



DIIR

Enquete 2020
The Internal Audit Profes-
sion in Germany, Austria,
and Switzerland

Management Summary (English)

Preface

This document is an English language version of the management summary from the joint publication "Enquete 2020" by DIIR, IIA Austria and IIA Switzerland. You may find the complete study (in German language) [here](#).

Management Summary

For more than 20 years, the regular survey of chief audit executives (CAE) from Germany, Austria, and Switzerland has been a valuable guide for CAEs and other stakeholders, helping them to set the current and future direction of internal audit work. The survey was conducted at the beginning of 2020 and yielded various useful insights for the addressees. The sample distribution again shows that internal auditing is becoming increasingly present not only in large companies but also in small and medium-sized enterprises.

These are the main results of the study:

- Approximately 28% of companies do not have an ICS framework implemented.
- Four in five internal audit departments (79%) have defined a specific audit plan, which is an increase of 19 percentage points compared to 2017.
- Although the auditors consider continuous auditing/monitoring to be particularly relevant for the future, its information is of little significance today. This conclusion is consistent with the results for technology-based audit techniques for continuous auditing/monitoring, which are perceived to be highly relevant, but currently only used in a few audit phases. As previous Enquete studies have documented that the concept is of high importance, these results are surprising. The main challenges for implementation are high implementation costs, the suitability of the data basis in the company, high operating costs, lack of competence in internal auditing, and access to relevant data.
- Most participants report that the degree of their data analysis maturity is at a low or middle level. Only about a quarter of the participants perceive the maturity to be 'integrated' (23.8%) or 'fully optimized' (1.6%). The evaluation shows that for many internal audit departments, there is still room for improvement in the extent to which data analyses are performed.
- With new technologies, such as robotic process automation or artificial intelligence, there is a considerable discrepancy between the implementation of such technological solutions in companies and the coverage of these areas by internal auditing. The internal audit functions do not sufficiently address these areas and audit the technologies too rarely.
- In only 55% of the companies, internal audit tests the effectiveness of whistleblowing systems. As these can be a valuable method of detecting fraud, the small proportion must be critically examined.

- While 49% of the participating CAEs perceive the internal audit function to be staffed appropriately to its tasks, 51% of the CAEs report that their department is understaffed. 10.3% even believe that significantly more staff is required.
- Among the most urgently needed occupations, computer scientists or data scientists (89%) are ahead of business economists or commercial staff (81%). This result indicates the growing influence of the digitalization of business processes in companies.
- Besides new legal and regulatory requirements, the training of internal auditors is dominated by topics related to digitization such as IT audit/skills and data analytics.
- The concept of using internal auditing as 'Management Training Ground' is applied primarily in large internal audit functions since the loss of knowledge after the departure of an auditor can often be better compensated. According to two in three departments surveyed, no employee has yet taken on a management position in their own company in such a program.
- The fluctuation rate in 62% of the internal audit departments surveyed is less than 10%.
- With regard to quality assessment, the results of the survey reveal room for improvement. Acceptance of the standards 1311 (Internal Assessments) and 1312 (External Assessment) have fallen significantly.
- It is noteworthy that about a quarter of the participants do not consider the basic principle 'Internal Audit is insightful, proactive, and future-focused' to be strongly fulfilled.
- Although the alignment with the strategies and goals of the organization is crucial for adding value and supporting the realization of the company's goals, more than one in ten participants deny an alignment.

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