



## Elevating internal audit talent and organizations for a transformative future

### Internal audit megatrends | 5x5: Insights and actions



As organizations and their operating environments become more complex, their risks do as well. The internal audit (IA) function is evolving rapidly to prepare the organization for potential threats, risks, and opportunities all while striving to be a strategic enabler to the enterprise. Working in the IA function provides tremendous opportunity to learn the strategies, operations, and nuances of the business – making IA a potential talent and development destination. This calls for a fresh look at the talent experience for internal auditors and a need to reframe the talent strategy. Ultimately, this can unlock their potential to thrive in the increasingly complex environment.

#### 5 insights you should know

- **Today's skillsets may not be tomorrow's as IA adapts to changing environments**  
Internal audit is being **reshaped by disruptive market dynamics**. This **necessitates the evolution of required skillsets** to keep pace with the evolving stakeholder needs, changing regulatory environments, and emerging risks and optimization of work processes and employee experience.
- **Artificial intelligence (AI) is everywhere... and is core to delivery and evolution of IA's services**  
Digital capabilities are **growing exponentially**, from traditional analytics through to Generative AI and beyond. While our IA teams are expected to have folks with deep technical skillsets, **concepts of digital fluency for all team members** is no longer a nice to have, but a core requirement.
- **A paradigm shift in innovation**  
Innovation is critical for IA's short- and long-term success and according to the Deloitte Global's Chief Audit Executive Global Survey, **55% of auditors indicated are not empowered to innovate**. While leadership support is critical for innovation, broad skill sets—including **creative thinking, analytical thinking, technical skills, and business acumen** (to name a few)—are needed to drive innovation programs.
- **Agile teams boost risk management and business value**  
**Agile internal audit** functions can deliver **high-quality risk assessments, accelerate business value, and foster more engaged teams** and stakeholders. **Expert coaching** in Agile methodologies is crucial for **accelerating adoption and enhancing team performance** throughout the transformation process.
- **Current organizational capability is not in-pace with requirements**  
Many IA departments are struggling to build and maintain the capabilities needed with **increasing shortfalls**, along with skills mismatch with organizational **priorities**.

#### 5 actions you can take

- **Develop future skills based on persona-aligned strategy**  
Create an **IA skills taxonomy** for roles utilizing personas to understand **role-specific proficiency expectations based on the market dynamics** and conduct rapid assessment to ascertain gaps in the skills related to regulatory environment, technologies, and business priorities. This should include technical skills and also focus on required business, communications, and leadership skills.
- **Augment core risk capabilities and skill sets with digital fluency**  
**Upskill IA teams through digital fluency training**, which includes concepts such as technology overview; use case identification; data quality; transformation; and preparation, analytics techniques, and art of the story. In addition, **provide introductory training opportunities** for topics such as visualization tools and advanced spreadsheet techniques as it can provide an opportunity to quickly transform to citizen developers and drive the pipeline.
- **Amplify innovation culture**  
Determine the **ways of working and discipline** needed to design an **innovation-fueled environment** and align on the **desired capabilities**, supported through **appropriate resourcing, funding, and competencies** with targets to guide performance, evaluate progress, and incentivize supporting behaviors.
- **Enhance outcomes with Agile approach to teaming**  
Agility is about action, attitude, and mindset. It has the potential to transform teams into more disciplined, more resilient, higher performers that are better able to realize value from constant change. Implement **Agile approaches** in select areas, using tools (e.g., **Kanban**) or ways of working (e.g., timeboxing, standups, retrospectives) to focus the team on continuously improving key priorities.
- **Develop a long-term view of Talent**  
Build pipeline of talent to **address the shifts in number and profile employees** entering the team. Clarify **skill expectations and visualize career progression** so employee capabilities align with organizational priorities and their own futures.



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#### Considerations for elevating the internal audit organization

- **Adaptive resource models:** Design the operating model to reduce complexity and implement flexible resourcing strategies. Leverage a broad range of skills, experience, and capacity from within the organization, partners, and external vendors.
- **Strategic third-party collaborations:** Form partnerships with external resources to supplement internal teams, rapidly addressing skill gaps and supporting critical, time-sensitive projects with specialized knowledge.
- **Flattened organizational structures:** Develop flatter, matrix-based structures where auditors operate across various entities, regions, and risk areas. Integrate risk functions like ERM, compliance, and internal audit for an enterprise-wide approach.
- **Agile auditing practices:** Transition IA's role from a traditional auditor to a strategic business partner. Design reporting lines and roles to support agile auditing methods, dynamic risk assessments, and other modern practices.
- **Enhancing technology maturity:** Address funding and knowledge gaps by integrating a technology maturity model. Understand organizational technological progress, utilize appropriate data analytics tools, benchmark against industry peers, and integrate cutting-edge technologies to streamline audit processes.
- **Succession planning for key audit roles:** Consider succession risks in vital audit management positions. Integrate succession plans for crucial audit roles into the broader audit strategy to mitigate disruptions and maintain operational continuity.



#### Case study: IA skills assessment and staffing model design

##### Challenge:

The client is on a journey to implement a persona-driven competency model and skills assessment process that will elevate its ability to address critical IA needs in a more agile way – from dynamically staffing resources to rapidly informing learning needs. The client also wanted to develop a fit-for-purpose audit fundamentals curriculum and sustainable framework to manage the skills assessment outcomes.

##### Approach:

Deloitte delivery team comprised of IA subject matter advisors defined the strategic priorities for IA talent and designed a bespoke IA skills inventory to conduct a skills assessment based on six key personas in the IA function. The results from the skills assessment helped inform the training and staffing strategies to address critical needs such as dynamically staffing of projects by auditors and subject matter experts.

##### Outcomes:

- Aligned the skills inventory with IIA Standards and regulatory expectations to deliver on the audit objectives and priorities
- Identified learning and development needs based on skills assessment outcomes
- Optimized scheduling to dynamically allocate resources through a data-driven approach

For more information, or to explore insights, please visit:

[Deloitte Insights on Workforce Deloitte IA 4.0](#)

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