



Press Release

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<i>Pages</i>	3

Investing in Internal Audit Innovation Is Key to Delivering Business Value, According to PwC

Annual PwC report finds that three-fourths of Internal Audit functions who use advanced technology and talent contribute significant value to their organizations

21 March 2018 – As the pace of innovation continues to accelerate, Internal Auditors face the growing challenge of helping their organizations ensure effective processes and controls while still helping to drive growth for their businesses. A new study from PwC, “[Moving at the speed of innovation: The foundational tools and talents of technology-enabled Internal Audit](#),” reveals that more advanced Internal Audit functions are creating departments with a cohesive technology and talent strategy.

Surveying more than 2,500 board members, senior executives and audit professionals across 92 countries, PwC’s State of the Internal Audit Profession report shows that 75 percent of Internal Audit teams who have a strong technology- and talent- enabled strategy in place are contributing significant value to their organizations, compared to only 34 percent of teams, which are lacking in an advanced technology strategy and skill sets.

“Technology advancements are evolving quickly, and organizations are developing tomorrow’s innovations faster than ever before. However, these tools present new risks and leading Internal Audit functions must provide a unique perspective around them early in the technology innovation cycle,” said [Jason Pett](#), leader of PwC’s U.S. Internal Audit, Compliance and Risk Management practice. “The most successful Internal Audit organizations are not only prepared to help mitigate the risk of these advanced technologies, but are leveraging the very same tools to execute their work in a more effective manner.”

According to PwC’s survey, only 14 percent of Internal Audit functions are advanced in their technology adoption (known as “Evolvers”). Surprisingly, Evolvers are not just found in large organizations or in regulated industries. They span industries, company sizes and geographies, suggesting that organizations can overcome stereotypical technology barriers of budget and size. While Evolvers are a small group, they set the example: Nearly half (46 percent) of Internal Audit functions are following Evolvers’ technology adoption, but at a slower pace (“Followers”). The remaining 37 percent of Internal Audit functions lag in technology adoption and are considered “Observers.”

The report highlights Evolver characteristics which make these top-performing Internal Audit functions stand out. These include:

1. **They move technology and talent in lockstep.** Evolvers are advanced in their technology use and far outperform their peers on talent: 72 percent of Evolvers excel at obtaining, training and sourcing the talent they need compared to 46 percent of Followers and 29 percent of Observers.
2. **They build a deliberate strategy.** 85 percent of Evolvers focus on technology enablement as part of their strategic plan, compared to 61 percent of Followers and 38 percent of Observers.
3. **They leverage technology-enabled collaboration tools.** Internal Audit functions that are advanced in their use of collaboration tools stand out from their peers in managing stakeholder relationships and cost efficiencies.
4. **They are self-service in data extraction.** More than 80 percent of Evolvers are self-sufficient in their data extraction.
5. **They utilize tools and skill sets for enhanced productivity.** From advancing data analytics and monitoring, to leaning into intelligent automation, Evolvers are more often investing in technology risks and tools training than their peers.

“In order to keep pace with their organization’s innovation agenda, Internal Audit needs a strong technology and talent strategy to push the boundaries of their own innovation,” added Lauren Massey, Principal within PwC’s U.S. Internal Audit, Compliance & Risk Management practice. “Internal Audit could have the best innovation plan, but won’t be able to execute without the right reinforcements. The combination of technology and talent is the key to accelerating progress.”

To download a full copy of the report, along with additional related content, please visit: pwc.com/us/2018internalauditstudy

About PwC's Risk Assurance practice

PwC understands that significant risk is rarely confined to discrete areas within an organization. Rather, most significant risks have a wide-ranging impact across the organization. As a result, PwC's Risk Assurance practice has developed a holistic approach to risk that helps to protect businesses, facilitate strategic decision making and enhance efficiency. This approach is complemented by the extensive risk and controls technical knowledge and sector-specific experience of its Risk Assurance professionals. The end result is a risk solution tailored to the unique needs of the organization.”

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About PwC Vietnam

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