisations over time



Survey Question: What is the current operating model for digital and analytics?

Figure 17: Year-on-year analysis of the movement between different operating models over time



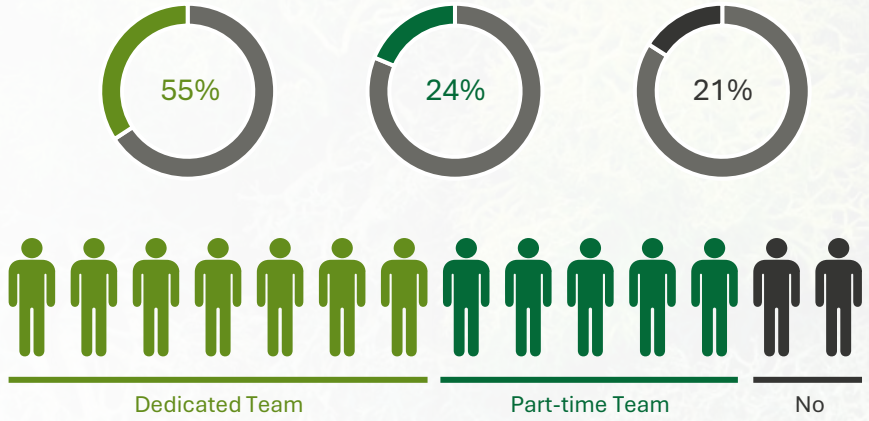
Whilst figure 16 shows volume of respective operating models overtime, figure 17 shows the relevant movement of operating model designs from functions that have responded to the survey consistently over the last few years.

Investing in the ecosystem

Dedicating teams driving progress

The successful cultivation of a thriving digital and analytics capability within internal audit often requires a dedicated team to nurture and support its growth. Our 2025 survey reveals a significant investment in dedicated resources, with a clear trend towards establishing specialist teams. More than half (55%) of functions now have a dedicated team focused on digital and analytics, demonstrating a commitment to building expertise and driving innovation. A further 24 percent utilise a part-time team, indicating a more measured approach, potentially reflecting resource constraints or a phased implementation strategy. The remaining 21 percent of functions currently lack a dedicated or part-time team, suggesting that they may rely on existing staff to handle digital and analytics tasks alongside their other responsibilities. This approach may present challenges in terms of capacity and expertise.

Figure 18: Analysis of the different types of analytics teams within IA functions



Survey Question: Do you have a dedicated or part-time Digital and Analytics team within the IA function?

The significant proportion of functions with dedicated teams (55%) indicates a growing recognition of the importance of specialised skills and knowledge in driving digital transformation.

Investing in the ecosystem

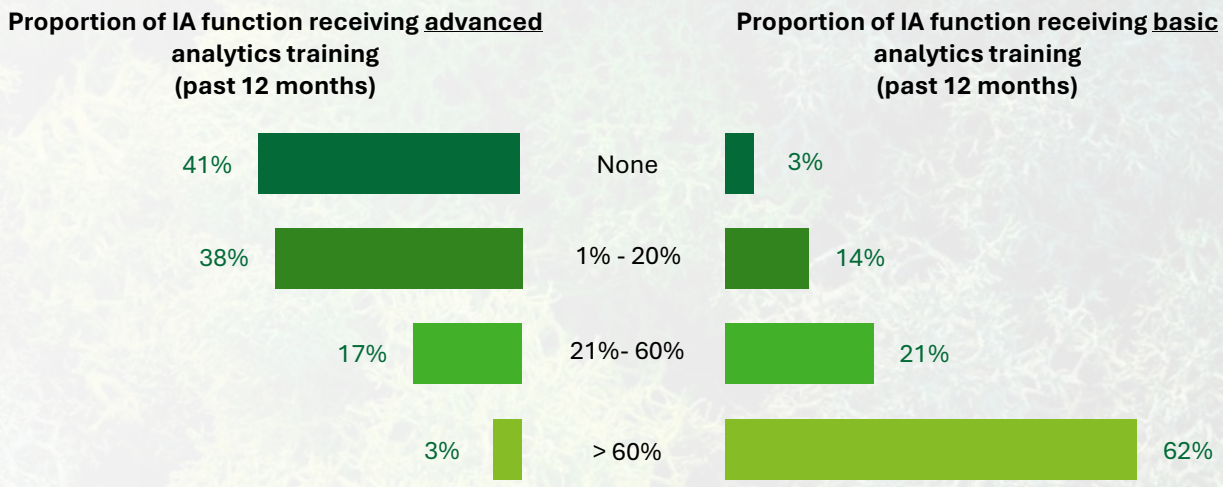
Building digitally savvy teams

A key element in fostering a thriving digital and analytics capability within internal audit is the ongoing development of staff skills. Our 2025 survey reveals a significant investment in training and upskilling, with a clear focus on both basic and advanced analytics capabilities. A substantial proportion of functions (62% in total) have provided basic analytics training to over 60% of their staff within the past 12 months, highlighting a commitment to foundational skills development. This widespread investment in basic training shows organisations trying to create a solid base of analytics understanding across the function.

Fewer functions have invested in advanced training. This is likely due to the aforementioned focus on retaining a central team with less need for the wider function to attain advanced skills, given access to GenAI and self-service tools. This strategic approach prioritises efficient resource allocation and leverages the power of readily available technology. Functions that have not provided any training, whether in basic or advanced analytics, may face challenges in keeping up with the evolving technological landscape.

A proactive approach to skills development is crucial for ensuring that the workforce possesses the necessary skills to effectively leverage digital and analytics tools and remain competitive in the future.

Figure 19: Analysis of basic or advanced training received by IA function teams in the past 12 months?



Survey Questions: What % of the members of the Internal Audit function have been provided with basic or intermediate digital and analytics training in the previous 12 months? What % of the members of the Internal Audit function have been provided with advanced digital and analytics training in the previous 12 months?

05

Planting the seeds for a data-driven future

Sustaining growth through digital & generative AI

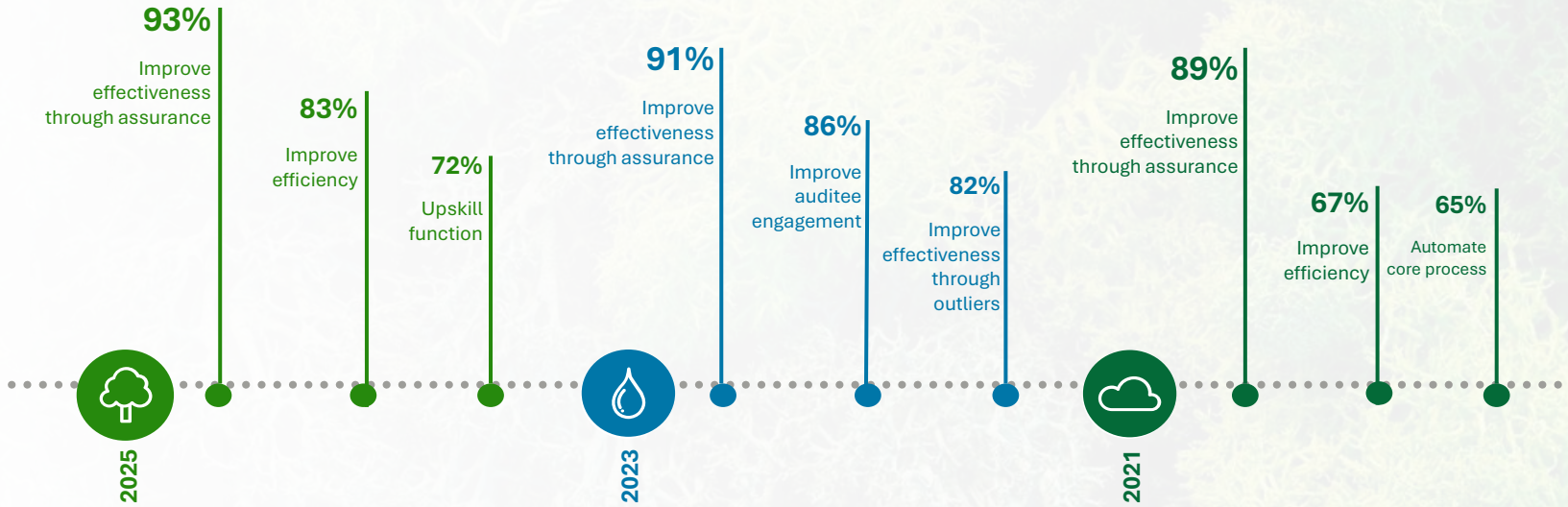
Planting the seeds for a data-driven future

Sustaining growth - what are functions aiming to achieve in the next 3 to 5 years

In 2025, improving effectiveness through assurance coverage remains the top priority (93%), demonstrating a continued commitment to delivering high-quality audits. Improving function efficiency (83%) and upskilling the function (72%) follow closely behind, reflecting a strategic focus on both operational excellence and talent development. These priorities are consistent with the emphasis on digital transformation we have highlighted throughout.

Comparing these priorities to those of 2023 and 2021 reveals a fascinating evolution. While improving effectiveness remains consistently high, the focus on upskilling has moved to third place, highlighting an increasing reliance on technology and the availability of self-service tools such as GenAI based applications. This shift underscores the increasing importance of developing digitally savvy teams and leveraging technology to enhance efficiency and effectiveness. The data suggests a maturing approach to digital transformation, with a focus on strategic investment in technology and talent development to support long-term growth. The continued emphasis on improving effectiveness and efficiency, coupled with a strategic approach to upskilling, sets the stage for a flourishing data-driven future for internal audit.

Figure 20: Top 3 objectives that were selected by organisations as a priority to achieve from 2021 through to 2025



Survey Question: What are the outcomes that the function is aiming to achieve through future use of digital and analytics (e.g. in the next 3-5yrs)?

The path to a flourishing data-driven future for internal audit is paved with strategic investment in both technology and talent.

Planting the seeds for a data-driven future

Activities (not already undertaken) that functions plan to use digital and analytics to support in the next 3 to 5 years

Looking ahead, internal audit functions are strategically planning how to leverage digital and analytics to support various audit activities. The 2025 survey reveals a clear roadmap for future adoption, with several areas showing significant potential for growth. Risk assessment and quality assurance are identified as key areas ripe for digital transformation, with 31 percent of functions planning to utilise digital and analytics in these areas within the next 3-5 years. Fieldwork, audit reporting, and annual planning also show potential, with 28 percent of functions planning to incorporate digital and analytics support. Other areas, such as resource planning and individual audit planning, show slightly lower but still significant levels of planned adoption (17%), suggesting a phased prioritised approach to implementation.

The data indicates a clear strategy for integrating digital and analytics across the entire audit lifecycle. The consistent level of planned adoption across various audit activities suggests a holistic approach to digital transformation. This proactive approach to planning sets the stage for a data-driven future, promising enhanced efficiency, improved audit quality, and greater strategic value.

The continued growth in planned adoption across various audit activities indicates a commitment to continuous improvement and a flourishing digital ecosystem within internal audit.

Figure 21: Audit lifecycle activities which functions are planning to use digital and data analytics techniques in the next 3-5 years

Survey Question: Select the activities (you do not already undertake) that you plan to use digital and analytics to support in the next 3-5 years.

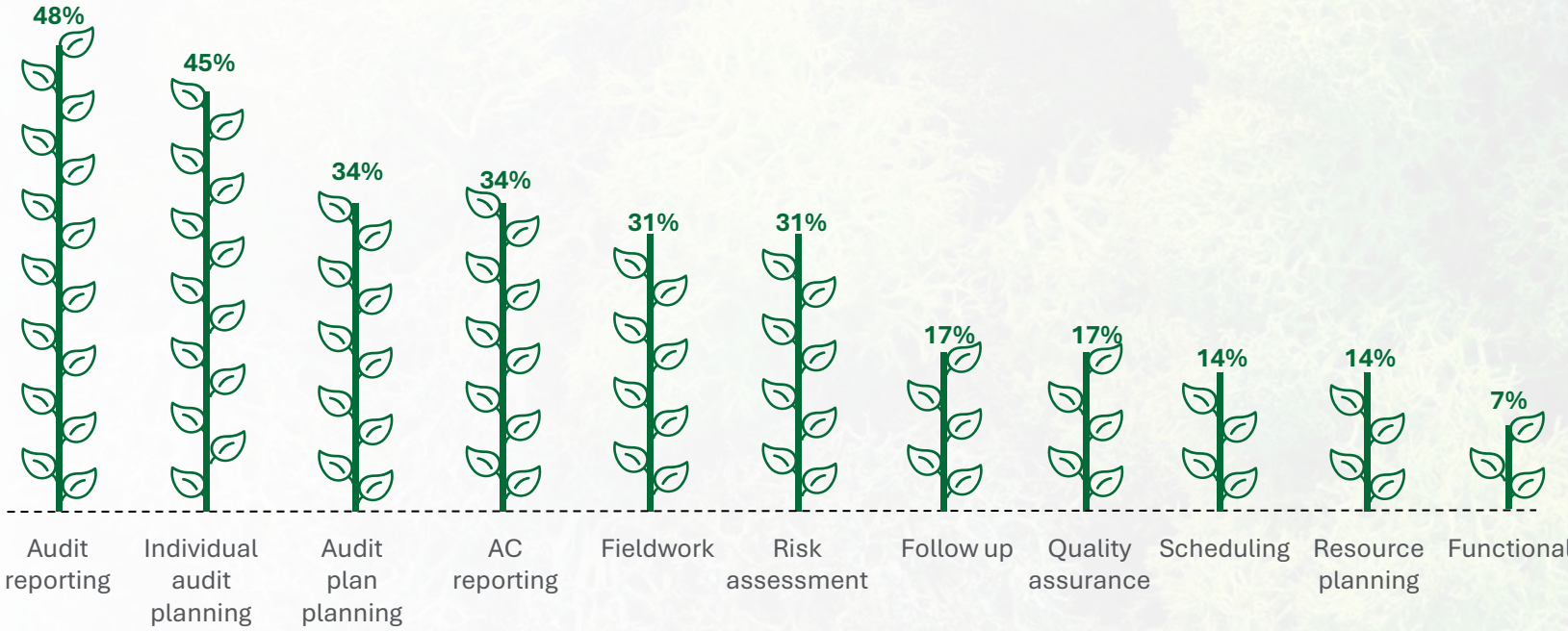
Planting the seeds for a data-driven future

Activities (not already undertaken) that functions plan to use GenAI to support in the next 3 to 5 years

The emergence of GenAI presents exciting new opportunities for internal audit functions. Our 2025 survey reveals a growing interest in leveraging GenAI to enhance efficiency and effectiveness across a range of audit activities.

Audit reporting and individual audit planning are identified as key areas where GenAI is expected to have a significant impact, with 48 percent and 45 percent of functions, respectively, planning to utilise GenAI within the next 3-5 years. Audit planning and AC reporting also show considerable potential, with 34 percent of functions planning to incorporate GenAI support. Other areas, such as fieldwork, risk assessment, and quality assurance, show slightly lower but still significant levels of planned adoption (31% and 17%), suggesting a phased and strategic approach to implementation.

Figure 22: Audit lifecycle activities which functions are planning to use GenAI techniques in the next 3-5 years



Survey Question: Select the activities (you do not already undertake) that you plan to use GenAI to support in the next 3-5 years?

GenAI is poised to become a key tool for enhancing efficiency and effectiveness, insights, improved decision-making, and greater strategic value.

06

Appendix

Glossary - Definitions

Digital:	The integration and embedment of digital technologies or enablers to transform Internal Audit's ways of working and increase the value offered to stakeholders.
Data analytics:	Analysis and interrogation of data sets to identify anomalies, trends or potential issues for further investigation. The objective is to enhance the level of assurance provided by Audit, through higher quality of evidence, increased depth of testing and better indicators for controls issues – current and predicted.
AMS (Audit Management Systems):	Software solutions designed to manage and streamline the entire audit lifecycle, from planning and execution to reporting and follow up. These systems often incorporate data analytics capabilities.
CCM (Continuous Controls Monitoring):	A risk management process which uses technology to automate the process of assessing a controls environment in real time or close to real time.
Cognitive analytics:	The blend of AI and traditional data analytics to mimic human interactions with specific tasks. These techniques learn from past inputs to become more efficient.
Descriptive analytics:	Uses data to tell us what happened in the past, often used for risk-based sampling and anomaly identification.
Diagnostic analytics:	Helps us understand why something happened, often used in Internal Audit to perform root cause analysis.
Predictive analytics:	Uses data and past trends to predict what is likely to happen in the future, can be used to support Dynamic Risk Assessment activities.
Prescriptive analytics:	Builds on from Descriptive Analytics and recommends actions we can take to affect future outcomes.
Artificial Intelligence (AI):	Refers to the simulation of human intelligence processes by computer systems.

Glossary - Definitions

Generative Artificial Intelligence (GenAI):	Generative AI is a subset of AI that focuses on creating new content, rather than just analysing or acting on existing data. These AI systems learn patterns and structures from input training data and then generate new data that has similar characteristics
Agentic AI:	A subset of AI which focuses on creating autonomous agents that can perceive their environment, set goals, and make decisions to achieve those goals, often interacting with the physical or digital world.
Machine Learning (ML):	A subset of AI that enables computer systems to learn from data without explicit programming.
NLP (Natural Language Processing):	A branch of AI that focuses on enabling computers to understand, interpret, and generate human language.
IPPF (International Professional Practices Framework):	A set of globally recognised standards and guidelines for the professional practice of internal audit.
KPI (Key Performance Indicator):	A measurable value that demonstrates how effectively a company is achieving key business objectives.
Fully centralised:	Operating model which consists of only the central team performing analytics activities
Decentralised:	Operating model which consists of business audit teams having the capability to perform most of analytics activities
Hub and spoke:	Operating model which consists of a small centre of excellence/specialisms that drive development of analytics, can be seen as intermediate champions
Business support:	Operating model which consists of internal audit teams receiving analytics support from other business areas
Basic / intermediate digital and analytic skills:	Using data to tell us what happened in the past, often used for risk-based sampling and anomaly identification as well as root cause analysis
Advanced digital and analytics skills:	Predicting what is likely to happen in the future and self-learning algorithms
Data Governance:	The collection of policies, processes, and standards that ensure the quality, integrity, and availability of data within an organisation.

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