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# Internal Audit Digital and Analytics Survey

## Internal Audit's Next Horizon - from digital ambition to AI-driven reality

November 2026

# Navigating the AI Horizon




01 Executive Summary

02 The Evolution of AI Adoption

03 The Reality of Continuous Assurance

04 The Next Frontier

05 Appendix




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# 01 Executive Summary




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# Executive Summary

**Internal Audit is moving from digital ambition to AI-driven reality. The opportunity is clear, but progress depends less on access to technology than on the skills, data, governance and operating models needed to use it effectively.**

## GenAI moves from exploration to application

Experimentation is becoming commonplace and successful use cases are emerging. Leading functions are validating use cases, establishing governance and integrating AI into established ways of working—yet large-scale adoption remains limited and the priority is now practical, repeatable deployment aligned with professional standards.

## Continuous assurance needs stronger foundations

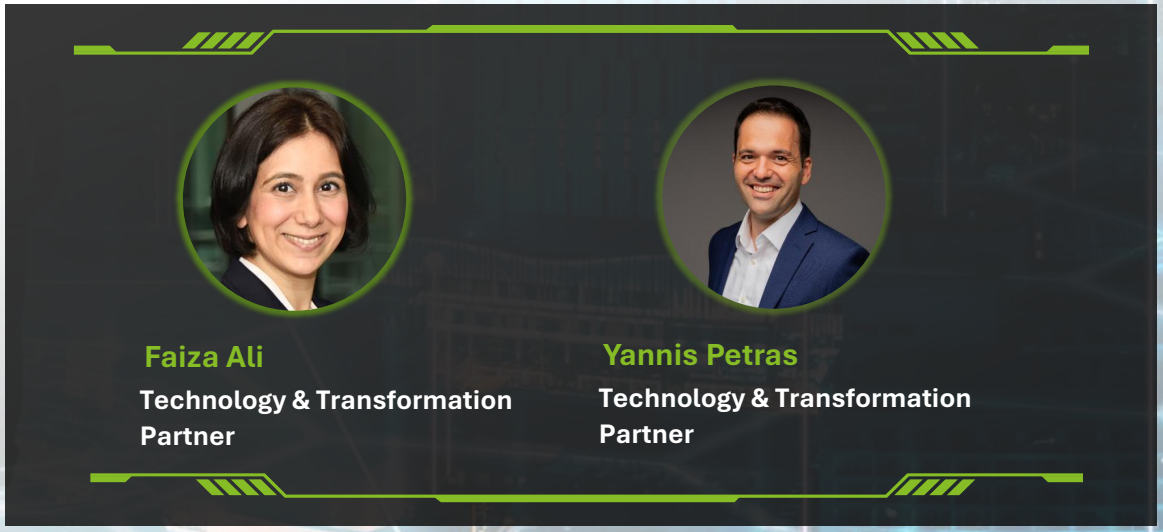
Ambition continues to outpace maturity: fewer than one in twenty organisations report mature, integrated capabilities. Progress is shaped by data quality, accessibility, governance and technology integration, with leading functions connecting monitoring outputs to risk assessment, audit prioritisation and emerging risk insight.

## Adoption is a people challenge

91% of respondents rate digital and AI skills as very or critically important. Sustainable adoption requires broad AI literacy, practical learning and leadership support—not only specialist capability—while human judgement, challenge and accountability remain central to audit delivery.

## Agentic AI is the next frontier

Agentic AI could coordinate multi-step workflows and automate repetitive activity; 79% of respondents recognise this efficiency opportunity. Adoption is still nascent, with only 4% embedded, making transparent, auditable AI actions, clear accountability and effective human oversight prerequisites for scale.





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# 02 The Evolution of GenAI Adoption




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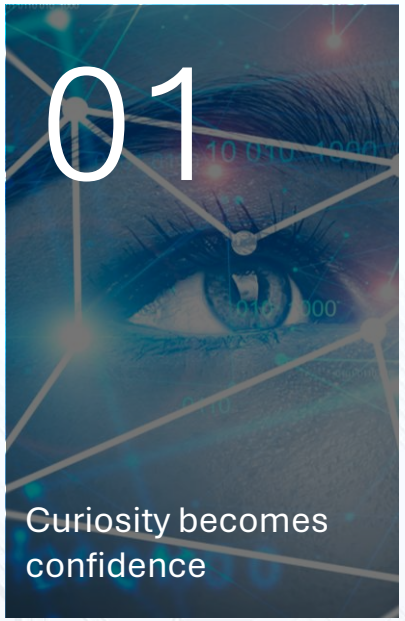
# The Evolution of GenAI Adoption

## From curiosity to capability

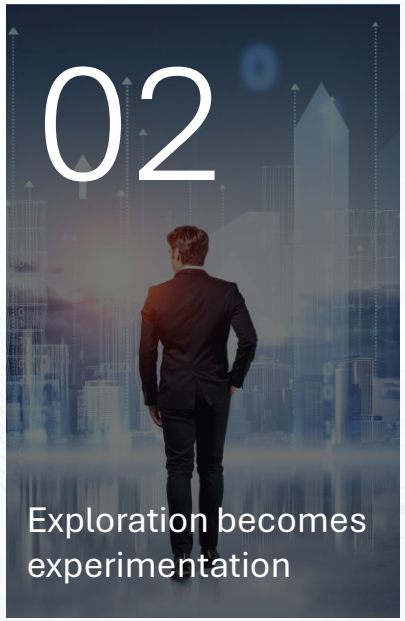
Over the past year, the conversation around AI within Internal Audit has matured. Early concerns about uncertainty and job displacement are increasingly giving way to curiosity, experimentation and practical application.

However, the journey to capability remains at an early stage for many organisations. While leading functions are developing use cases, governance frameworks and operating models, most are still exploring where AI can create the greatest value and how it can be applied effectively within the audit lifecycle.

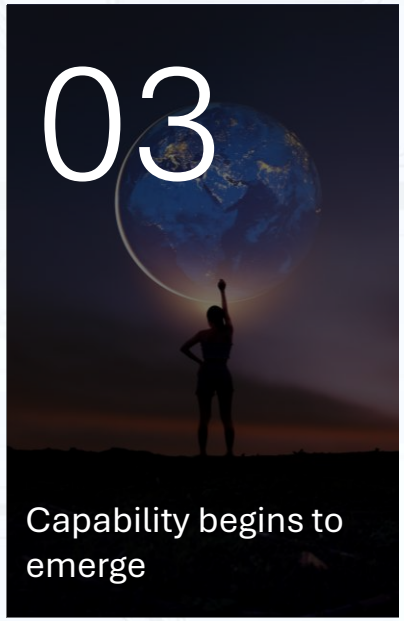
This reflects a broader shift in mindset. AI is no longer viewed solely as an emerging technology, but as a potential enabler of audit quality, efficiency and insight. Core analytics continues to deliver value through identifying control weaknesses and supporting auditable conclusions while predictive and prescriptive approaches remain less common. GenAI applications have proven to be highly effective in research and drafting, while better data, skills and validation are still needed for wider use.




As awareness and understanding of AI grows, Internal Audit functions are becoming more confident in exploring practical applications. Organisations are increasingly moving beyond theoretical discussions and beginning to identify areas where AI can support audit activities and enhance decision-making.




While many organisations are still assessing opportunities, a growing number are progressing into proof-of-concept development. Early experimentation is helping functions better understand the potential benefits, risks and governance requirements associated with AI adoption.




The most advanced organisations are starting to validate use cases, establish governance frameworks and integrate AI into existing ways of working. Although large-scale adoption remains limited, these early initiatives are providing a blueprint for how AI can be deployed responsibly and effectively within Internal Audit.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# The Evolution of GenAI Adoption

## Adoption is a people challenge, not a technology challenge



As organisations continue to invest in AI and digital technologies, many are discovering that technology itself is no longer the primary barrier to transformation. The challenge is increasingly centred on people: building confidence, developing new skills and creating the conditions needed for sustainable adoption across the Internal Audit function. Survey results highlight the importance respondents place on digital and AI capabilities, while interviews consistently emphasised the role of training, leadership support and practical experimentation in driving successful adoption.

### Skills drive adoption

As AI tools become increasingly accessible, the differentiator is shifting from technology ownership to workforce capability. Organisations recognise that sustainable adoption requires more than a handful of digital specialists; it demands broader AI literacy across the entire audit function.

### Adoption requires intention

Providing access to AI tools is only the first step. The real challenge lies in encouraging consistent and meaningful use. Survey findings highlight education programmes, easy-to-use tools and integration into existing audit processes as common approaches to driving adoption. Rather than treating AI as a standalone initiative, leading functions are embedding it into established ways of working and making it part of everyday audit activity.

### Human judgement remains essential

While confidence in AI continues to grow, organisations remain clear that humans are not being removed from the audit process. The focus is on creating effective human-AI collaboration rather than fully autonomous audit delivery.

***91% of respondents rate digital and AI skills as very important or critically important to the future success of Internal Audit.***


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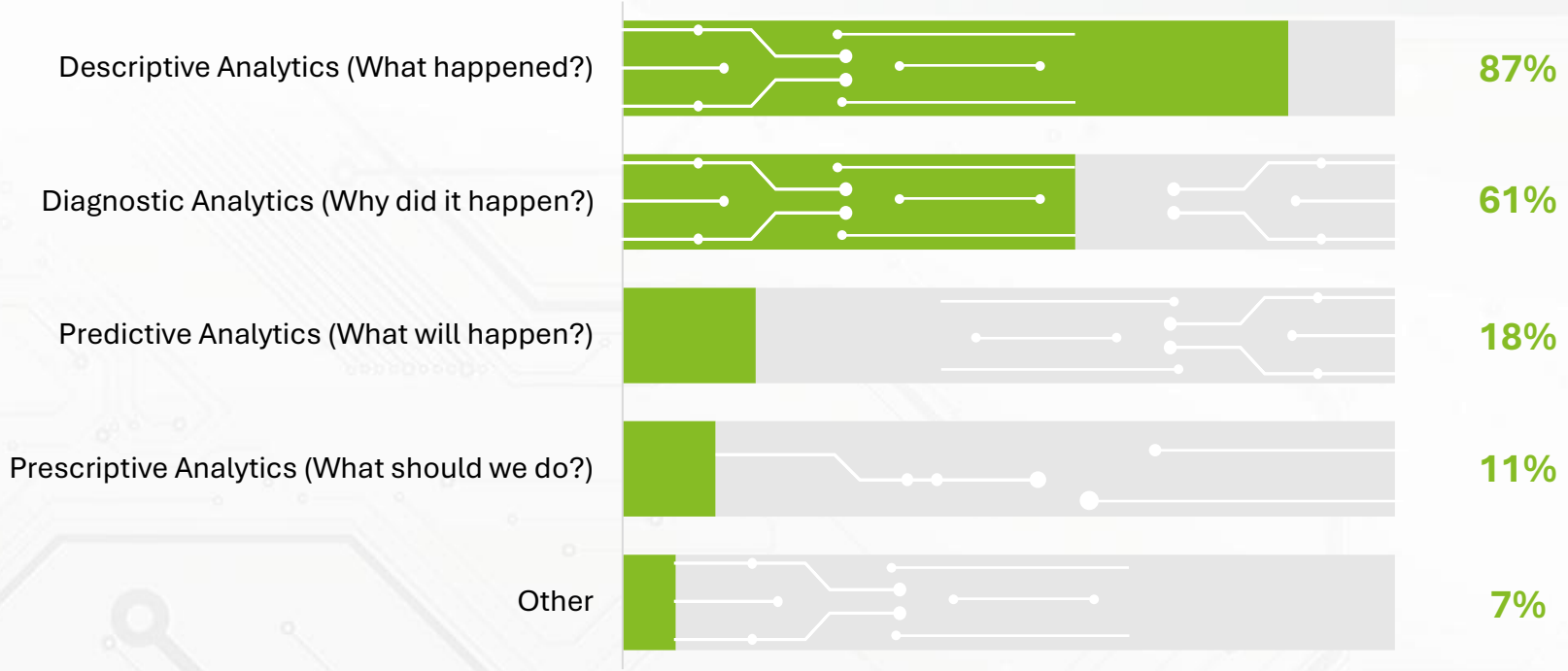
# Survey Insight

## Beyond generative AI, which core analytics capabilities are you actively developing or expanding within your internal audit function?






Predictive analytics remains an emerging capability. While its use has increased since our 2025 survey, progress remains mixed, with skills, data quality and clearly defined use cases continuing to constrain adoption. GenAI may make advanced analytics more accessible, but whether this will accelerate adoption remains uncertain.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# Survey Insight

## What tangible benefits or insights have you gained from leveraging these core analytics capabilities, distinct from those offered by Generative AI?

| Size | Large | Medium | Small |
|---|---|---|---|
| Enhanced ability to identify control weaknesses and process inefficiencies. | 82% | 71% | 80% |
| Data-driven identification of root causes for audit findings and control failures. | 71% | 57% | 60% |
| Proactive detection of emerging risks through pattern analysis of structured data. | 26% | 18% | |
| Objective and auditable evidence to support audit conclusions and recommendations | 79% | 79% | 80% |
| Improved resource allocation and audit planning based on quantitative risk assessments | 45% | 14% | |
| Other | 11% | 7% | |

While the previous survey provided a broader picture of analytics adoption, this year's results give greater insight into what internal audit functions are seeking to achieve through their core analytics capabilities. The results help to show where functions are focusing their efforts and the outcomes they increasingly expect analytics to support.


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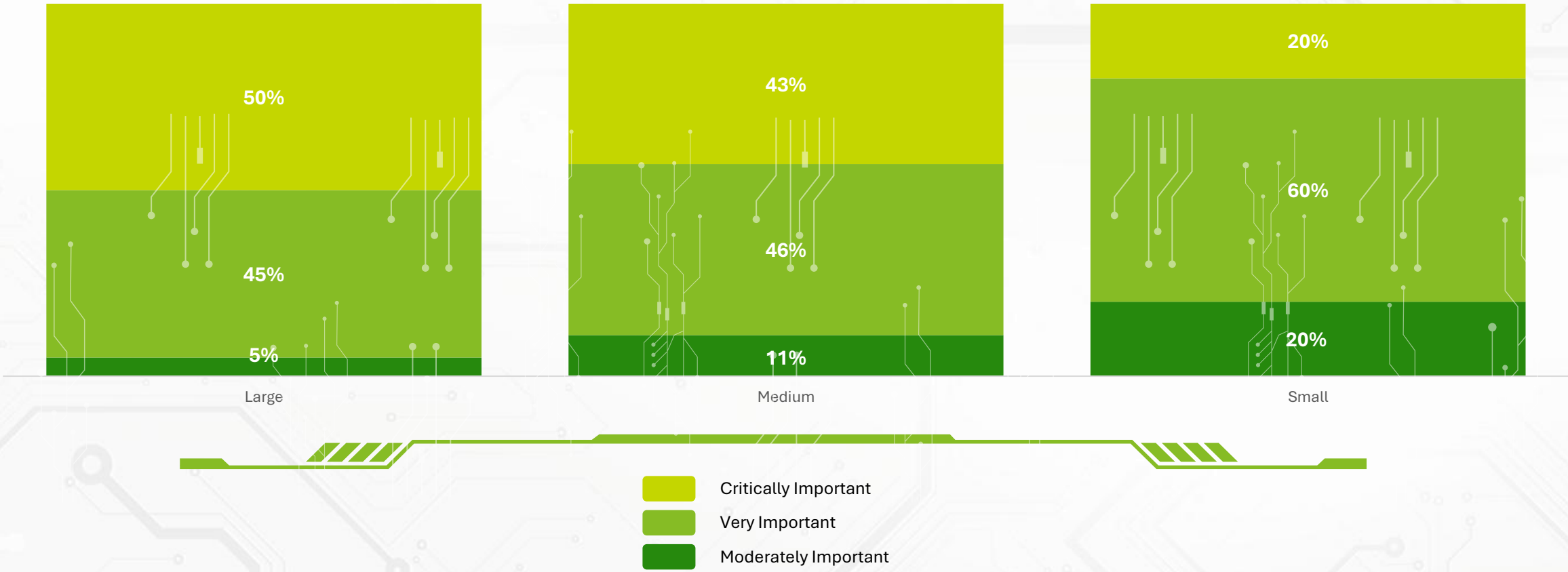
# Survey Insight

## How important is it for your Internal Audit function to develop new digital and AI skillsets within the team?




Developing new skills is a clear priority across function sizes and industries, although the perceived urgency varies. Larger functions are more likely to view these skills as critical, while smaller functions predominantly rate them as very important. This reinforces the 2025 publication's emphasis on matching technology investment with people development: upskilling remains central to translating data and AI capabilities into practical audit value.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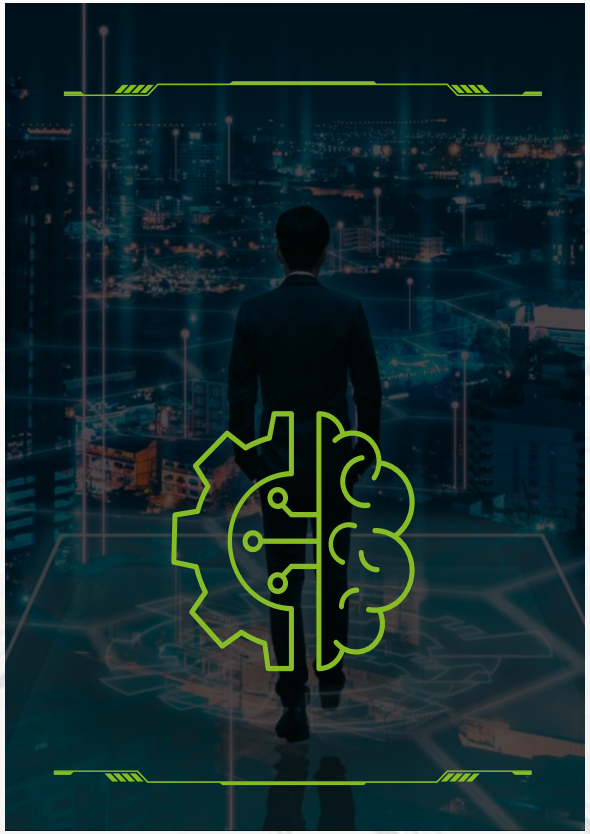
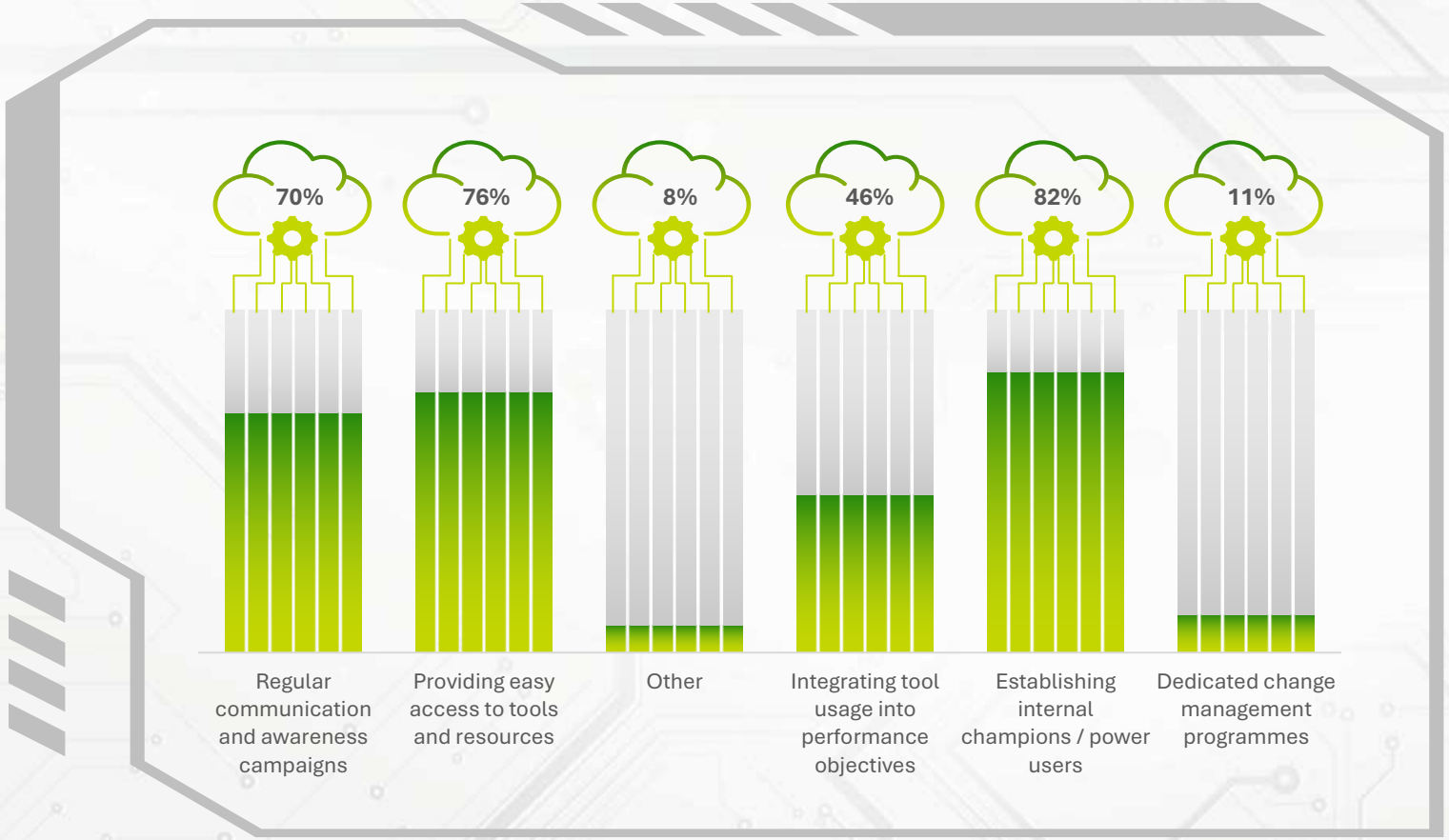
# Survey Insight

## Which of the following strategies does your Internal Audit function use to support teams in adopting new digital and AI tools?






Larger functions appear more likely to have established champions or power users, potentially reflecting greater capacity to invest in people, skills and structured learning. Developing these individuals could play an important role in building capability across the wider function and supporting greater adoption of AI and analytics.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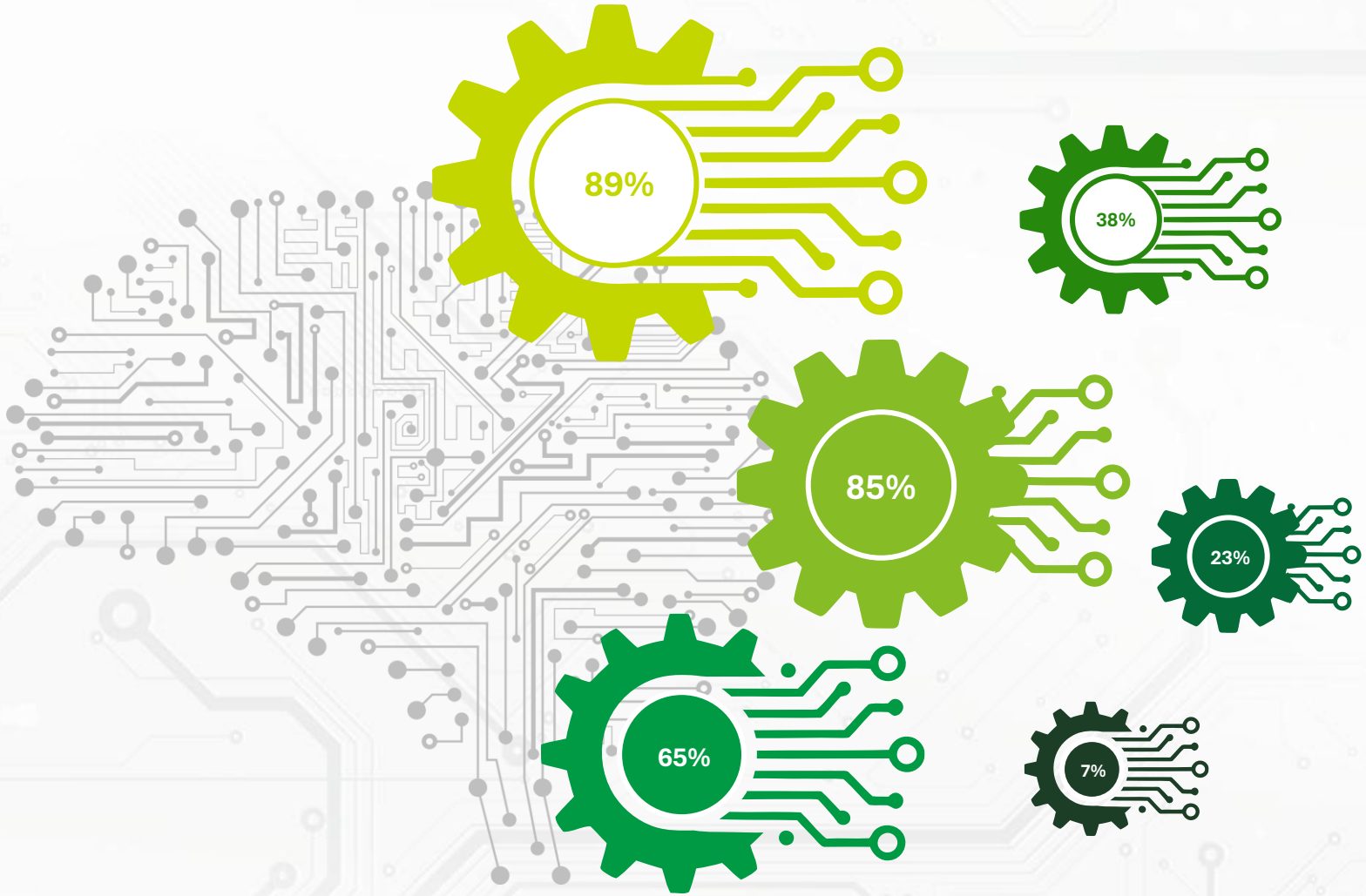
# Survey Insight

## Which of the following best describes your approach to upskilling your Internal Audit team in digital and analytics?




- On-the-job learning / Mentorship
- Self-directed learning / online courses
- Formal training programmes (internal/external)
- Recruitment of new talent with specific skills
- Cross-functional secondments / project work
- Other

The prevalence of self-directed and on-the-job learning suggests there is strong appetite among individuals to build their skills. However, as AI and analytics become increasingly embedded in internal audit, functions may need to complement this enthusiasm with more structured investment in training, tools and opportunities to support adoption at scale.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# Survey Insight

## How would you describe the cultural shift within your Internal Audit function towards embracing digital and AI technologies?

| Response | Large | Medium | Small | Grand Total |
|---|---|---|---|---|
| Significant positive shift | 47% | 46% | 80% | **49%** |
| Moderate positive shift | 50% | 46% | 20% | **46%** |
| No significant change | - | 4% | - | **1%** |
| Some resistance / negative shift | - | 4% | - | **1%** |
| Not applicable / Too early to tell | 3% | - | - | **1%** |

AI is having a broadly positive cultural impact across Internal Audit, with the strongest shift evident among smaller functions. This may reflect increasingly accessible AI tools lowering traditional barriers to adoption, allowing smaller teams to realise benefits that previously required greater investment or specialist capability. Larger functions may be seeing a less pronounced shift because they began from a more digitally mature position.


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# The Evolution of GenAI Adoption

## Turning Potential into Practice

### From Possibility to Practicality

Over the past two years, AI has moved rapidly from emerging technology to practical tool. Across Internal Audit functions, experimentation is becoming commonplace, confidence is growing and successful use cases are beginning to emerge. However, as organisations gain experience, the conversation is shifting away from exploration and towards application.

While adoption has progressed, the challenge of identifying AI use cases and where it can add value still persists for some functions. However, many Internal Audit leaders are increasingly focused on how these capabilities can be embedded into everyday audit activities in a way that is practical, repeatable and aligned with professional standards.

### From Isolated Successes to Sustainable Adoption

While pilot programmes and proof-of-concepts have demonstrated the potential of AI, long-term value depends on moving beyond individual successes. Internal Audit functions are increasingly investing in governance, standardisation and human oversight to ensure AI can be applied consistently across audit engagements and teams.

A common theme across our interviews was that the future is not fully autonomous audit delivery. Instead, functions are focused on creating effective collaboration between auditors and AI, combining technological capability with human judgement, challenge and accountability. The challenge is no longer proving that AI can work, but making it work reliably within an assurance environment.




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# 03 The Reality of Continuous Assurance




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# The Reality of Continuous Assurance

## Promise versus progress



For years, continuous auditing, continuous controls monitoring and continuous risk assessment have been discussed as the future of Internal Audit. Advances in data, analytics and automation have created new opportunities to move beyond periodic assurance activities and provide more timely insight into emerging risks. Yet while the vision is widely understood, the reality remains far more varied.

Our survey findings highlight a clear divide between ambition and maturity. While organisations increasingly recognise the value that continuous assurance can deliver, implementation remains uneven. Some functions have embedded continuous monitoring and data-driven risk assessment into their operating models, while others remain focused on foundational capabilities, piloting approaches and building the infrastructure required to support more continuous assurance activities.

The challenge is not a lack of interest. Rather, organisations are grappling with the practical realities of making continuous assurance work. Data availability, data quality, technology integration and access to meaningful business information continue to shape what is possible. Building reliable monitoring can require substantial investment, and the return depends on the controls covered and how auditors use the results. Some functions have questioned whether the expected benefits justify the development effort.


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# The Reality of Continuous Assurance

## Closing the gap between ambition and reality

### Data as the Foundation

Across the functions we interviewed, one theme emerged consistently: the success of continuous assurance is rarely constrained by analytics itself. Instead, it depends on the quality, accessibility and structure of the underlying data.

Many functions reported that their biggest challenges are accessing reliable data, navigating fragmented systems and ensuring information can be monitored consistently. Data quality, governance and ownership were all cited as critical factors in enabling effective continuous monitoring.

As a result, organisations increasingly view continuous assurance as both an audit and data transformation challenge. The most advanced functions are investing not only in analytics capabilities, but also in the data foundations, governance and partnerships needed to create a trusted and sustainable flow of information.

### From monitoring to insight

The true value of continuous assurance is not found in dashboards, alerts or control monitoring alone. Its real potential lies in helping Internal Audit functions develop a more timely and dynamic understanding of risk. As organisations mature, attention is increasingly shifting from monitoring activities in isolation towards using data-driven insights to inform risk assessment, prioritise audit activity and focus attention on emerging areas of concern.

Many functions highlighted the importance of turning large volumes of data into meaningful action. The challenge is not simply identifying anomalies or exceptions but understanding their implications and determining where assurance effort should be directed. Leading functions are integrating monitoring into broader risk and assurance processes, with clear ownership and ongoing maintenance as risks and systems change.

***While continuous assurance remains a strategic priority for many organisations, only 1% have fully integrated capabilities.***


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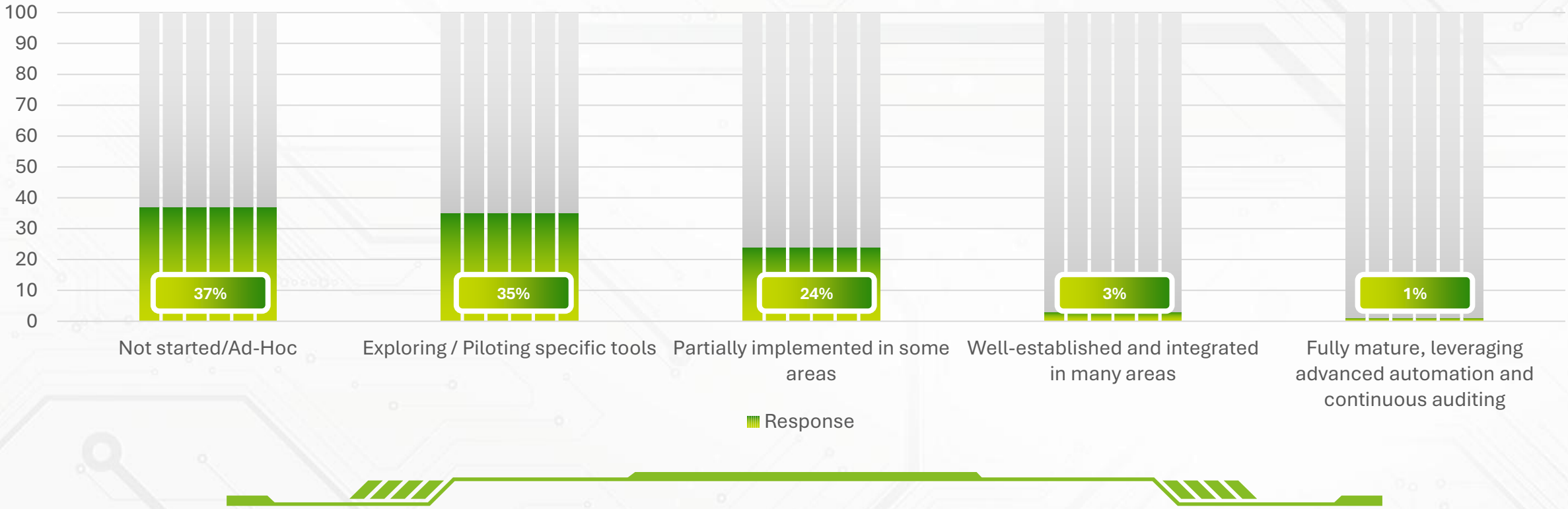
# Survey Insight

## What is the current maturity of your Internal Audit function's continuous audit capability?




Continuous assurance appears to be becoming more accessible across internal audit functions. While few functions have fully implemented continuous auditing, a much broader group is now exploring it. The relatively consistent picture across different function sizes may suggest that advances in AI and automation are lowering traditional barriers to entry, enabling smaller functions to explore capabilities that historically may have required greater investment and specialist resource.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# 04 The Next Frontier




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# The Next Frontier

## How Internal Audit is preparing for an agent-enabled future

Generative AI has moved from experimentation towards adoption. Continuous assurance is still limted. Yet across the organisations we interviewed, attention is increasingly turning to a new question: what comes next?

Agentic AI is emerging as one of the most discussed developments in the profession. The prospect of AI systems capable of planning tasks, orchestrating activities and working across multiple tools has generated significant interest among Internal Audit leaders. However, while enthusiasm is growing, adoption remains at an early stage. Most organisations are still building their understanding of what agentic capabilities mean in practice and where they can create meaningful value within the audit lifecycle.

As organisations explore future possibilities, the conversation is extending beyond technology. Questions around governance, operating models, workforce skills and human oversight are becoming increasingly important. Rather than replacing auditors, many organisations see agentic technologies as an opportunity to augment existing capabilities, automate routine activities and enable audit teams to focus more attention on judgement, challenge and insight.

The future remains uncertain, but one message is becoming increasingly clear: the functions best positioned to benefit from the next wave of innovation are those investing today in the foundations required to support it and identifying where AI can create the greatest value across the audit lifecycle. Data quality, governance, workforce capability, trust and scalable operating models will continue to be critical enablers, regardless of how the technology evolves.

***62% of organisations are still focused on understanding Agentic AI or identifying potential use cases, while only 4% have embedded the technology into their operations.***


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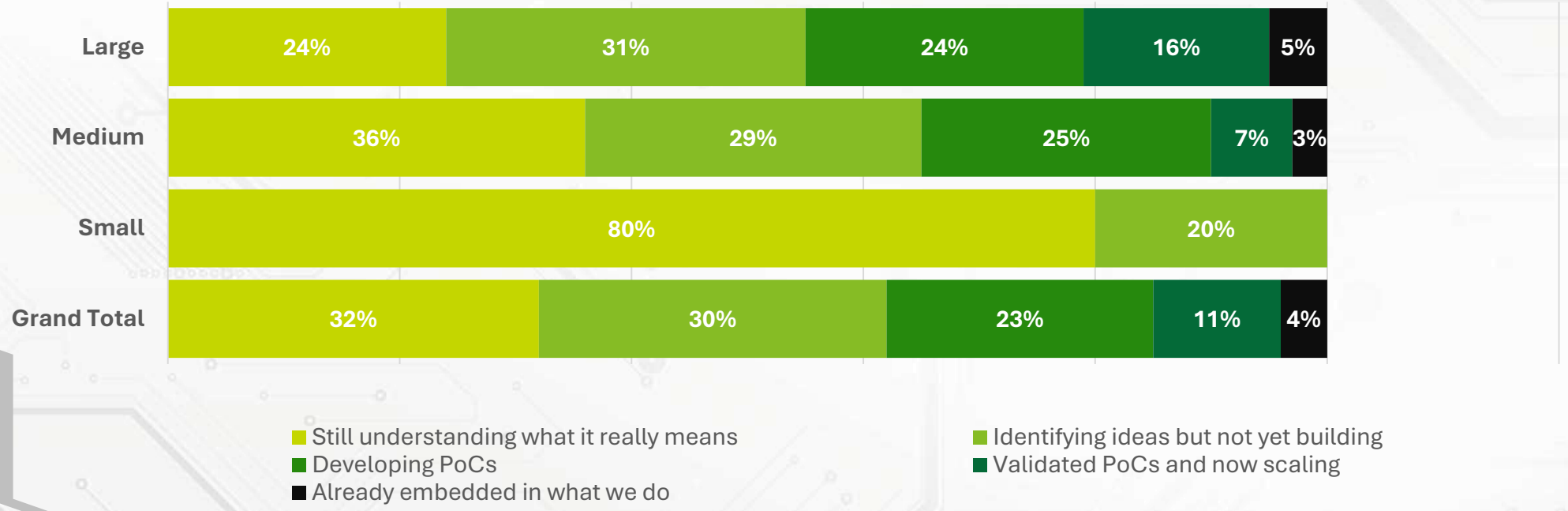
# Survey Insight

## Where are you currently in your agentic AI journey and exploration?




Larger functions appear to be progressing further with agentic AI, potentially reflecting greater access to the skills, resources and technology needed to develop solutions themselves. Smaller functions may be more dependent on agentic capabilities becoming embedded within existing enterprise and audit technologies, which could help narrow this gap over time.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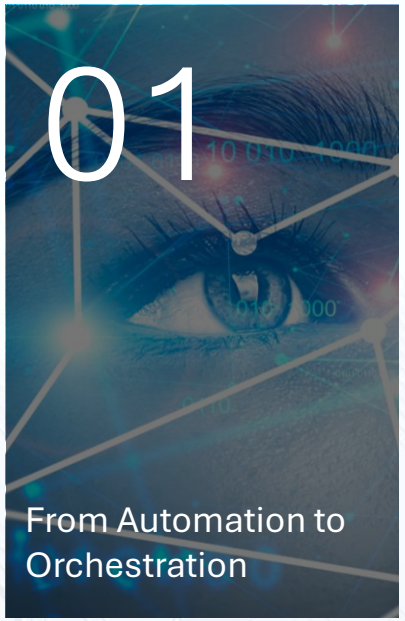
# The Next Frontier

## Moving beyond the hype

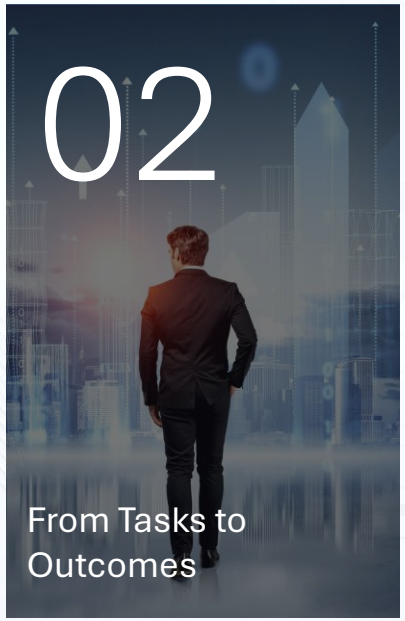
Agentic AI is increasingly being defined as the next evolution of automation. Unlike traditional automation, which follows predefined rules and executes specific tasks, agentic systems are designed to pursue objectives, make decisions and coordinate activities across multiple tools and processes.

For Internal Audit, this shifts the conversation from automating individual tasks to orchestrating entire workflows. While the vision of autonomous agents is attracting significant attention, most functions remain focused on understanding where these capabilities can create value and how they can be introduced responsibly within an assurance environment. For now, the emphasis remains on augmenting auditors rather than replacing them, with human oversight continuing to play a central role.

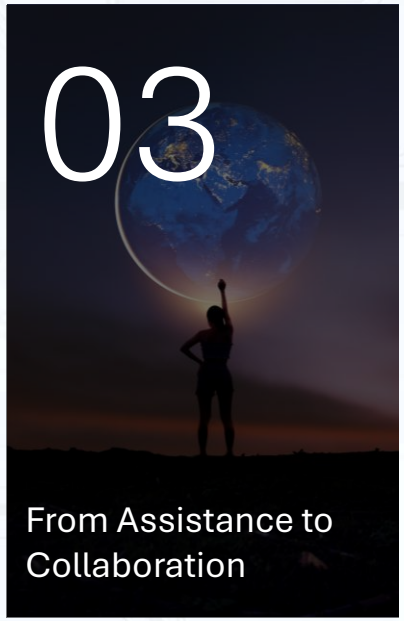
***79% of respondents believe Agentic AI could automate repetitive audit tasks and increase efficiency, while 66% emphasise the importance of ensuring AI actions remain transparent, auditable and ethically sound.***




Traditional automation follows predefined rules to complete specific tasks. Agentic AI introduces the possibility of systems that can coordinate activities, interact with multiple tools and manage multi-step workflows. For Internal Audit, the shift is not simply about working faster, but about enabling more connected and dynamic ways of working.




Unlike traditional automation, which focuses on executing individual activities, agentic systems are increasingly designed to pursue objectives and adapt their actions to achieve a desired outcome. This creates opportunities to reimagine how audit planning, testing, reporting and risk assessment activities are performed.




Rather than simply assisting with tasks, agents have the potential to become active participants within audit workflows. However, accountability, professional judgement and oversight remain firmly with the auditor, reinforcing the importance of effective human-agent collaboration.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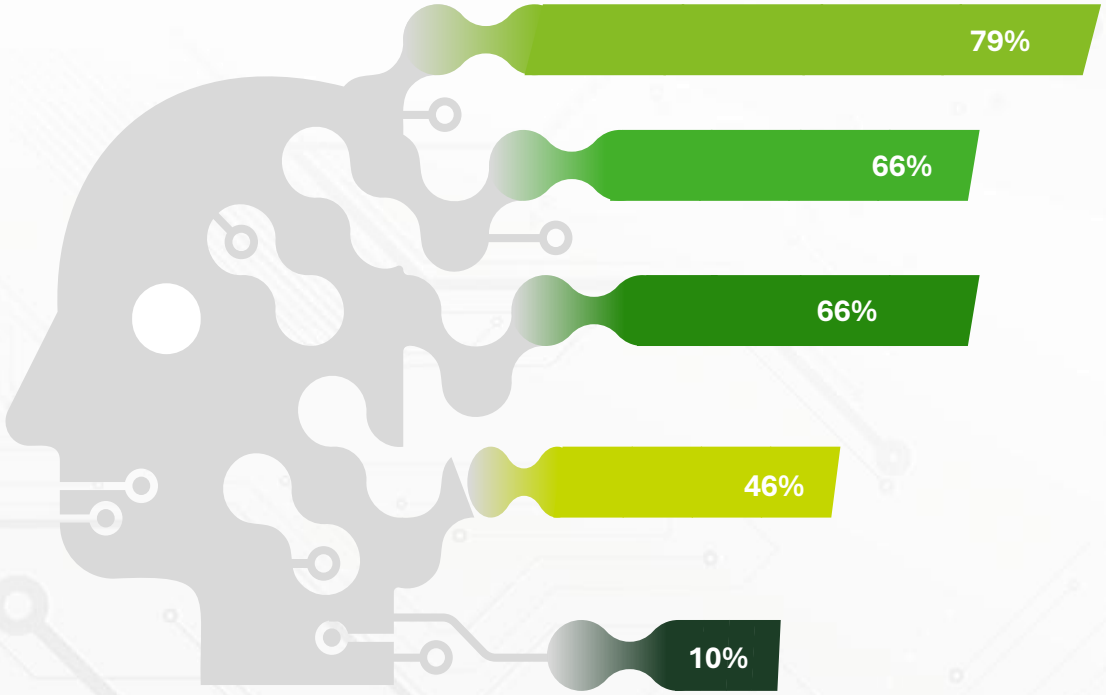
# Survey Insight

## What are the perceived opportunities and challenges for your Internal Audit function in potentially adopting Agentic AI capabilities in the next 3-5 years?




- Automating repetitive audit tasks to increase efficiency and allow for continuous monitoring. (**79%**)
- Dealing with technical integration, data security, and the need to upskill our audit team. (**66%**)
- Ensuring the AI's actions are transparent, auditable, and ethically sound. (**66%**)
- Enhancing our ability to proactively identify complex risks and potential fraud. (**46%**)
- Not sure at this stage. (**10%**)

Automating routine audit work is the main opportunity overall, but the emphasis differs. Smaller functions give equal weight to integration, security and skills challenges. Insurance and pharmaceuticals respondents also see strong potential for proactive risk detection, while technology and software respondents emphasise transparent auditable AI actions. This links to previous barriers of capacity and skills: agentic AI could ease workload pressures, but building the capability to use it remains a challenge.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# The Next Frontier

## Preparing the Operating Model

### Human-enabled, Agent-supported

As organisations explore Agentic AI, attention is increasingly shifting beyond technology and towards the operating model required to support it. While the capabilities of agent-based systems continue to evolve, interviews consistently highlighted that success would depend on clear governance, accountability and effective human oversight.  Rather than replacing auditors, functions are beginning to view Agentic AI as a means of augmenting existing teams and automating routine activities. This is creating opportunities for auditors to focus more time on professional judgement, stakeholder engagement and insight generation, while agents support workflow execution and information gathering.

### The auditor's role evolves

The future operating model is expected to shift auditor effort away from routine execution and towards oversight, interpretation and challenge. As AI takes on a greater share of repetitive activities, the value of human judgement, scepticism and business understanding is expected to increase rather than diminish.

### Governance becomes foundational

As AI systems become capable of taking more independent actions, governance is becoming a prerequisite for adoption rather than an afterthought. Organisations consistently highlighted the need for transparency, accountability and mechanisms to validate AI-driven outputs before they can be relied upon within an assurance environment.

***One-third of respondents (34%) expect Agentic AI to drive significant or transformational changes to their Internal Audit operating model over the next 3-5 years.***


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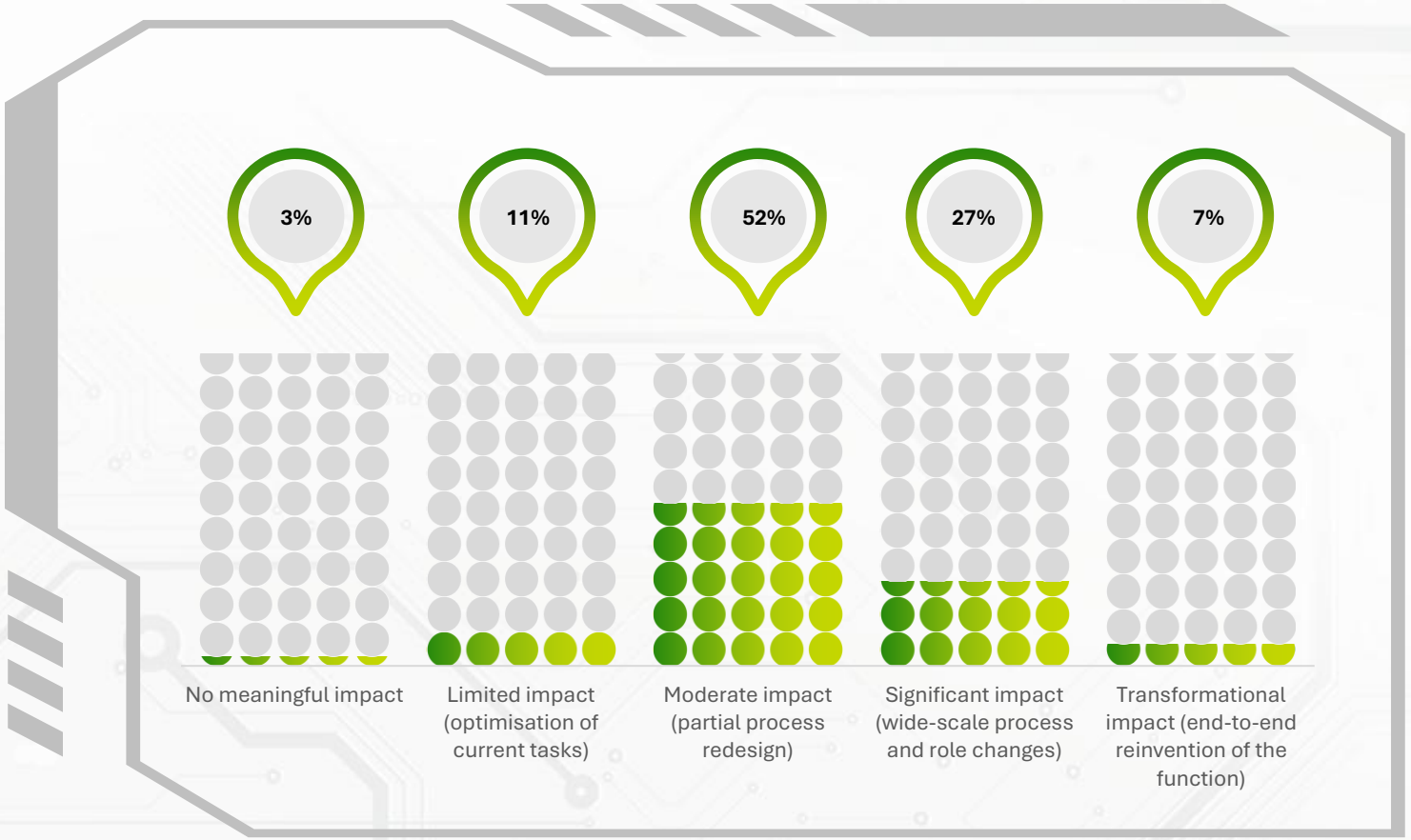
# Survey Insight

## To what extent do you anticipate agentic AI will transform how your function operates?






Despite growing adoption of AI, most functions remain measured in their expectations of agentic AI, with relatively few anticipating a transformational impact. This may reflect the relative maturity of the technology, but could also point to a wider challenge: realising its transformational potential may require more than adopting new technology, with functions needing to rethink roles, skills, team structures and ways of working, while establishing the safeguards that make AI trustworthy and building confidence in its use.

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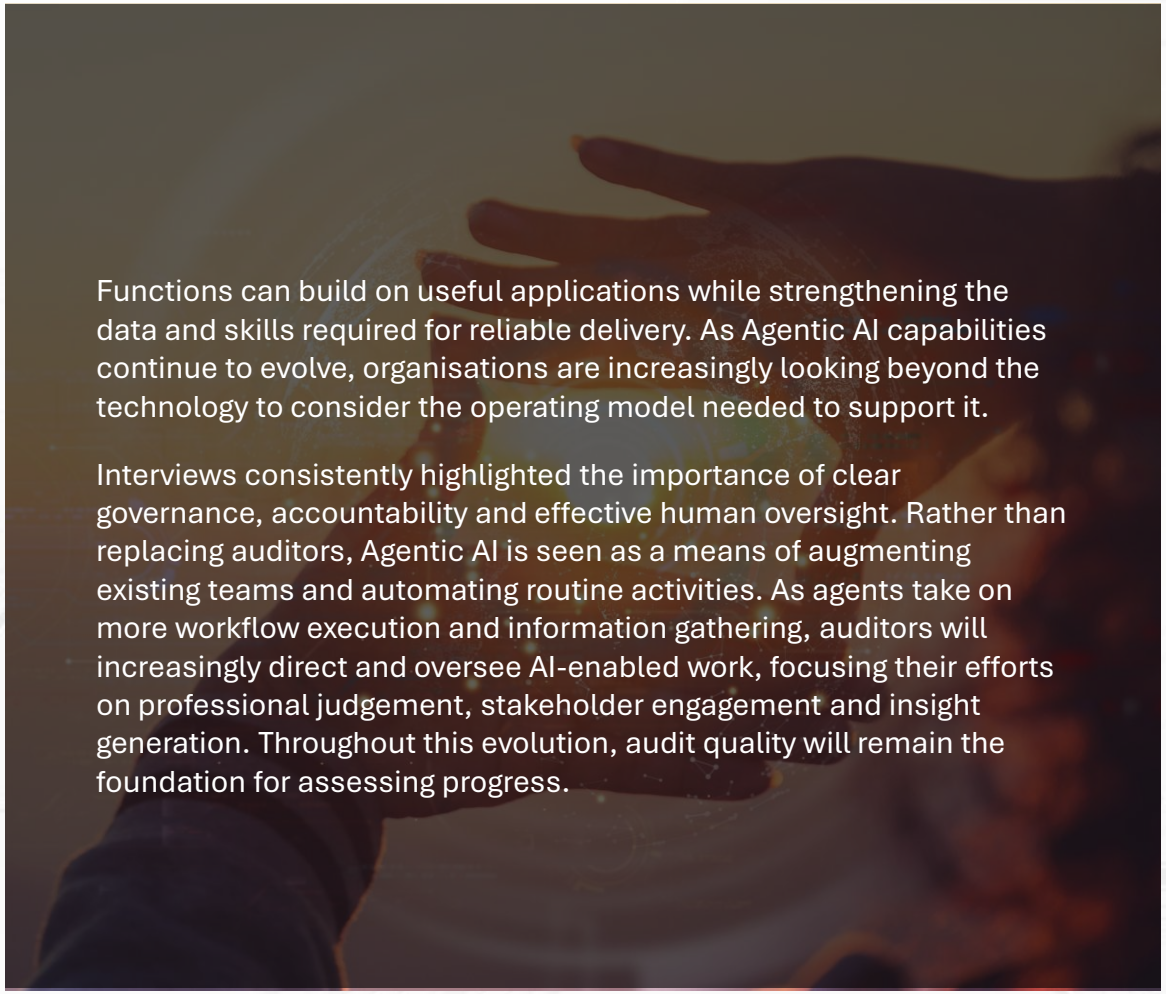
# The Next Frontier

## Building for tomorrow



Functions can build on useful applications while strengthening the data and skills required for reliable delivery. As Agentic AI capabilities continue to evolve, organisations are increasingly looking beyond the technology to consider the operating model needed to support it.

Interviews consistently highlighted the importance of clear governance, accountability and effective human oversight. Rather than replacing auditors, Agentic AI is seen as a means of augmenting existing teams and automating routine activities. As agents take on more workflow execution and information gathering, auditors will increasingly direct and oversee AI-enabled work, focusing their efforts on professional judgement, stakeholder engagement and insight generation. Throughout this evolution, audit quality will remain the foundation for assessing progress.

### Governance becomes foundational

As AI systems become capable of taking more independent actions, governance will increasingly become a prerequisite for adoption rather than an afterthought. Clear accountability and mechanisms to validate AI-driven outputs will be essential before they can be relied upon within an assurance environment.

### The auditor's role evolves

The future operating model is expected to shift auditor effort away from routine execution and towards oversight, interpretation and challenge. As AI takes on a greater share of repetitive activities, the value of human judgement, scepticism and business understanding is expected to increase rather than diminish.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# 05 Appendix




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# Glossary

## Key terms used in this publication

| Term | Definition |
|---|---|
| **Generative AI (GenAI)** | In this publication, AI moving from experimentation towards practical use in Internal Audit to support audit activity, decision-making, efficiency and insight. |
| **Agentic AI** | AI systems designed to pursue objectives, make decisions and coordinate activities across multiple tools and processes, adapting actions to achieve an outcome. |
| **Traditional automation** | Automation that follows predefined rules to complete specific tasks. |
| **Proof of concept (PoC)** | An early experiment used to develop or validate an AI use case and understand its benefits, risks and governance requirements before scaling. |
| **AI literacy** | Broad workforce understanding and capability needed to use AI tools confidently and meaningfully in everyday audit work. |
| **Governance framework** | The controls, accountabilities and oversight used to make AI transparent, validated and aligned with professional standards. |
| **Human–AI collaboration** | A way of working in which AI supports audit activity while auditors retain judgement, challenge and accountability. |
| **Human oversight** | Auditor review and validation of AI actions and outputs so professional judgement and accountability remain with people. |


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# Glossary (continued)

## Key terms used in this publication

| Term | Definition |
|---|---|
| **Continuous assurance** | A timelier and more dynamic approach using continuous auditing, controls monitoring and risk assessment rather than relying only on periodic assurance activity. |
| **Continuous auditing** | Ongoing, data-enabled audit activity that supports more timely insight into emerging risks. |
| **Continuous controls monitoring** | Ongoing monitoring of controls and exceptions to identify issues that require assurance attention. |
| **Continuous risk assessment** | Ongoing assessment that uses data-driven insight to maintain a current understanding of risk. |
| **Data-driven risk assessment** | Using monitoring outputs and data insight to assess risk, prioritise audit activity and focus on emerging concerns. |
| **Data foundations** | The quality, accessibility, structure, governance, ownership and integration of data needed for reliable analytics and monitoring. |
| **Audit lifecycle** | The connected Internal Audit activities of planning, testing, reporting and risk assessment. |
| **Internal Audit operating model** | The governance, accountabilities, workforce roles, oversight and workflows through which the function organises and delivers audit work. |


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