

Internal auditing counts on the future





The Year 2026 – Are you Still an Internal Auditor?

Neil Walters and Natasha McCraw

Are you still an Internal Auditor in 2026?

Agenda

- The Future of Internal Audit
 - Looking back in time...
 - Where are we at in 2016?
 - The Future?
 - Questions

Internal Audit ...Looking Back In Time...

Internal Audit... Looking back in time...



Internal Audit... Looking back in time...

Process



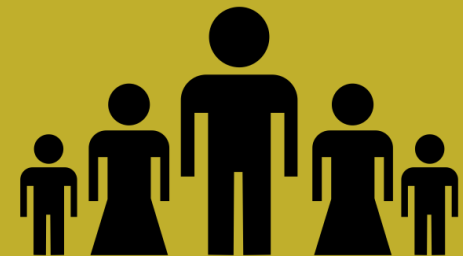
- Isolated environments
- Manual processes / controls
- Financial / Accounting based audits
- Independent oversight

Technology



- Used what was available / means to an end
- Auditing was done manually on paper with working papers signed off
- Manual accounting and other systems

People



- Audit functions typically done by Accounts and book-keepers
- Audit methodology varied significantly across the industry and business at the time placing reliance on experienced individuals

Where are we at in **2016**?



Where are we at in 2016?

Process



- Strategic, Operational, Financial – broad scopes
- Risk Based Governance Structures
- Processes are interactive and symbiotic
- Driven by a mix of People and Technology

Technology



- Data Analysis / Big Data
- Cloud based
- Artificial Intelligence / Machine Learning
- Encryption / Security
- Driven by a mix of user input and historic data

People



- Commoditisation vs Deep Specialisation (moving away from bespoke services)
- Fair amount of Judgement
- Collaborative – working with business, clients and other specialists

What does the future of Internal Audit look like?



Process



HOW WILL PROCESSES CHANGE?

Process



Within the Organisation:

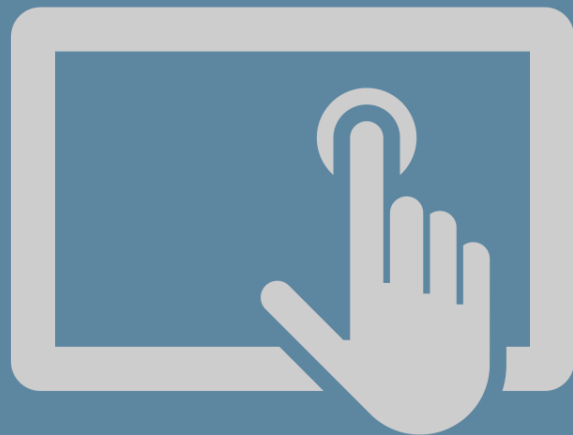
- Board Structure
- Operational / Strategic Focus
- Risk Management
- Automation of processes and systems
- Legislative compliance

Within the Internal Audit Function:

- Meeting the expectations of the client
- Ability to deliver in short timeframes
- Adapting our methodologies to meet the needs and focuses of the organisation
- Specialised services

WHAT ELSE?

Technology



The Future of the Professions: How Technology Will Transform the Work of Human Experts

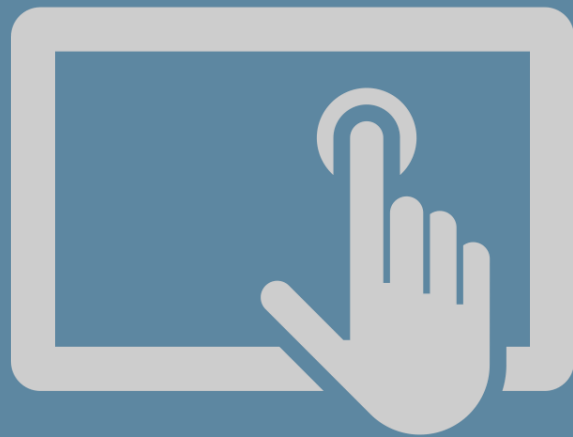
Richard Susskind and Daniel Susskind

Two future paths:

1. Reassuring and familiar
2. Increasingly capable machines

“The mistaken assumption is that the only way to develop systems that perform tasks at the level of experts or higher is to replicate the thinking processes of human specialists”

Technology



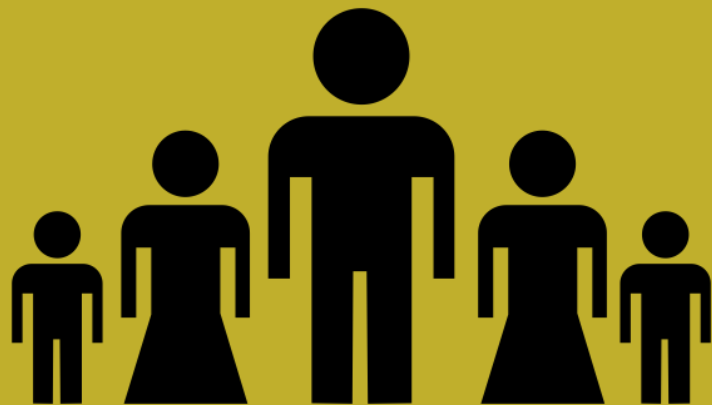
Within the Organisation:

- Automation
- Project governance
- Cloud computing
- Change management

Within the Internal Audit Function:

- Tools
- Technical skills
- Data analytics
- Reporting
- Use of Big Data

People



A short video: What skills will an Auditor in the Future Need?



“Internal Audit is a dynamic evolving discipline where new skills are required to meet evolving challenges”

IN SUMMARY – HOW DO WE SEE IT

Process



- FULLY
AUTOMATED
- COMPLEX

Technology




- MACHINE
LEARNING and
ARTIFICIAL
INTELEGENGE
- DRIVING THE
PROCESS

People



- LESS PEOPLE
- SPECIALISTS
- INCREASE
COLLABORATION
NETWORKING



“The secret of success is not in predicting the future, it’s about creating people who can thrive in a future that cannot be predicted”

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Questions