



# Digital is not the end goal. It's how you get there.



Options to collect, curate, and analyze data have never been greater, and now is the time for Internal Audit (“IA”) to lay a strong foundation for the future. Business leaders and (“IA”) stakeholders increasingly rely on data to support critical decisions. Data enables fact-based decisions that can improve business strategies, operations, and grow the top line.

Digital for Internal Audit is the integration and enablement of digital assets and capabilities (technologies, talent, and ways of working) to transform existing processes and increase the value offered to stakeholders. It requires a cultural shift and a mindset of experimentation, innovation, and challenging the status quo.

## Internal audit and the digital journey

- 1

**Strategic vision and roadmap**  
Building a digital strategy supports alignment with IA's vision and goals and sets the priority for longer-term investments. Your analytics journey will be your own. Consider strategic components of vision, people, processes, technology, and data, and how they tie to your purpose.
- 2

**Specialized skills are important, but mindset drives true value**  
Upskilling is critical. Data science shouldn't be left to the scientists; auditors need to develop digital fluency and the necessary skills to recognize and develop opportunities for analytics and automation.
- 3

**Beyond integrated internal audits**  
Embed digital assets across your audit lifecycle, helping to improve risk sensing, auditor awareness, and effectiveness of coverage, while significantly reducing effort.
- 4

**Artificial intelligence (AI)**  
Saving time, increasing risk awareness, gaining new insights, and automating repetitive tasks - AI is now a proven tool in the auditor toolkit.
- 5

**Data is still the key**  
With the right data insights, business leaders can make more informed, effective decisions that will improve business performance. Research shows that business leaders are significantly more likely to act when IA supports recommendations with data.

## Considerations for IA functions

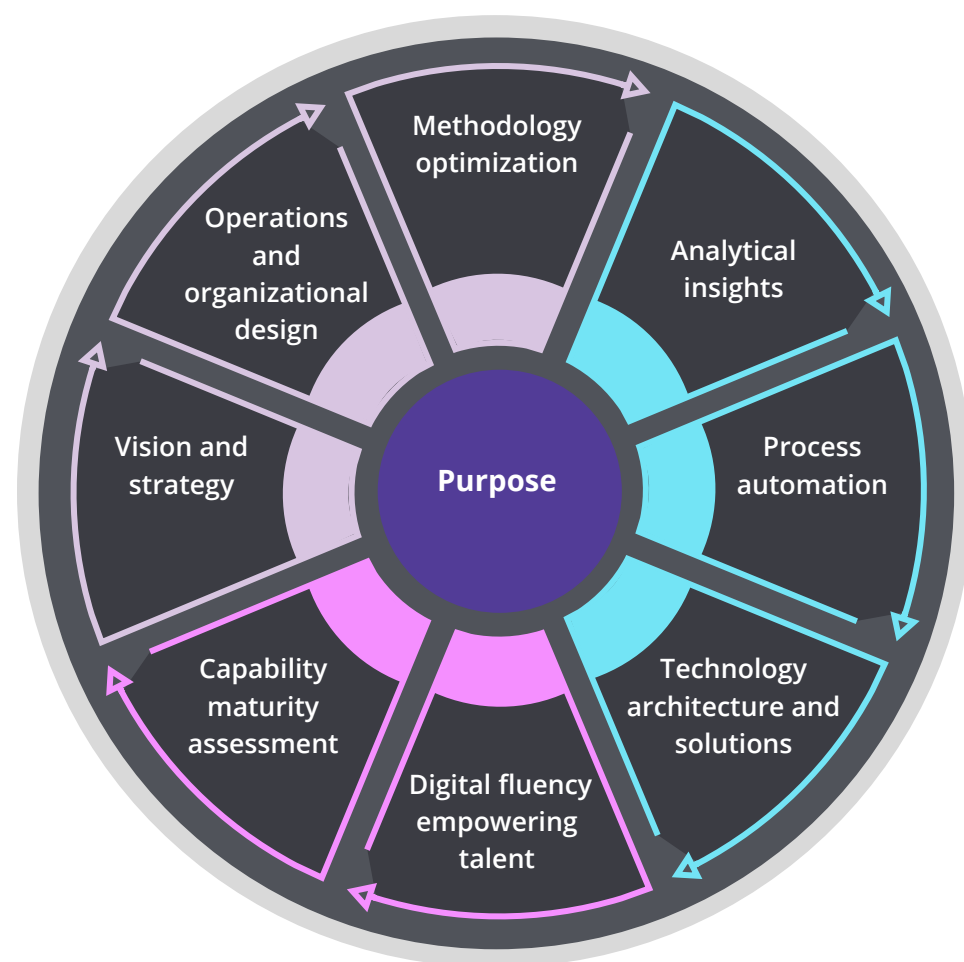
Internal audit's digital journey has the greatest impact when its approach and outcomes are aligned with an organization's purpose. From supporting data-driven decision to insights and anticipating key risks, Internal Audit can help to accelerate positive change.

Digital is a journey that will transform ways of working and the value and position of the IA function. The change will take time, but without the first step on the journey, functions may fail to capture the immediate value that internal audit generates daily: knowledge and understanding of enterprise risks, insights and observations from audits, and leading practices from across the enterprise.

IA functions successful in the analytics journey commonly address four key elements:

- Understanding of organizational priorities both short and long term**
- Alignment with the technology and data strategy of the enterprise**
- Establishment of a strong vision, and communicate that importance top-down through the function**
- Recognition that this is a transformation and not just a project**

# Deloitte understands how to empower internal audit through digital



## Purpose

Digital is an enabler of strategy, not a goal. Understanding your north star or purpose can result in a strategic use of digital to deliver better insights, quality, efficiency, collaboration and impact.

## Assess

Leveraging Deloitte's Insight Driven Organization (IDO) framework, we can assess IA teams current and desired future maturity levels and identify where opportunities for action exist.

## Design

By entrenching data, analysis and reasoning into internal audit's decision-making processes, we turn digital into a core capability while promoting a culture of insight-driven auditing.

## Execute

Strategy can be brought to life through the deployment of digital technologies across the internal audit lifecycle including risk assessment, planning, fieldwork, reporting, and monitoring.

## How to accelerate your digital program

- **Deloitte's digital strategy lab** can help to identify how to take your IA function to the next level of digital transformation.
- **A digital proof-of-concept** can provide a low-cost, low-risk opportunity to test digital concepts.
- **A digital "POD"** of dedicated technology professionals can provide scale to your internal audit technology team without the long-term commitment of full-time hires.

1

### Firmwide risk assessment

- **Development of audit universe, key risk indicators (KRIs), and risk scoring methodology.**
- **Dynamic risk assessment** application allowing for the assessment of risk across auditable entities.

2

### Annual audit planning

- **AI for audit reports** for analysis of past year issues.
- **Web-based portal** for use in capturing and analyzing audit interview notes as well as setting audit plans.
- **Audit plan and coverage visualizations.**

3

### Audit fieldwork

- **Automated data extraction** for planned audits.
- **Audit procedure automation** providing analysis and work-paper population for common tests.
- **Self-service audit analytics with risk scoring and machine learning models**
- **SOX controls testing automation** reducing manual efforts required by testing teams.

4

### Reporting and issue tracking

- **AI for audit reports** showing themes and trends across audits.
- **Automated notifications of open audit issues** to key stakeholders.

5

### Continuous monitoring

- **Ongoing risk sensing & continuous monitoring** mid-year adjustments to audit plans and scope.
- **TrustIQ™ monitoring** of organization's state of Trust compared against industry benchmarks and external signals.

Integrated data platforms allowing for the rapid development and scale of digital internal audit applications.

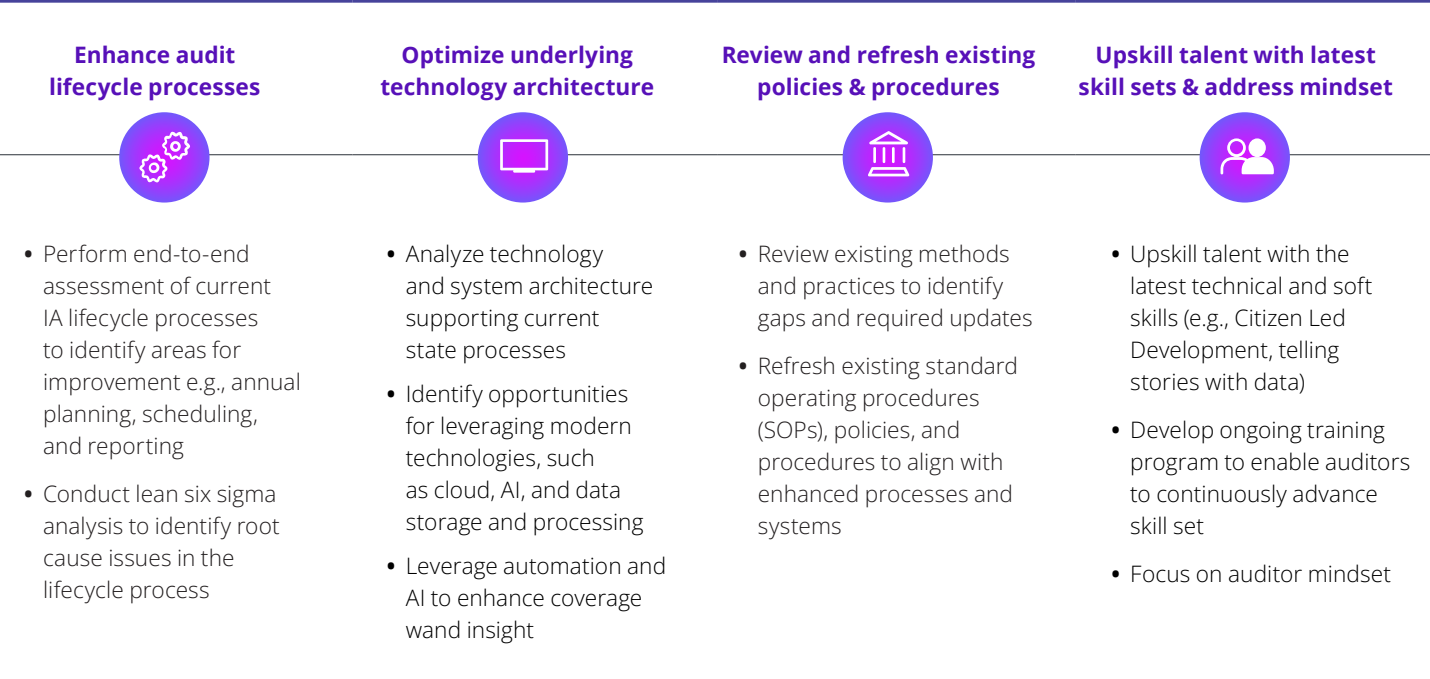
Front-end design creating easy to use, consumer style interactions.

Automation and artificial intelligence infrastructures building efficiencies across applications.

Getting started: Deloitte helps IA to realize the full value of technology to modernize audit and data to drive impact and value

Today, as organizational leaders seek to modernize the IA functions, exciting new levers can enable a more data-driven technology and agile operation through the audit lifecycle. IA digitization is a journey and begins by integrating processes, technology, governance, and talent to help significantly transform the ways of working.

Our approach to bringing digital to internal audit:



Meet our digital and innovation leadership:



**Sarah Fedele**  
Principal, Deloitte & Touche LLP  
[sarahfedele@deloitte.com](mailto:sarahfedele@deloitte.com)



**Geoff Kovesdy**  
Principal, Deloitte & Touche LLP  
[gkovesdy@deloitte.com](mailto:gkovesdy@deloitte.com)



**Neil White**  
Principal, Deloitte & Touche LLP  
[nwhite@deloitte.com](mailto:nwhite@deloitte.com)



**Mike Schor**  
Partner, Deloitte & Touche LLP  
[mschor@deloitte.com](mailto:mschor@deloitte.com)

This publication contains general information only and Deloitte is not, by means of this publication, rendering accounting, business, financial, investment, legal, tax, or other professional advice or services. This publication is not a substitute for such professional advice or services, nor should it be used as a basis for any decision or action that may affect your business. Before making any decision or taking any action that may affect your business, you should consult a qualified professional advisor.

Deloitte shall not be responsible for any loss sustained by any person who relies on this publication.

As used in this document, “Deloitte” means Deloitte & Touche LLP, a subsidiary of Deloitte LLP. Please see [www.deloitte.com/us/about](http://www.deloitte.com/us/about) for a detailed description of our legal structure. Certain services may not be available to attest clients under the rules and regulations of public accounting.

Copyright © 2023 Deloitte Development LLC. All rights reserved.

Investing in internal technology and digital opportunities can result in:

