

## Dear Q&A

### What are reasonable internal auditor time utilisation rates? Is there guidance on productive audit time and other time such as administration?

#### Answer

There is limited information available on internal auditor utilisation rates.

Available internal auditor time is generally calculated as:

- › 52 weeks per year x 5 days per week = 260 days per year.
- › Less public holidays = 20 days, annual leave = 20 days, sick leave = 5–10 days, professional development = 5–10 days.
- › Available audit time = 200–210 days per year.

All this audit time should be devoted to productive internal audit services – engagements, ad hoc advisory activities, project assurance, annual planning, monitoring and follow-up, audit committee support, etc.

Many internal audit functions also allocate time to ‘administration’ which is mystifying, as all internal audit work should be used to provide specific internal audit services.

Where there may be graduates or very junior internal audit staff, it may be reasonable to reduce the percentage of productive audit time, but the shortfall should be made up with specific activities such as training – not ‘administration’.

When reviewing the internal audit plan for the year, audit committee members should be alert to internal audit time assigned to ‘administration’ and scrutinize what that means.

Many in-house internal auditors leave themselves exposed by assigning time to ‘administration’. An internal audit service provider would tell the organisation they represent better value because they have no administration time that would be charged.