



COVID-19: LONGER-TERM IMPACT ON INTERNAL AUDIT

Survey results on changes to budgets, audit processes and trending competencies



AUDIT EXECUTIVE
— CENTER® —

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SUMMARY

Profession significantly impacted by the pandemic

The ongoing effects of COVID-19 are changing the way businesses operate and their outlook for the future. Find out the longer-term impacts to internal audit that CAEs are expecting, based on the latest Quick Poll from the Audit Executive Center. Key topics include:

- Internal audit budgets.
- Frequency of risk assessments and audit plan updates.
- Frequency of audit committee communications.
- Competencies in greater demand.

This survey was distributed electronically to internal audit leaders by email and on social media from June 3-5, 2020.¹ Responses were received from 486 chief audit executives (CAEs) and directors in the United States (87%) and Canada (13%).²

Exhibit 1: Industry Groups for Analysis

Name of Industry Group	Number of Respondents	Percentage
Finance and insurance	163	34%
Manufacturing	58	12%
Non-consumer-facing (e.g., business services) Other services (except public administration) (18); professional, scientific, and technical services (9); real estate, rental and leasing (10); information (5); wholesale trade (11); management of companies and enterprises (5); administrative, support, waste management, and remediation services (0)	58	12%
Physical outputs (except manufacturing) Utilities (21); mining, quarrying, oil/gas extraction (14); transportation and warehousing (11); construction (3); agriculture, forestry, fishing, and hunting (4)	53	11%
Educational services	51	10%
Public administration	41	8%
Health care and social assistance	37	8%
Consumer-facing (e.g., retail, food, travel) Arts, entertainment, and recreation (10); retail trade (13); accommodation and food services (2)	25	5%
Total	486	100%

Note: Industry categories are based on the NAICS (North American Industry Classification System) <https://www.naics.com/search-naics-codes-by-industry/>. Some industries received enough responses to be analyzed independently, while other industries were combined into groups with similar characteristics.

1. The World Health Organization declared COVID-19 a pandemic on March 11, 2020. See WHO media briefing on COVID-19 – 11 March 2020, (World Health Organization, March 11, 2020), <https://www.who.int/dg/speeches/detail/who-director-general-s-opening-remarks-at-the-media-briefing-on-covid-19---11-march-2020>.

2. Responses received from outside North America were not included in the totals or the analysis.

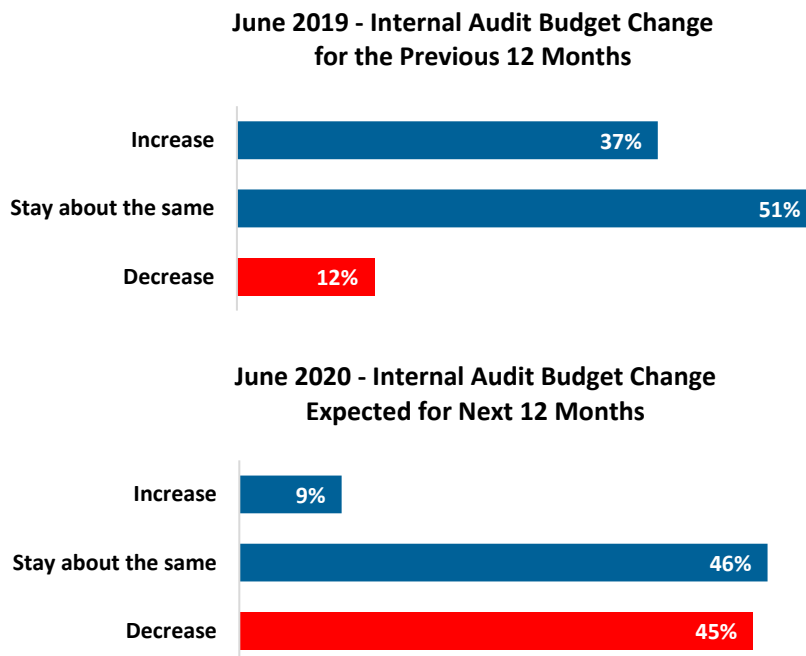
THE NEW REALITY

Dramatic change in outlook for internal audit budgets

Almost half of internal audit functions expect a budget decrease

Nearly half of respondents expect their internal audit budgets to decrease over the next 12 months. Despite new risks resulting from the pandemic, very few audit leaders expect opportunities to expand their budgets. This represents a significant shift compared to the direction of internal audit budgets that was seen in June 2019, when about 4 in 10 audit leaders had experienced budget increases in the previous 12 months and only about 1 in 10 reported decreases.

Exhibit 2: Internal Audit Budget Survey Responses (2019 vs. 2020)



Note: Survey results from June 2019 are from an IIA survey conducted June 3-27, 2019, Q19: Looking back over the past 12 months, did your budget increase, stay about the same, or decrease? $n = 620$. Survey results from June 2020 are from an AEC quick poll conducted June 3-5, 2020. $n = 481$. CAEs and directors only.

This exhibit does not include those who answered "not sure," so the percentage of "decrease" is 45% in this exhibit compared to 44% in Exhibit 3.

BUDGET CHANGES EXPECTED

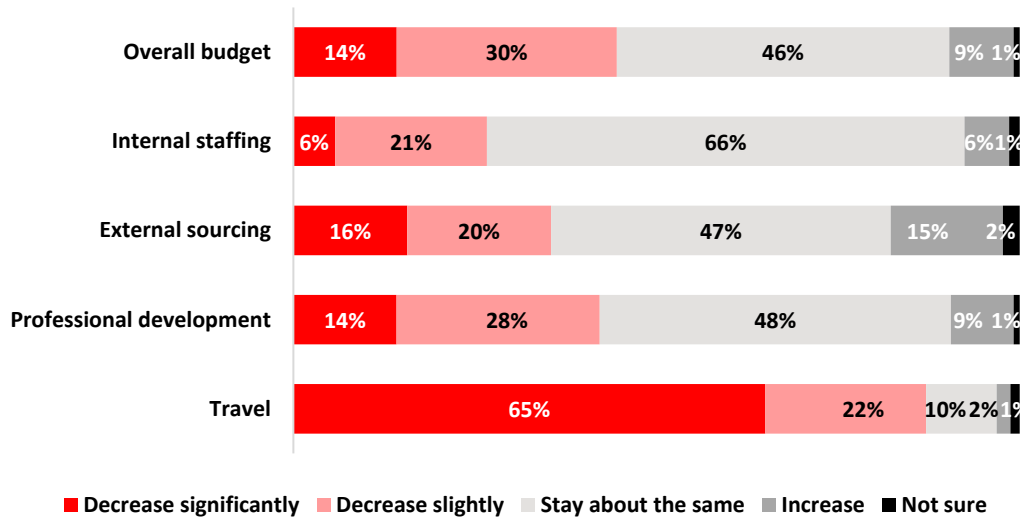
A view of staffing, sourcing, professional development, and travel

Travel will continue to be impacted

Among budget components surveyed, the ability to travel will be curtailed the most. Nearly 2 out of 3 audit leaders expect significant decreases to their travel budgets over the next 12 months. When combined with those who see slight decreases in travel budgets, it represents nearly 9 in 10 internal audit functions that will have fewer travel funds.

Despite the devastating impacts of the pandemic on the global economy, nearly half of respondents expect their budgets to stay the same and two-thirds expect to have their internal staffing stay the same. Very few see significant impacts to internal staffing. Interestingly, the number of audit leaders who expect to see overall increases to external staffing is about the same as those who expect to see significant decreases.

Exhibit 3: Internal Audit Budget Changes Expected in Next 12 Months Due to COVID-19 (All Respondents)

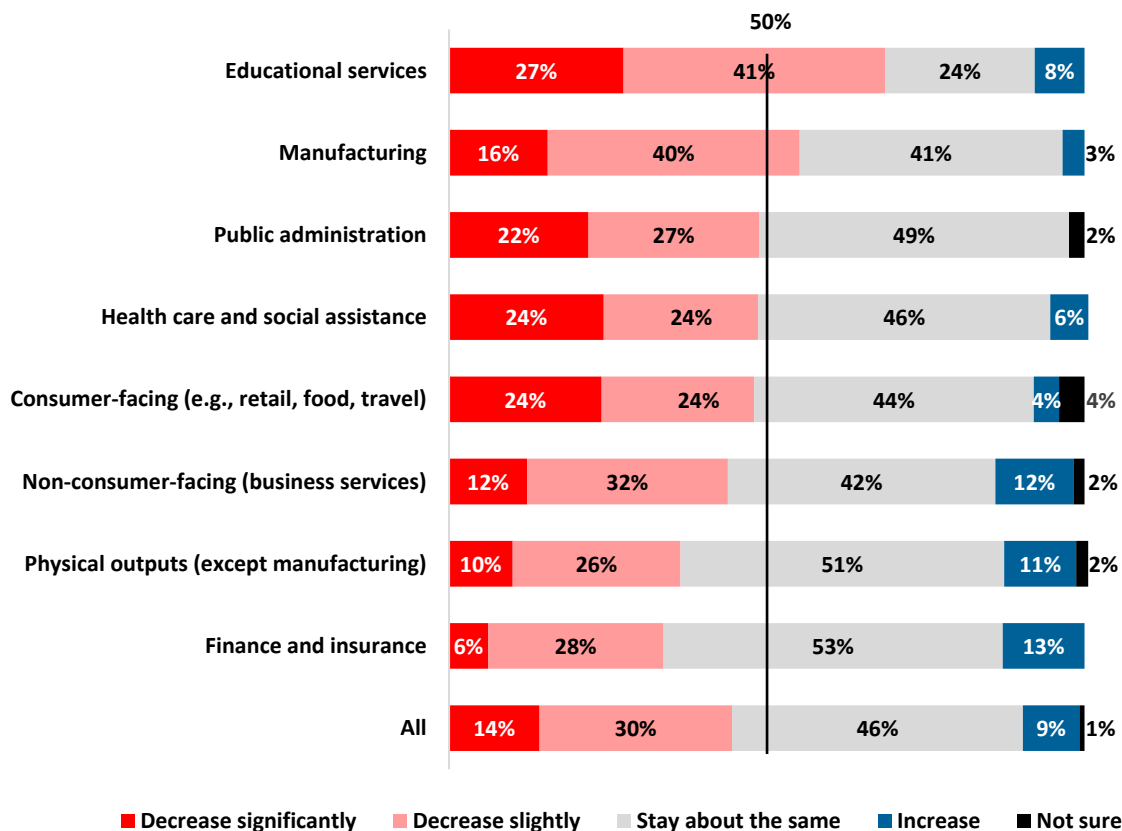


Note: Q1: Looking forward to the next 12 months, how do you expect your budget to change as a result of COVID-19 in the following areas? Topics were 1) overall budget, 2) internal staffing (including salary, bonuses, and benefits), 3) external sourcing (audit services by third parties), and 4) professional development (certifications, training, conferences, etc.). Survey responses were collected June 3-5, 2020, from CAEs and directors in North America associated with The IIA. *n* = 482.

Budgets compared by industry groups

Not surprisingly, the budgetary impacts to internal audit functions vary greatly by industry. For example, more than half of the audit leaders in both educational services and manufacturing industries see negative budget impacts over the next 12 months. However, only about one-third of audit leaders in finance and insurance see their budgets decreasing. Further, the depth of the expected budget cuts varies by industry. Around a quarter of audit leaders in educational services, health care and social assistance, and consumer-facing industries expect significant cuts to their budgets, whereas only about 1 in 20 audit leaders in finance and insurance see the same depth of budgetary cuts.

**Exhibit 4: Overall Internal Audit Budget
(Changes Expected in the Next 12 Months)**

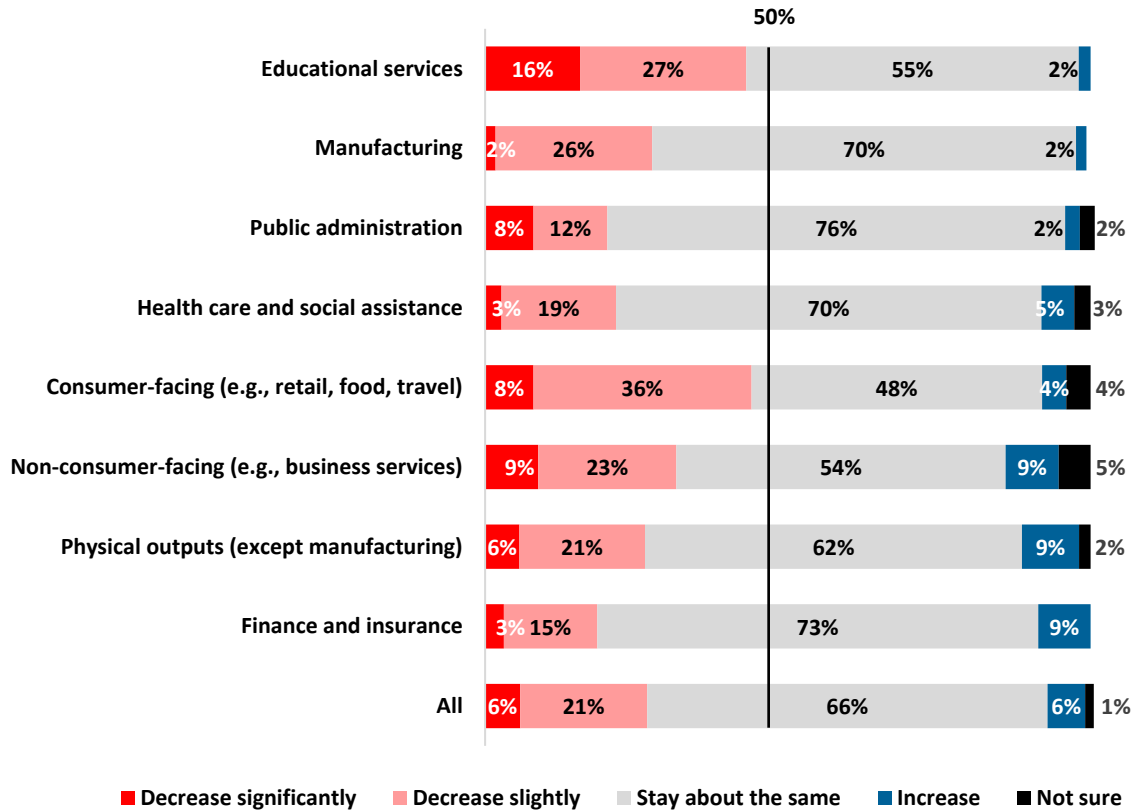


Note: Q1.1: Looking forward to the next 12 months, how do you expect your budget to change as a result of COVID-19 in the following areas? Topic: Overall budget. Survey responses were collected June 3-5, 2020, from CAEs and directors in North America associated with The IIA. *n* = 485.

Internal staffing budgets are less impacted

Despite expectations of budget cuts overall, many audit leaders seem confident that they will not have to make significant cuts to their internal staffing. However, similar to other impacts, the extent of significant and slight cuts to the budgets for internal staffing does vary by industry, with educational services and consumer-facing industries seeing the highest number of functions impacted.

**Exhibit 5: Internal Audit Staffing Budget
(Changes Expected in the Next 12 Months)**

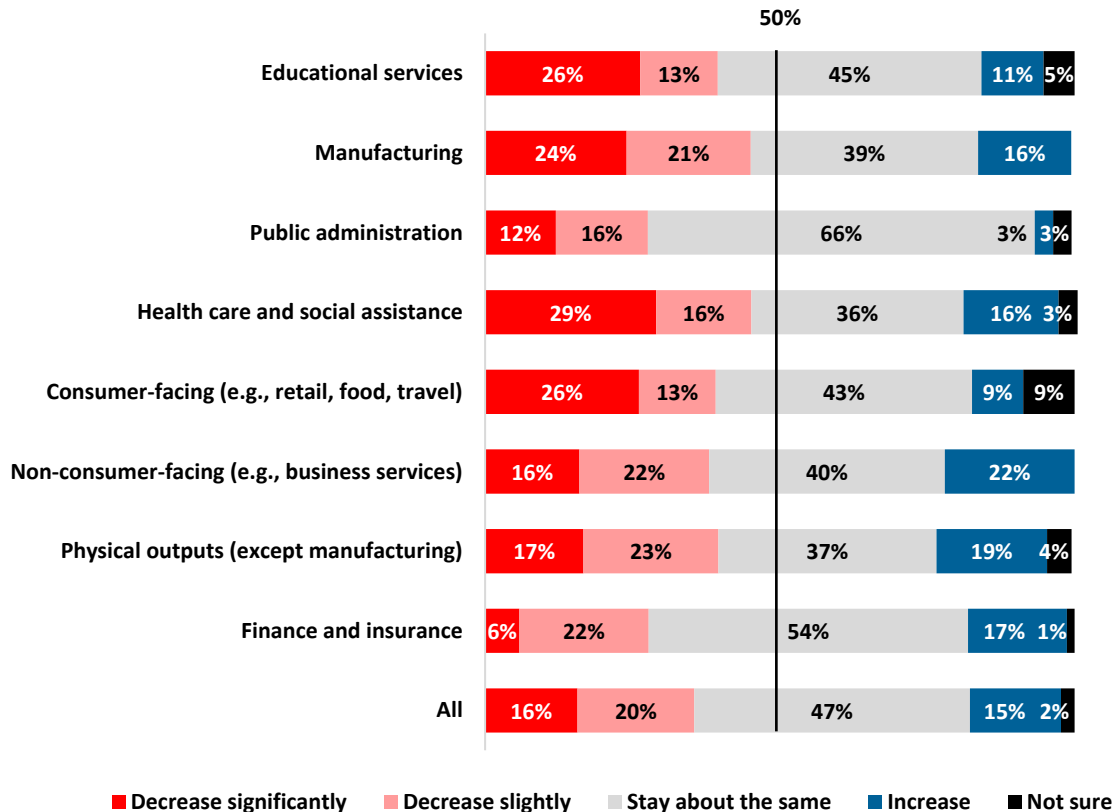


Note: Q1.2: Looking forward to the next 12 months, how do you expect your budget to change as a result of COVID-19 in the following areas? Topic: Internal staffing (including salary, bonuses, and benefits). Survey responses were collected June 3-5, 2020, from CAEs and directors in North America associated with The IIA. *n* = 485.

Contradictions in external sourcing budgets

While few audit leaders expected significant cuts to internal audit staffing, the same is not as true for external staffing through co-sourcing and outsourcing relationships. More than a third of functions in every industry group, except finance and insurance and public administration, anticipate at least slight decreases in external staffing budgets over the next 12 months. In a number of industries, about a quarter of respondents describe expected cuts to external staffing as significant. Interestingly, expectations for *increases* to external staffing budgets are also prevalent, and more so than other budget components across industries — potentially to provide competencies more in demand as a result of the pandemic.

**Exhibit 6: Internal Audit External Sourcing Budget
(Changes Expected in the Next 12 Months)**

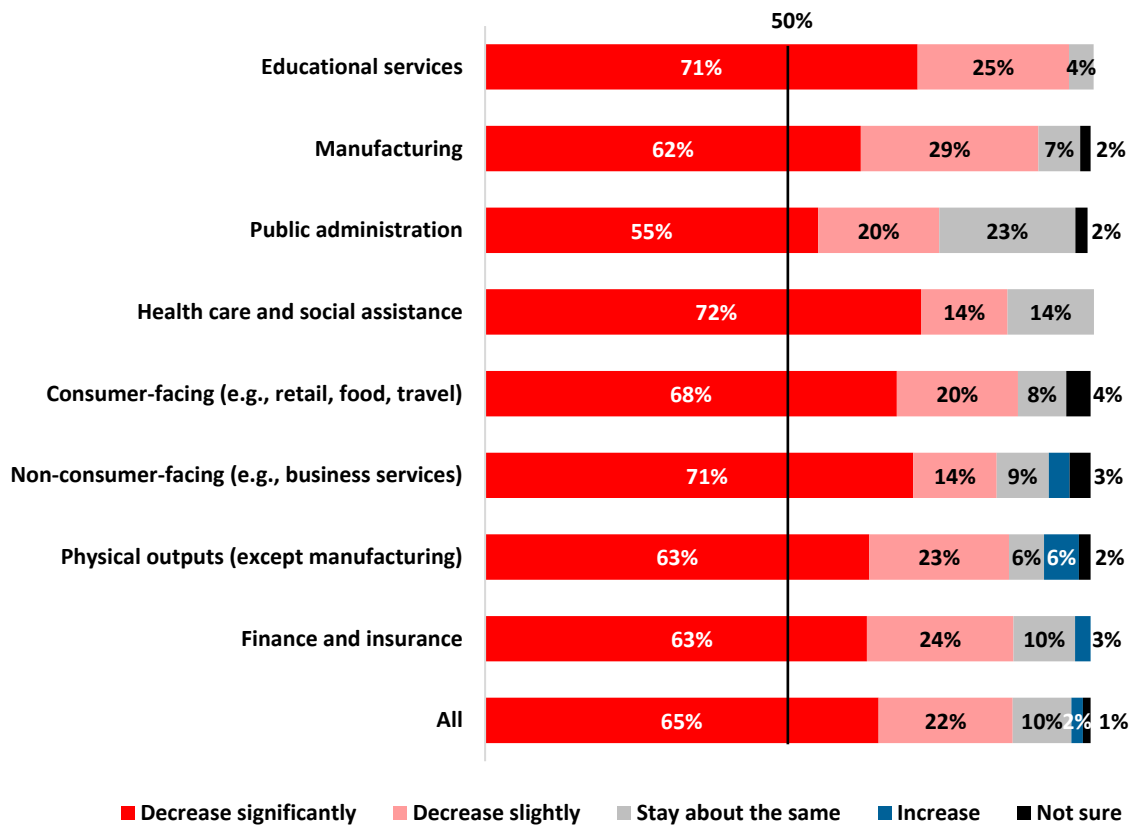


Note: Q1.3: Looking forward to the next 12 months, how do you expect your budget to change as a result of COVID-19 in the following areas? Topic: External sourcing (audit services by third parties). Survey responses were collected June 3-5, 2020, from CAEs and directors in North America associated with The IIA. *n* = 434.

Travel budgets are grounded

Regardless of industry, internal audit leaders responding to this Quick Poll expect budgets for travel to be significantly impacted over the next 12 months.

**Exhibit 7: Internal Audit Travel Budget
(Changes Expected in the Next 12 Months)**

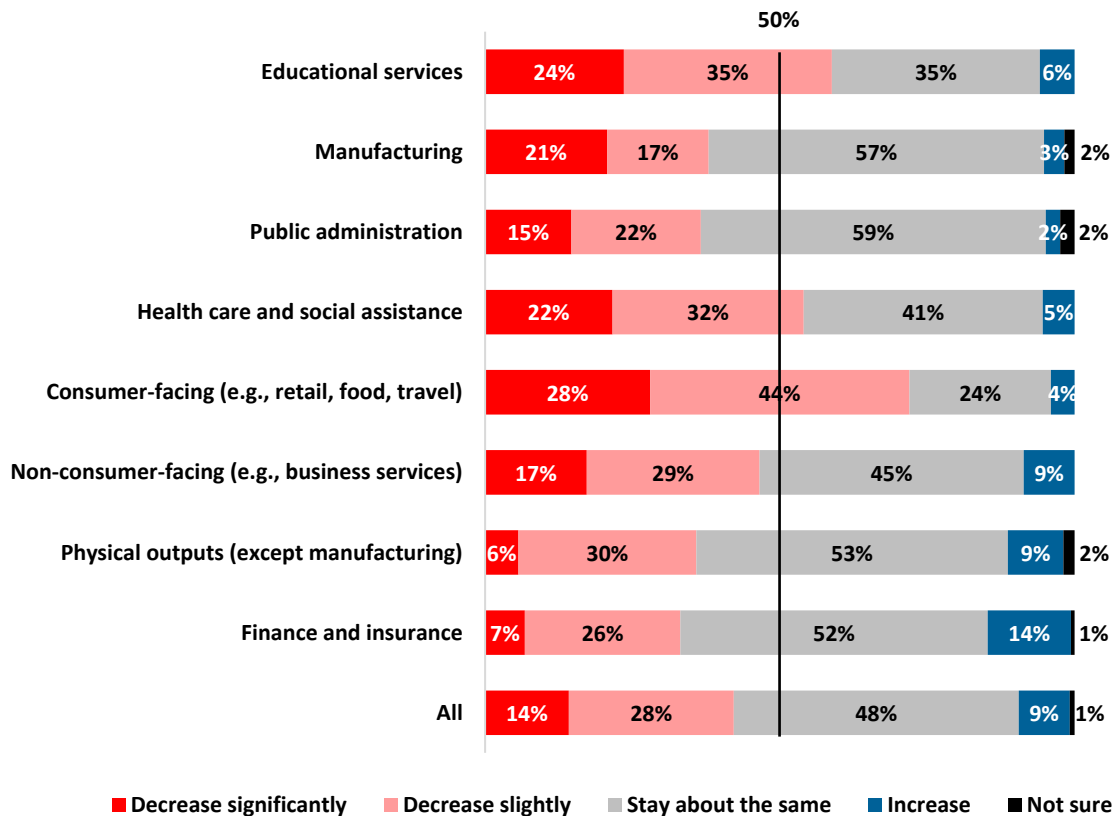


Note: Q1.4: Looking forward to the next 12 months, how do you expect your budget to change as a result of COVID-19 in the following areas? Topic: Travel. Survey responses were collected June 3-5, 2020, from CAEs and directors in North America associated with The IIA. *n* = 474.

Decreases to professional development budgets vary by industry

Similar to other budget components, many respondents from all industries expect some negative impacts to their professional development budget over the next 12 months. However, in a number of industries, including manufacturing, public administration, non-consumer-facing, physical outputs, and finance and insurance, just as many respondents see their budgets at least staying the same, if not growing, as do see their budgets decreasing for professional development.

**Exhibit 8: Internal Audit Professional Development Budget
(Changes Expected in the Next 12 Months)**



Note: Q1.5: Looking forward to the next 12 months, how do you expect your budget to change as a result of COVID-19 in the following areas? Topic: Professional development (certifications, training, conferences, etc.). Survey responses were collected June 3-5, 2020, from CAEs and directors in North America associated with The IIA. *n* = 486.

RISK ASSESSMENT AND AUDIT PLANNING

More flexibility on the horizon

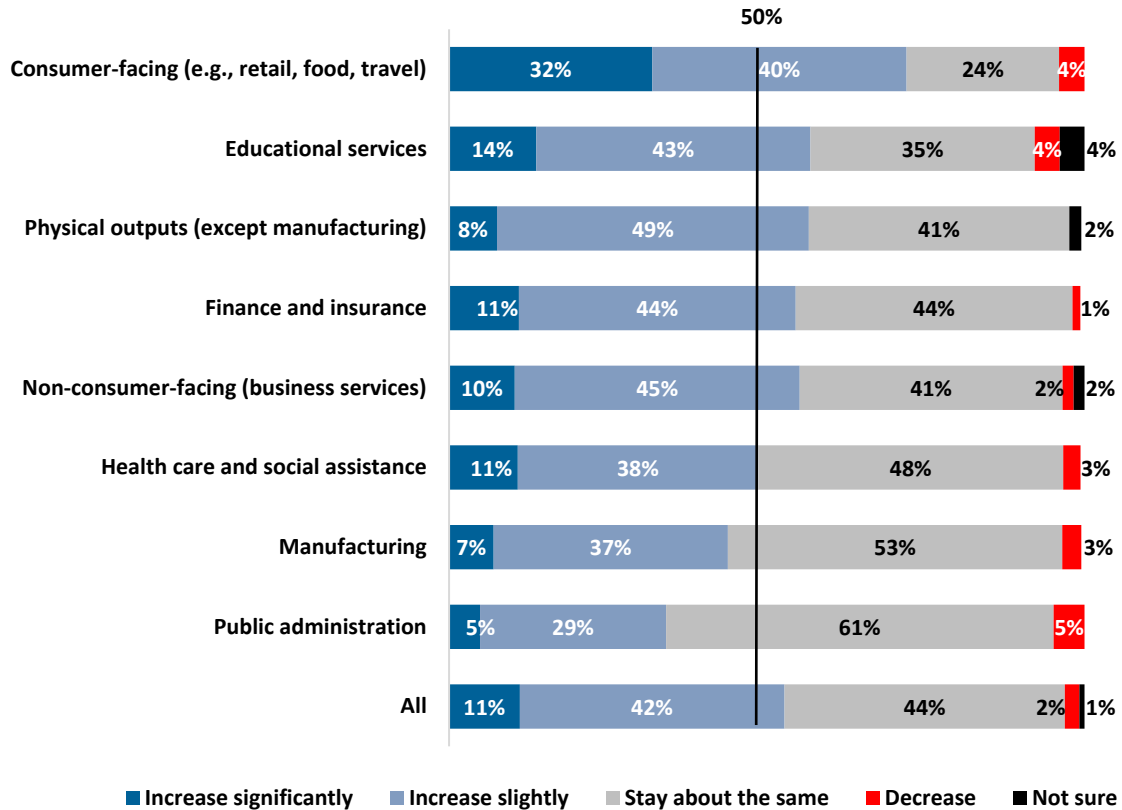
Responding to the unpredictable

Likely, the risk of a global pandemic was not prominently noted on the risk assessments of many internal audit functions prior to COVID-19. Not surprisingly, across all industries, many respondents expect to update their risks assessments more frequently going forward. In consumer-facing industries, which have been hit hard by the impacts to the global economy, nearly one-third expect to significantly increase the frequency of performing risk assessments.

Previous quick polls noted that as a result of the pandemic, the internal audit profession exhibited significant flexibility in changing their audit plans. In every industry, at least 60% of respondents expect to increase the frequency of audit plan updates.

Risk assessment frequency increases for most

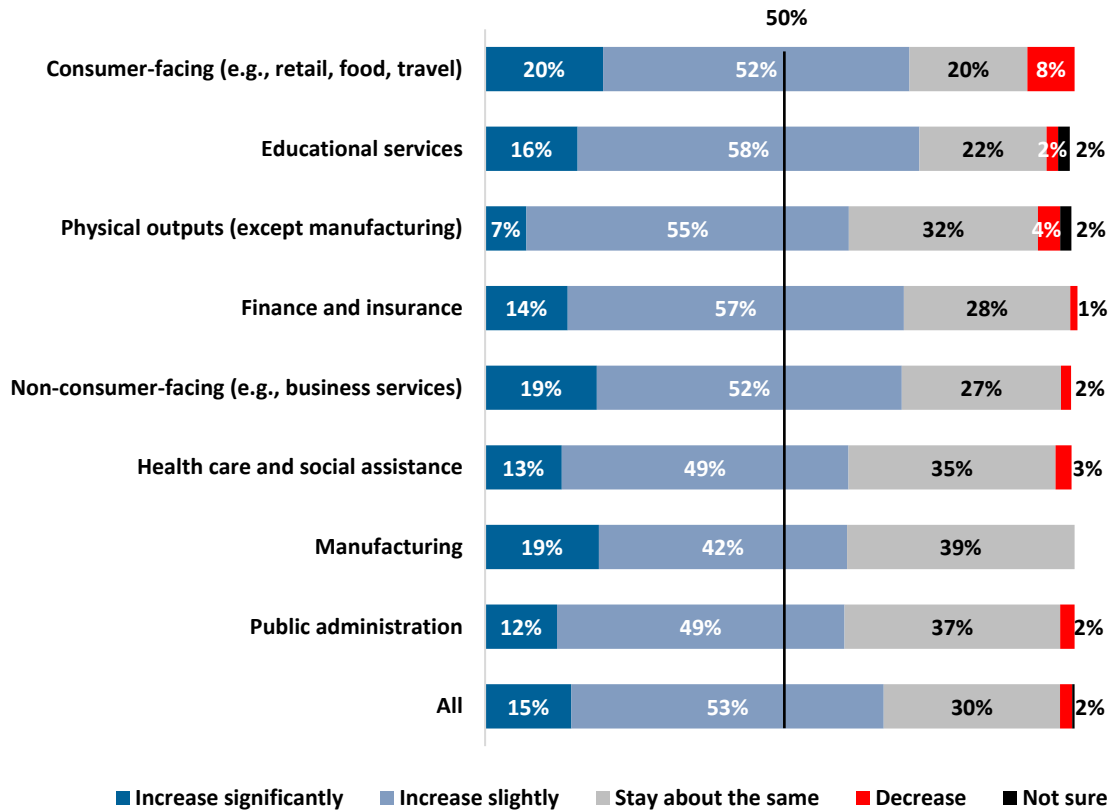
**Exhibit 9: Internal Audit Risk Assessment Frequency
(Expected Changes Due to COVID-19)**



Note: Q2: Looking forward, how do you anticipate the frequency of performing internal audit risk assessments to change as a result of COVID-19? Survey responses were collected June 3-5, 2020, from CAEs and directors in North America associated with The IIA. *n* = 485.

Audit plan update frequency increases across all industries

**Exhibit 10: Internal Audit Plan Update Frequency
(Expected Changes Due to COVID-19)**



Note: Q3: Looking forward, how do you anticipate the frequency of updating the audit plan to change as a result of COVID-19? Survey responses were collected June 3-5, 2020, from CAEs and directors in North America associated with The IIA. *n* = 485.

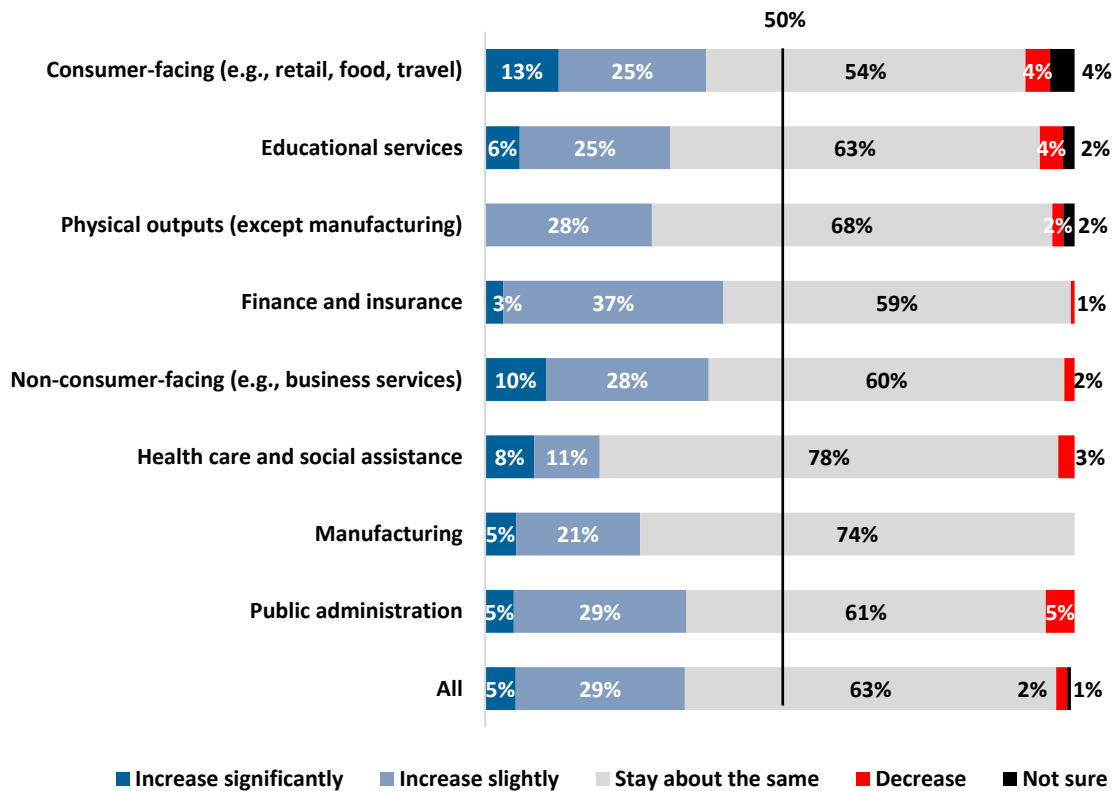
AUDIT COMMITTEE COMMUNICATION

Majority of respondents expect no changes to frequency

Little variation noted among industries

Despite the need to increase the frequency of risks assessments and updates to audit plans, the majority of internal audit leaders responding to this quick poll expect the frequency of communications with their audit committees to stay about the same, across all industries. Further, where increases to the frequency of communicating with the audit committee exist, they are most often only slight increases.

**Exhibit 11: Audit Committee Communication Frequency
(Expected Changes Due to COVID-19)**



Note: Q4: Looking forward, how do you anticipate the frequency of your formal and informal communications with your audit committee/board/equivalent to change as a result of COVID-19? Survey responses were collected June 3-5, 2020, from CAEs and directors in North America associated with The IIA. n = 481.

AUDIT PROCESS CHANGES

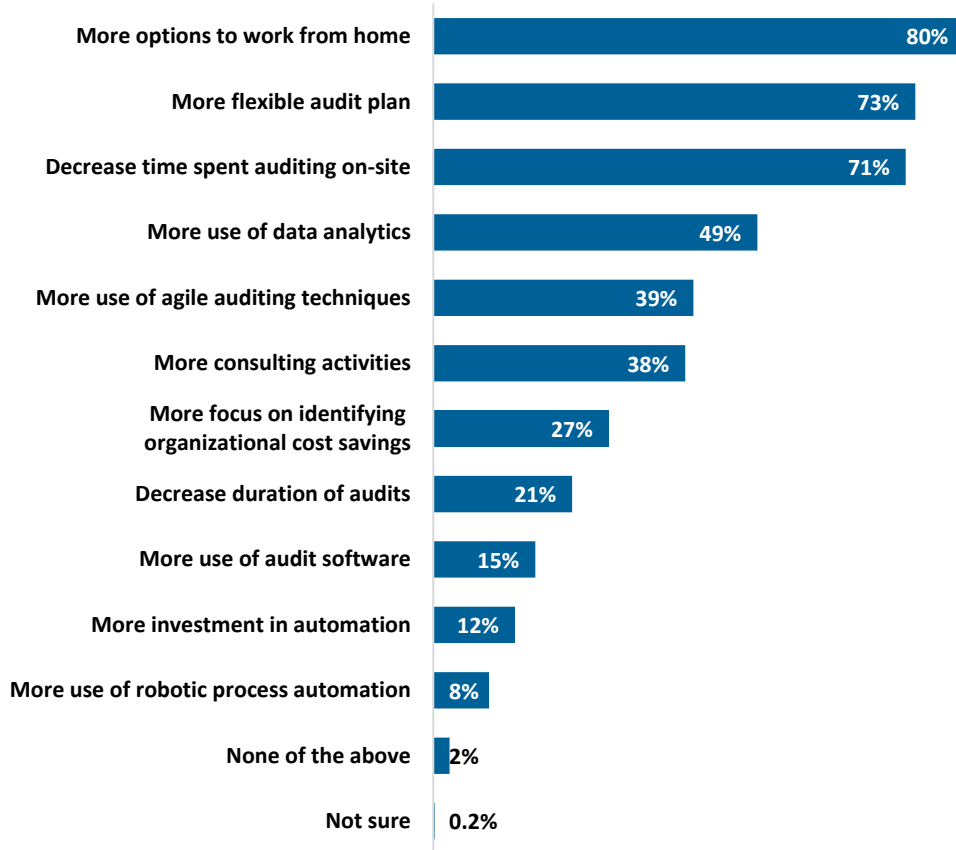
Auditors conducting more work off-site

Remote work options expected to continue over next 12 months

Since the global pandemic started, most internal auditors have been primarily working from home. Likely resulting from a combination of sharp decreases to travel budgets and less than anticipated drop-offs in productivity, the expectations for doing less on-site audit work will continue. Indeed, more work done from home and less time spent performing on-site audit work were among the three top expected changes to audit processes. Not surprisingly, given other results in this quick poll, audit leaders anticipate more flexible audit plans.

In addition, more than a third of respondents noted greater use of data analytics, agile auditing techniques, and a greater focus on consulting activities. Less frequently described audit process changes included more use of audit software, more investment in automation, and more use of robotic process automation. Notably, these less frequently reported changes would require incremental investments, which may be difficult to make given the expected tightness of budgets in the next 12 months.

Exhibit 12: Anticipated Audit Process Changes (All Respondents)



Note: Q5: Looking forward, how do you anticipate your audit process will change as a result of COVID-19? Survey responses were collected June 3-5, 2020, from CAEs and directors in the U.S., Canada, and Caribbean associated with The IIA. *n* = 486.

Audit process change components compared by industry groups

Exhibits 13 to 20 provide industry breakouts for the percentage of CAEs who say they expect a particular audit process to change as a result of COVID-19.

Exhibit 13: More Options to Work from Home

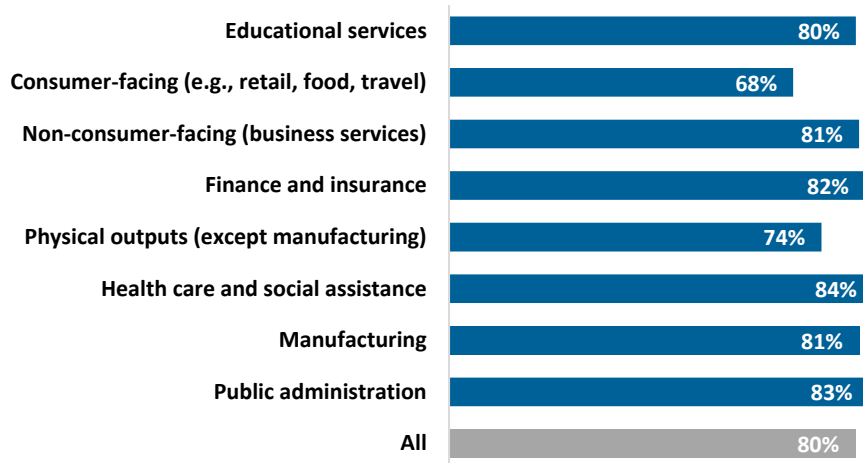


Exhibit 14: More Flexible Audit Plan

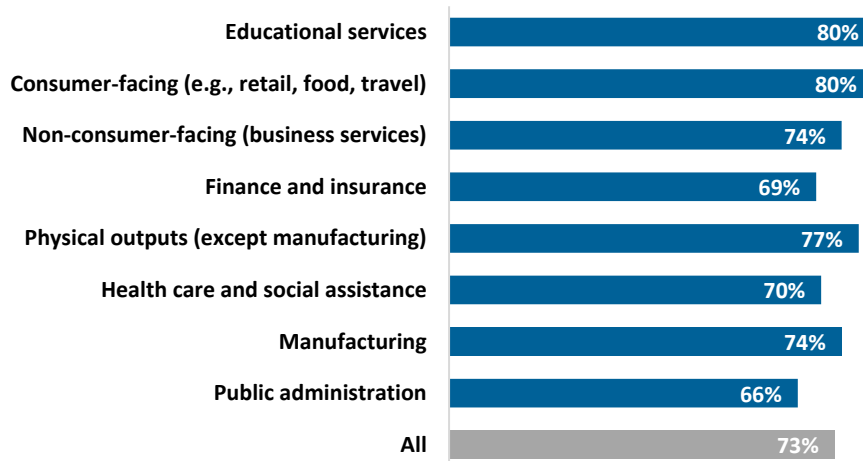


Exhibit 15: Decrease Time Spent Auditing On-Site

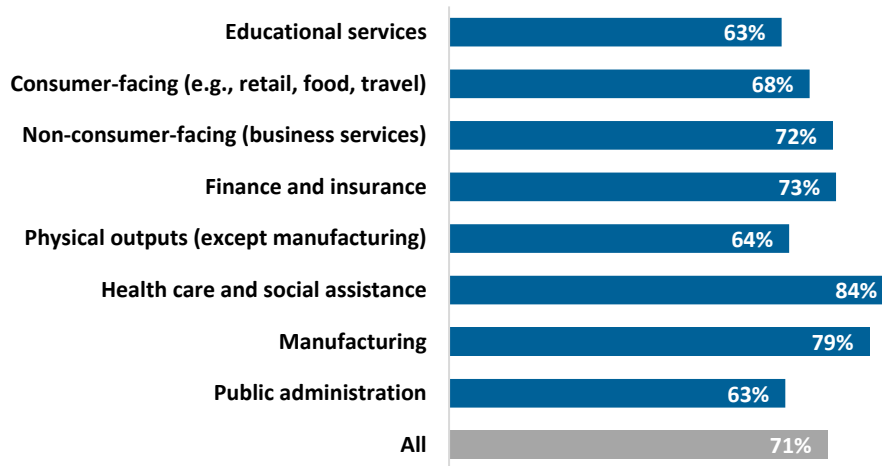


Exhibit 16: More Use of Data Analytics

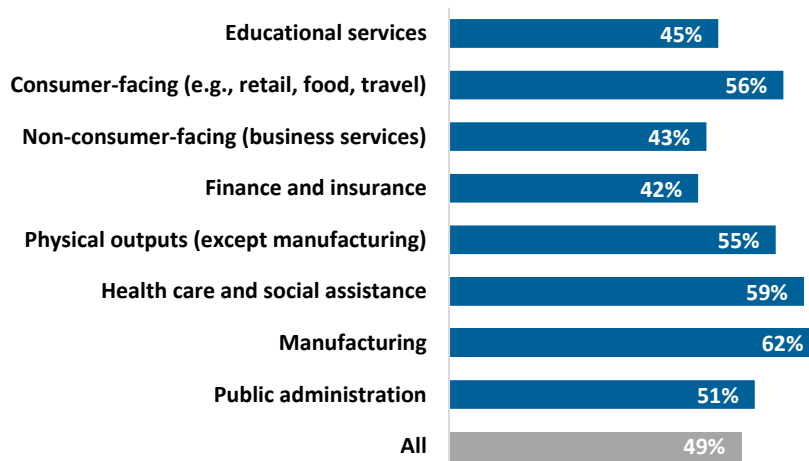


Exhibit 17: More Use of Agile Auditing Techniques

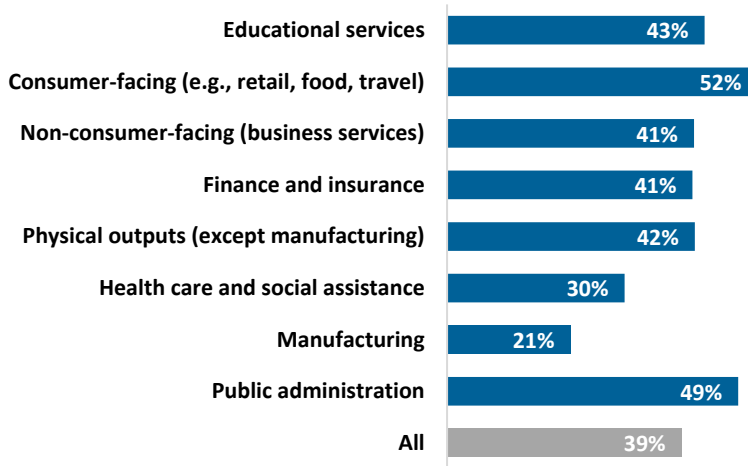


Exhibit 18: More Consulting Activities

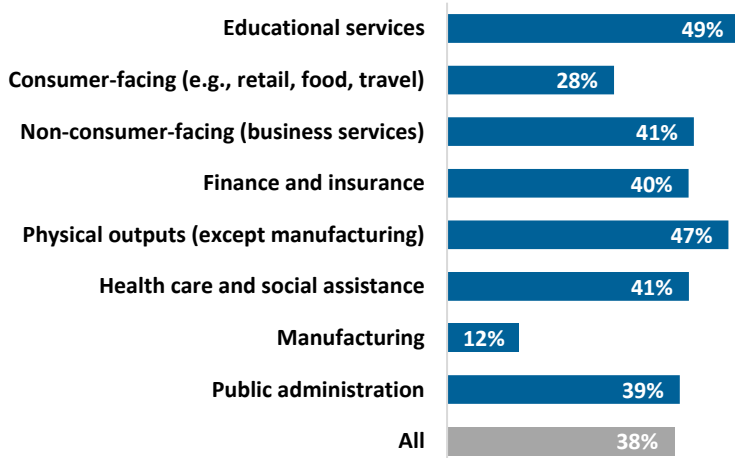


Exhibit 19: More Investment in Automation

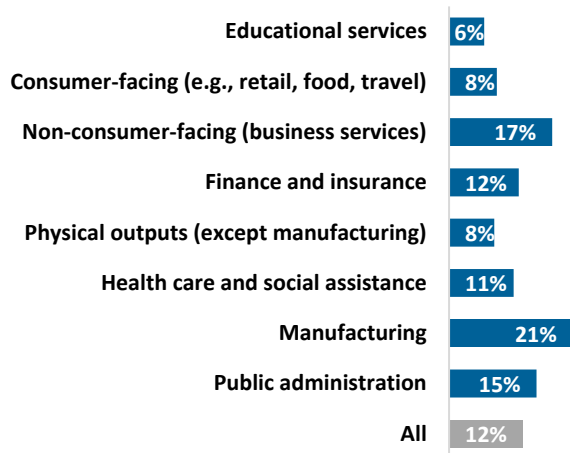
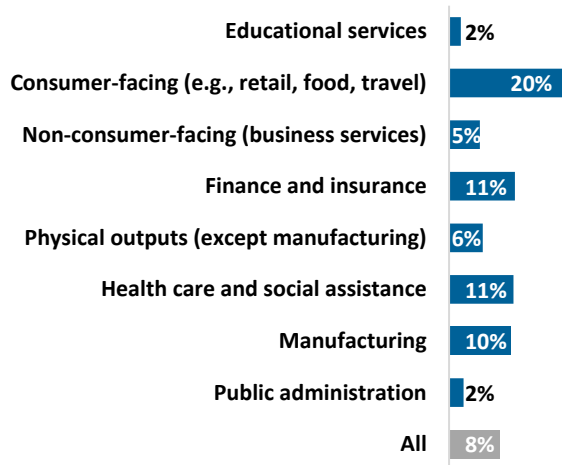


Exhibit 20: More Use of Robotic Process Automation



Note: Exhibits 13 to 20 are based on Q5: Looking forward, how do you anticipate your audit process will change as a result of COVID-19? Survey responses were collected June 3-5, 2020, from CAEs and directors in the U.S., Canada, and Caribbean associated with The IIA. *n* = 486.

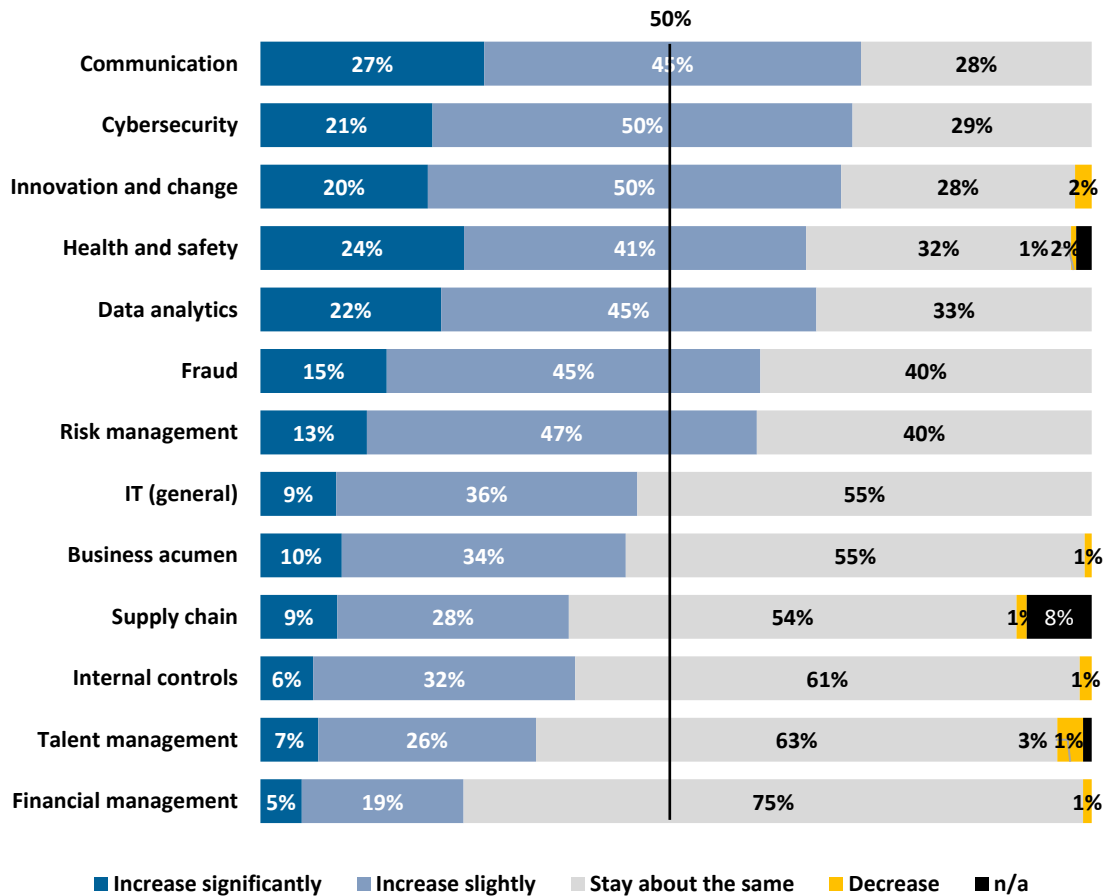
COMPETENCY NEEDS

Increased demand for certain abilities

Communication, cybersecurity skills, and innovation lead the list

According to respondents, competencies most in demand as a result of the pandemic will be a combination of traditional soft skills such as communication and a capacity for innovation and change, as well as competencies around continually emerging and heightened risks such as cybersecurity, health and safety, and fraud. In addition, data analytics expertise will continue to be a sought after skill.

Exhibit 21: COVID-19 Impact on Internal Audit Competency Needs (All Respondents)



Note: Q6: Looking forward, how do you think the need for competencies in the following areas will change as a result of COVID-19? Survey responses were collected June 3-5, 2020, from CAEs and directors in the U.S., Canada, and Caribbean associated with The IIA. n = 483.

Change in competency needs compared by industry groups

Exhibits 22 to 34 provide industry breakouts for CAEs responses about changes in competency needs as a result of COVID-19.

Exhibit 22: Business Acumen Competency

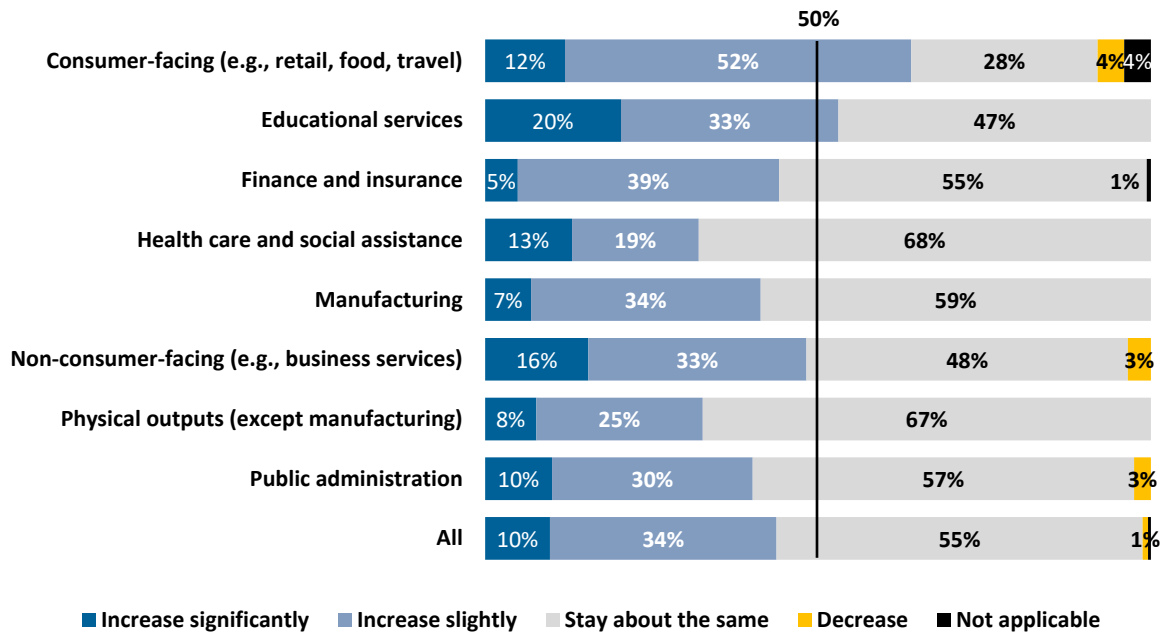


Exhibit 23: Communication Competency

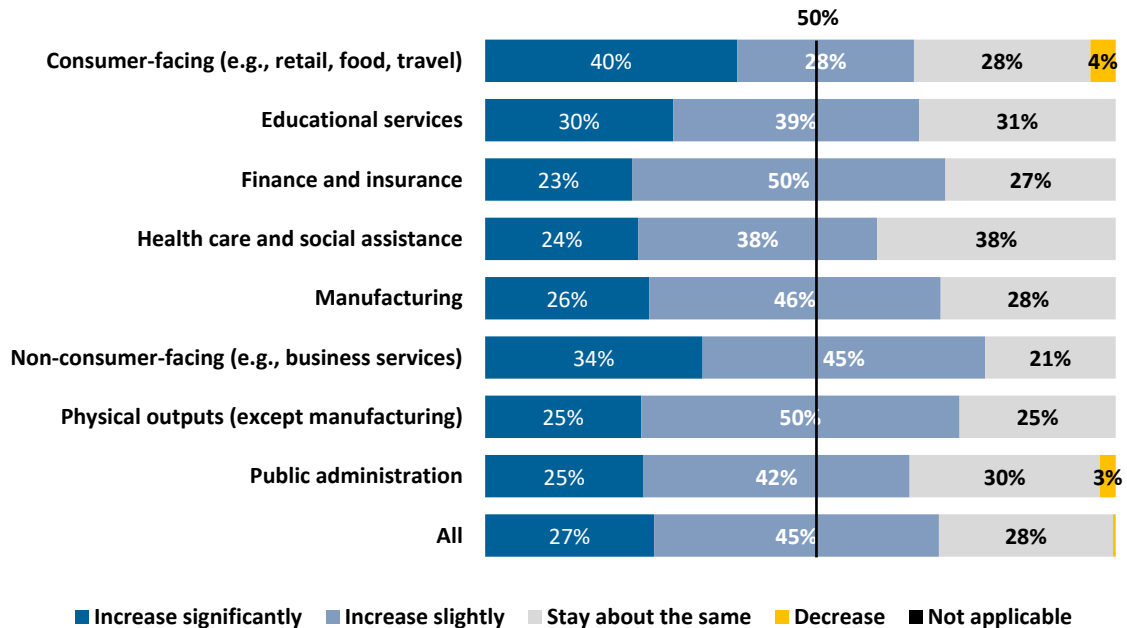


Exhibit 24: Cybersecurity Competency

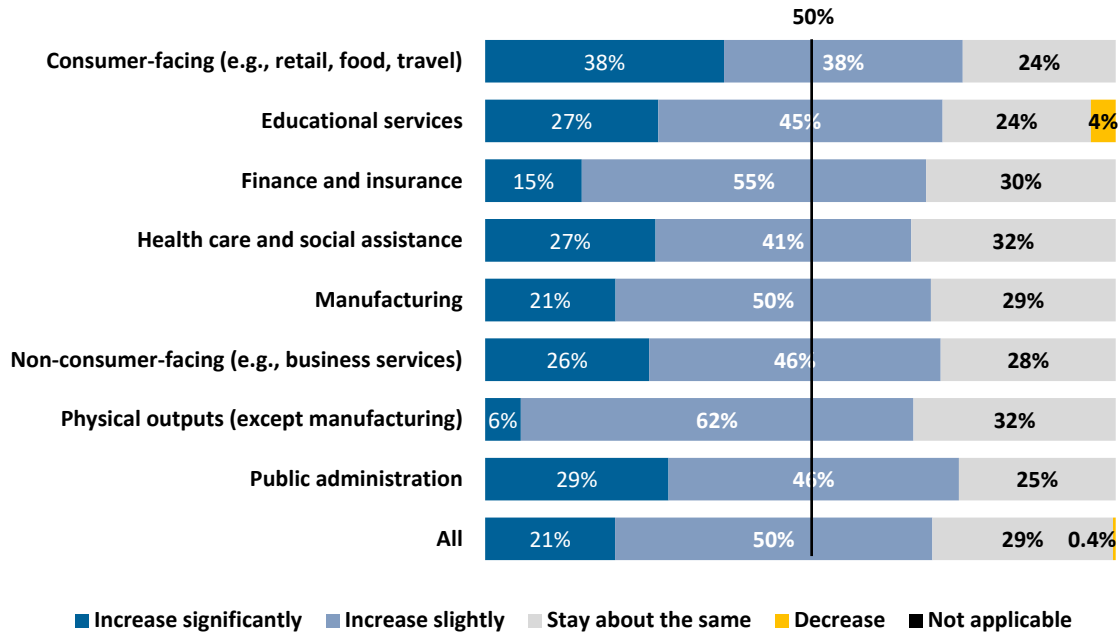


Exhibit 25: Data Analytics Competency

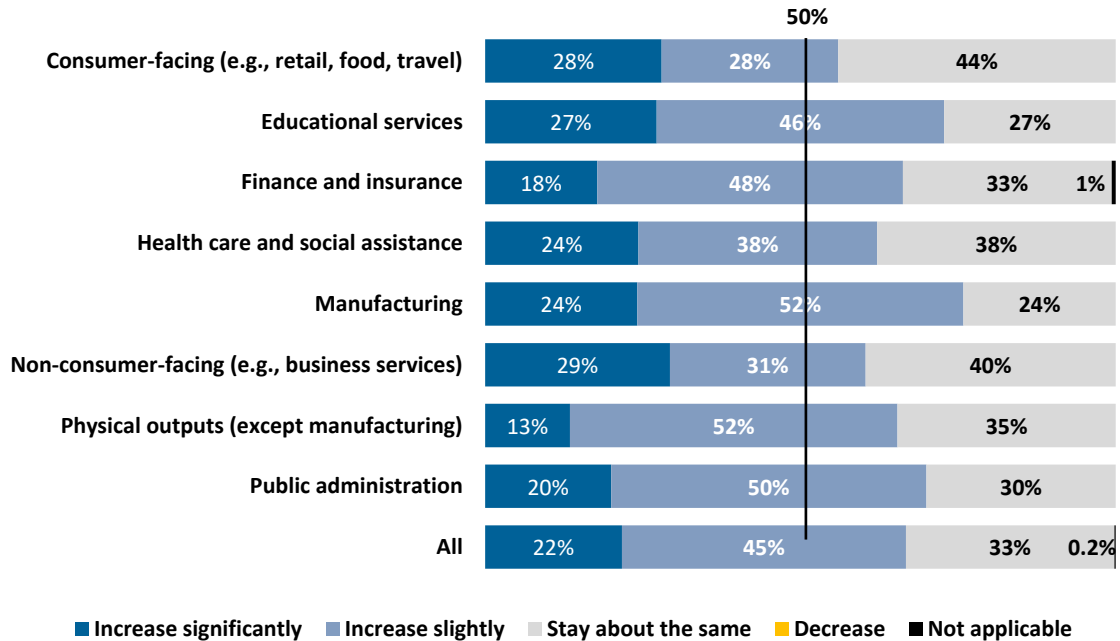


Exhibit 26: Financial Management Competency

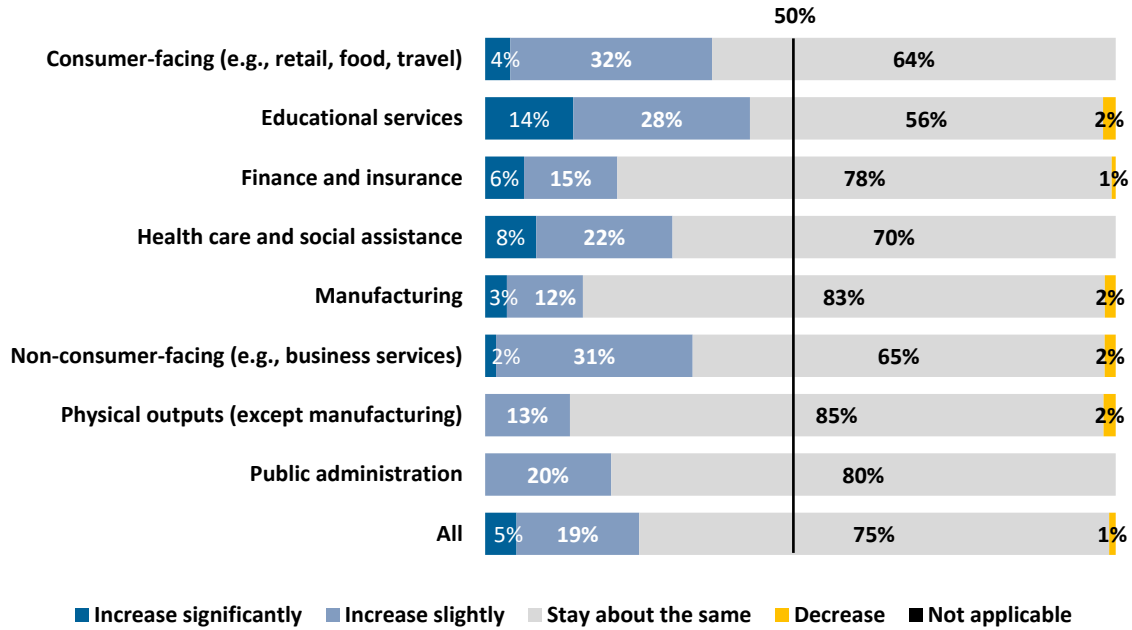


Exhibit 27: Fraud Competency

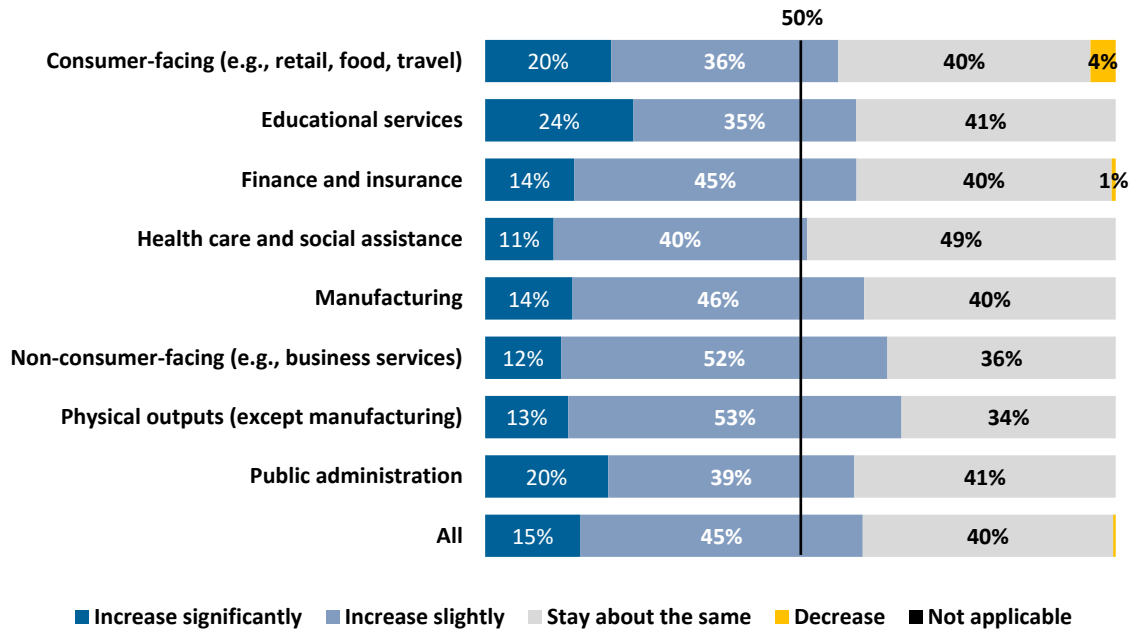


Exhibit 28: Health and Safety Competency

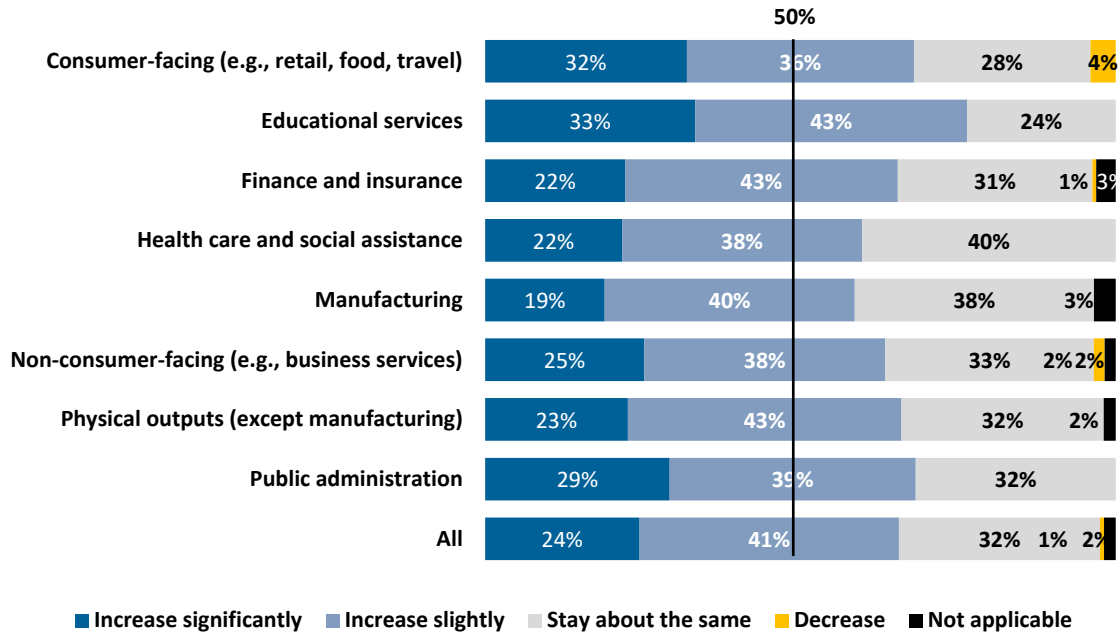


Exhibit 29: Innovation and Change Competency

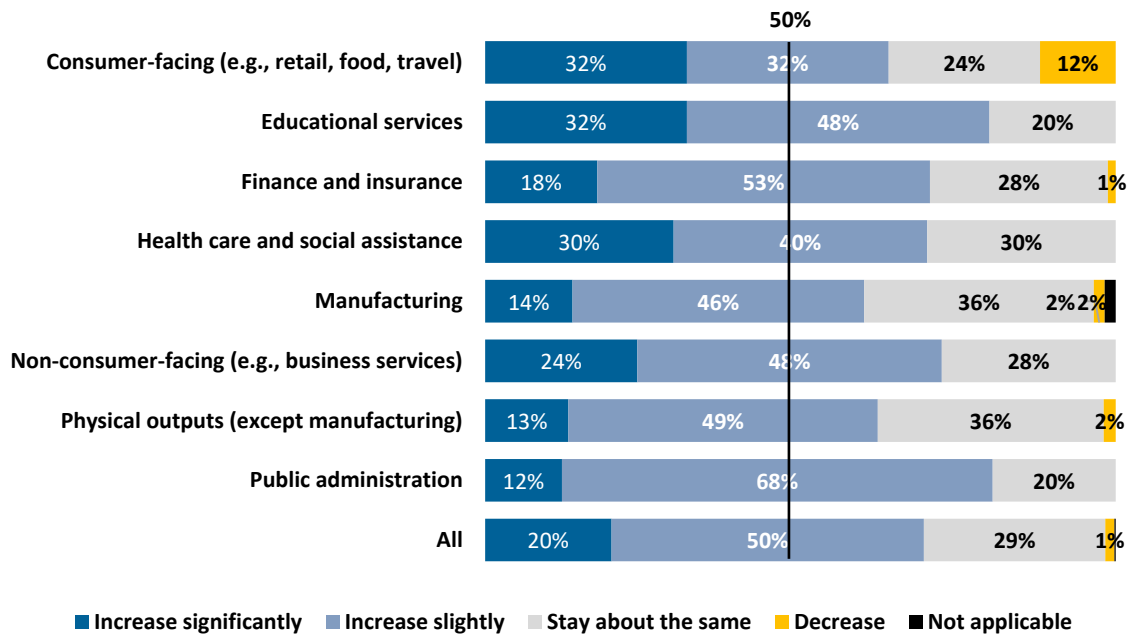


Exhibit 30: Internal Controls Competency

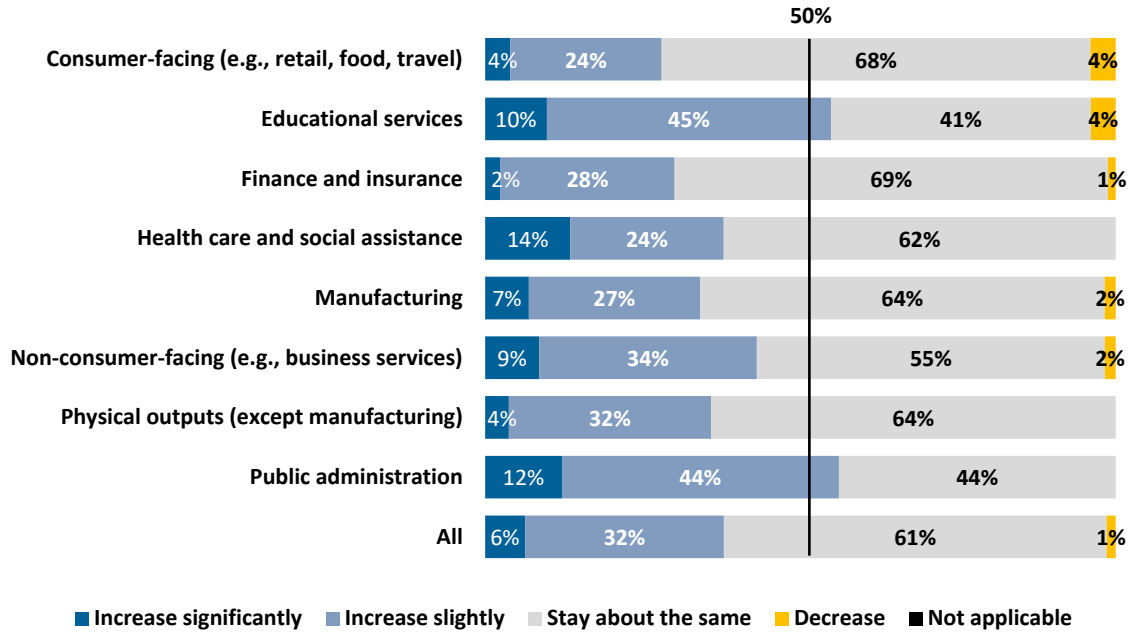


Exhibit 31: IT General Competency

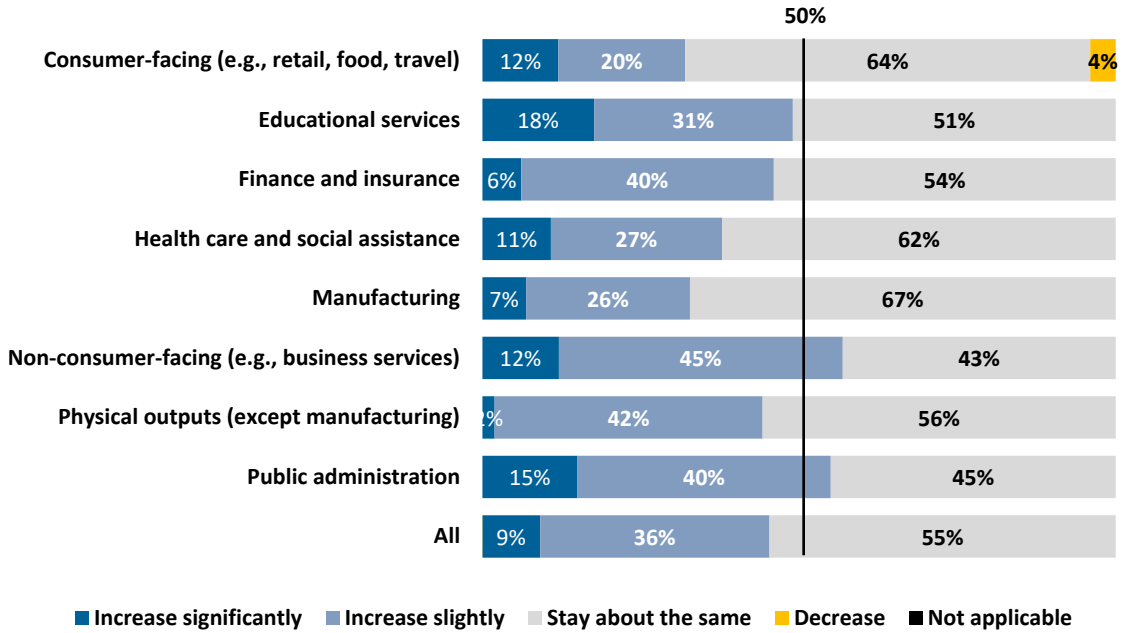


Exhibit 32: Risk Management Competency

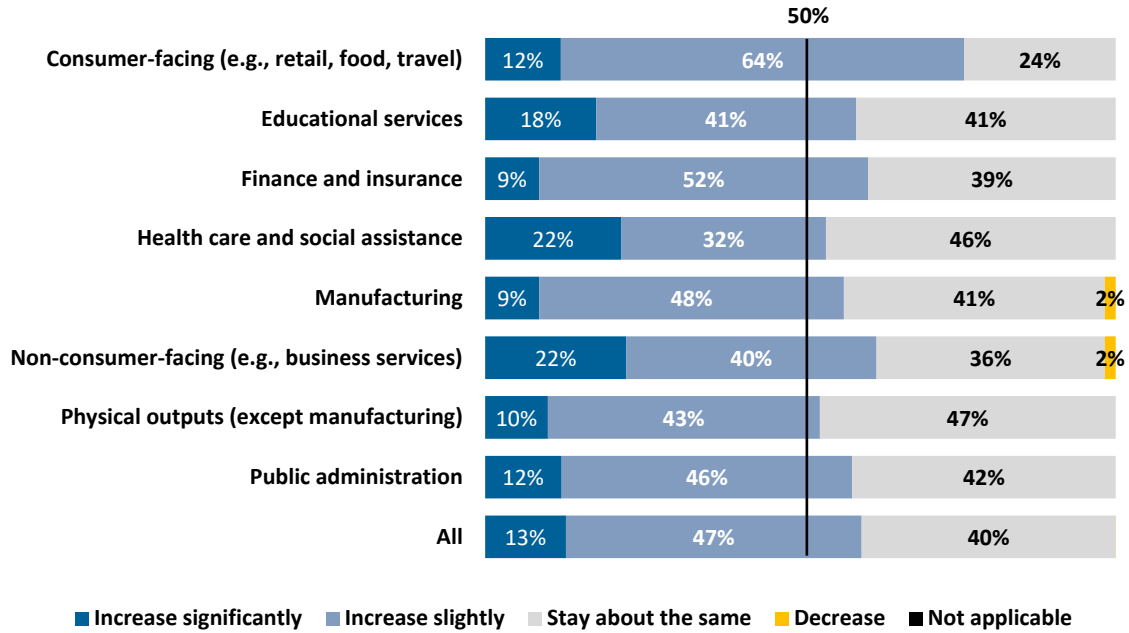


Exhibit 33: Supply Chain Competency

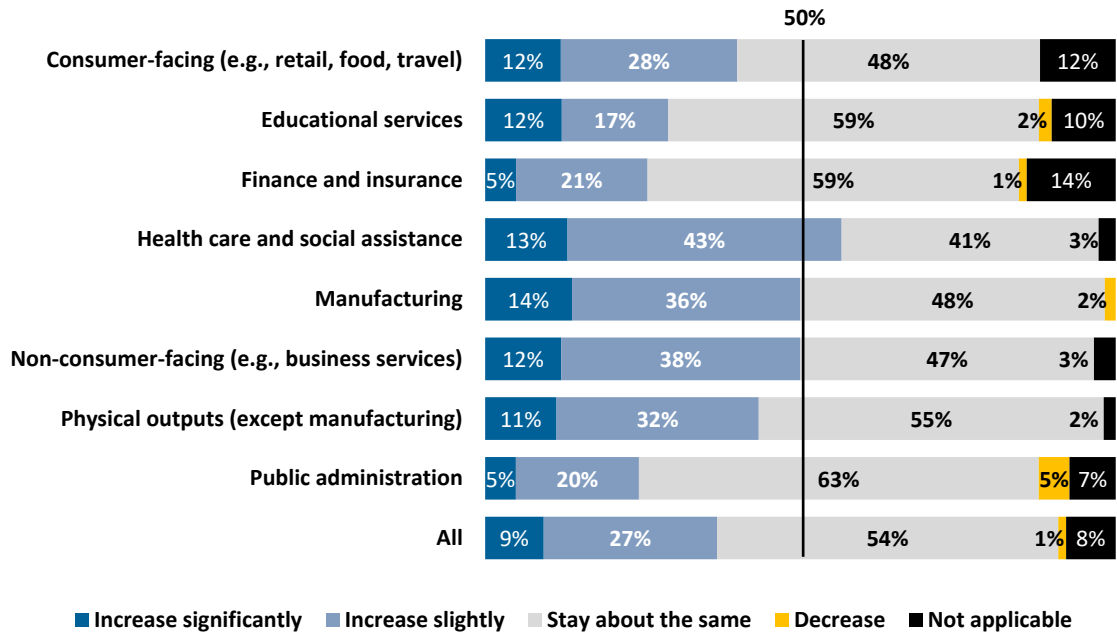
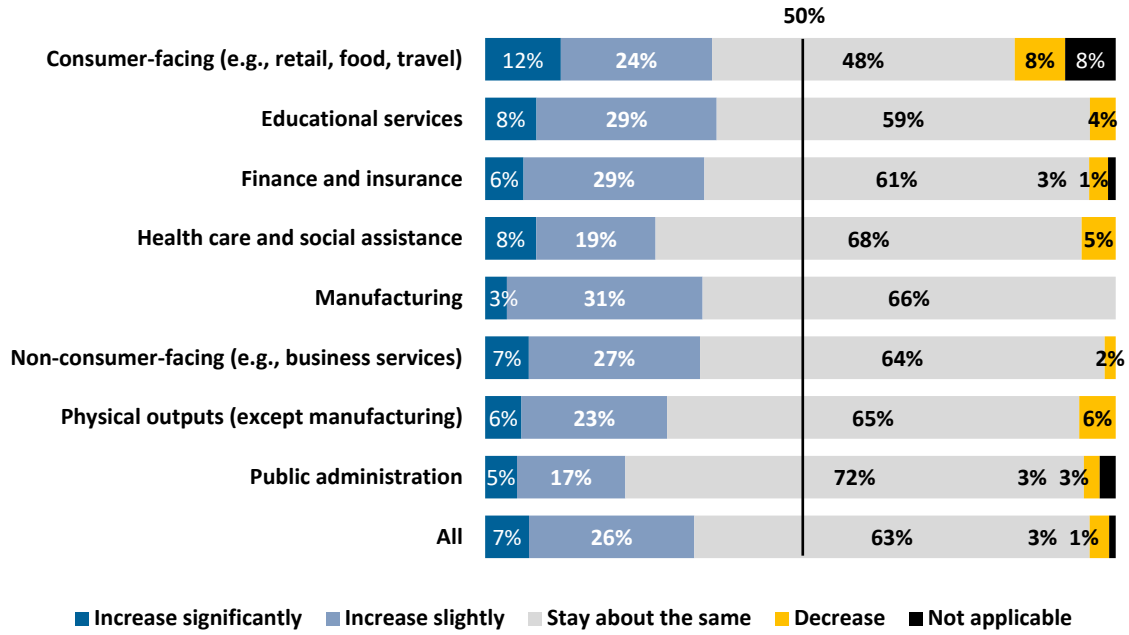


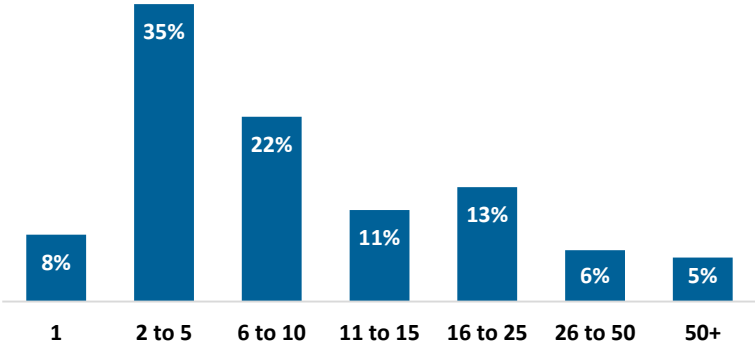
Exhibit 34: Talent Management Competency



Note: Exhibits 22 to 34 are based on Q6: Looking forward, how do you think the need for competencies in the following areas will change as a result of COVID-19? Survey responses were collected June 3-5, 2020, from CAEs and directors in the U.S., Canada, and Caribbean associated with The IIA. n = 483.

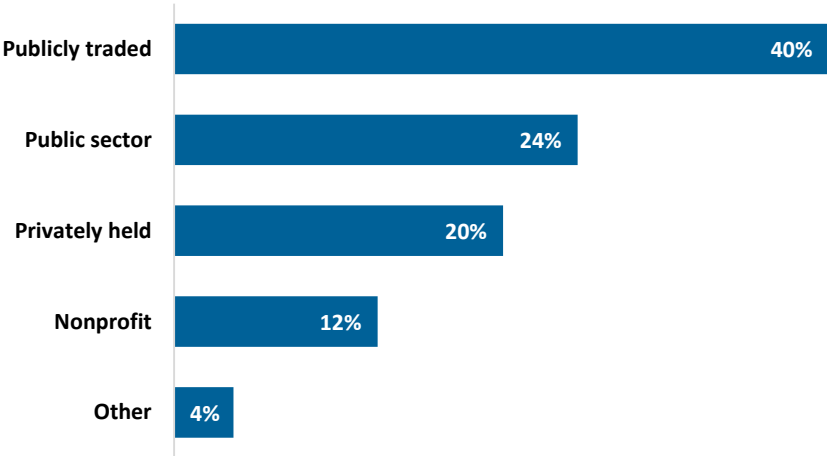
DEMOGRAPHICS

Exhibit 35: Internal Audit Function Size



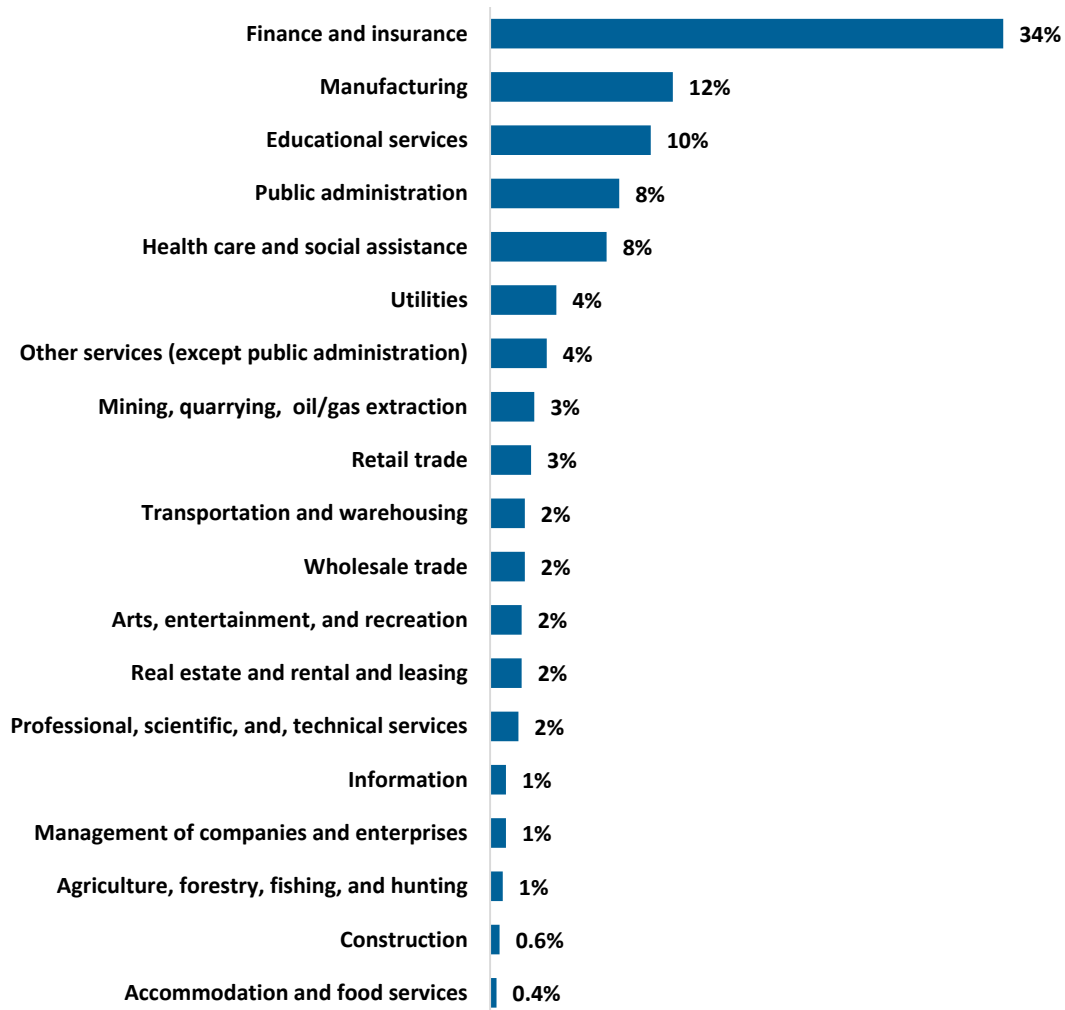
Note: What is the size of your internal audit function? Survey responses were collected June 3-5, 2020, from CAEs and directors in the U.S., Canada, and Caribbean associated with The IIA. *n* = 486.

Exhibit 36: Organization Type



Note: For what kind of organization do you currently work? Survey responses were collected June 3-5, 2020, from CAEs and directors in the U.S., Canada, and Caribbean associated with The IIA. *n* = 486.

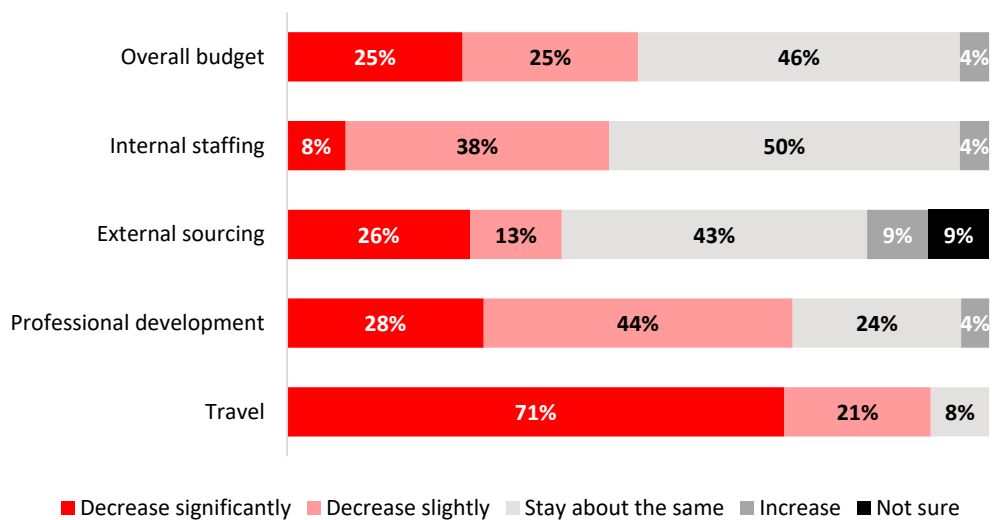
Exhibit 37: Industry



Note: What is the primary industry classification of the organization for which you work (or your primary client if you are a service provider)? Survey responses were collected June 3-5, 2020, from CAEs and directors in the U.S., Canada, and Caribbean associated with The IIA. *n* = 486.

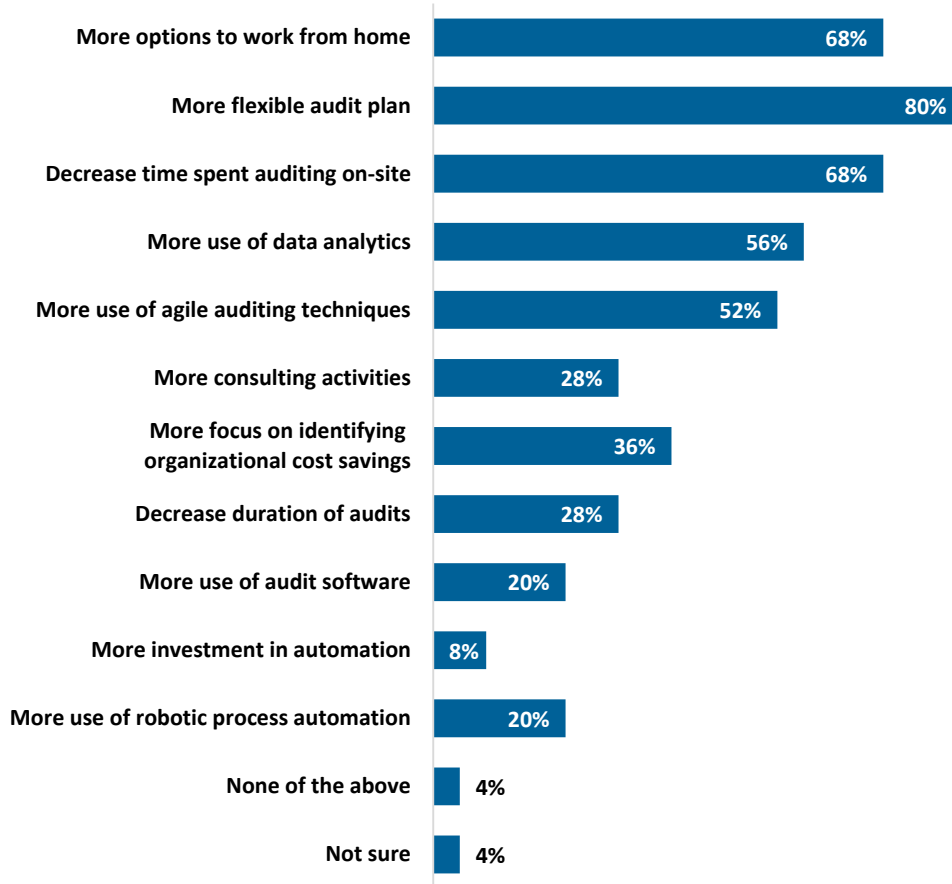
APPENDIX A: CONSUMER-FACING

Exhibit A.1: Internal Audit Budget Changes Expected in Next 12 Months Due to COVID-19 (Consumer-Facing)



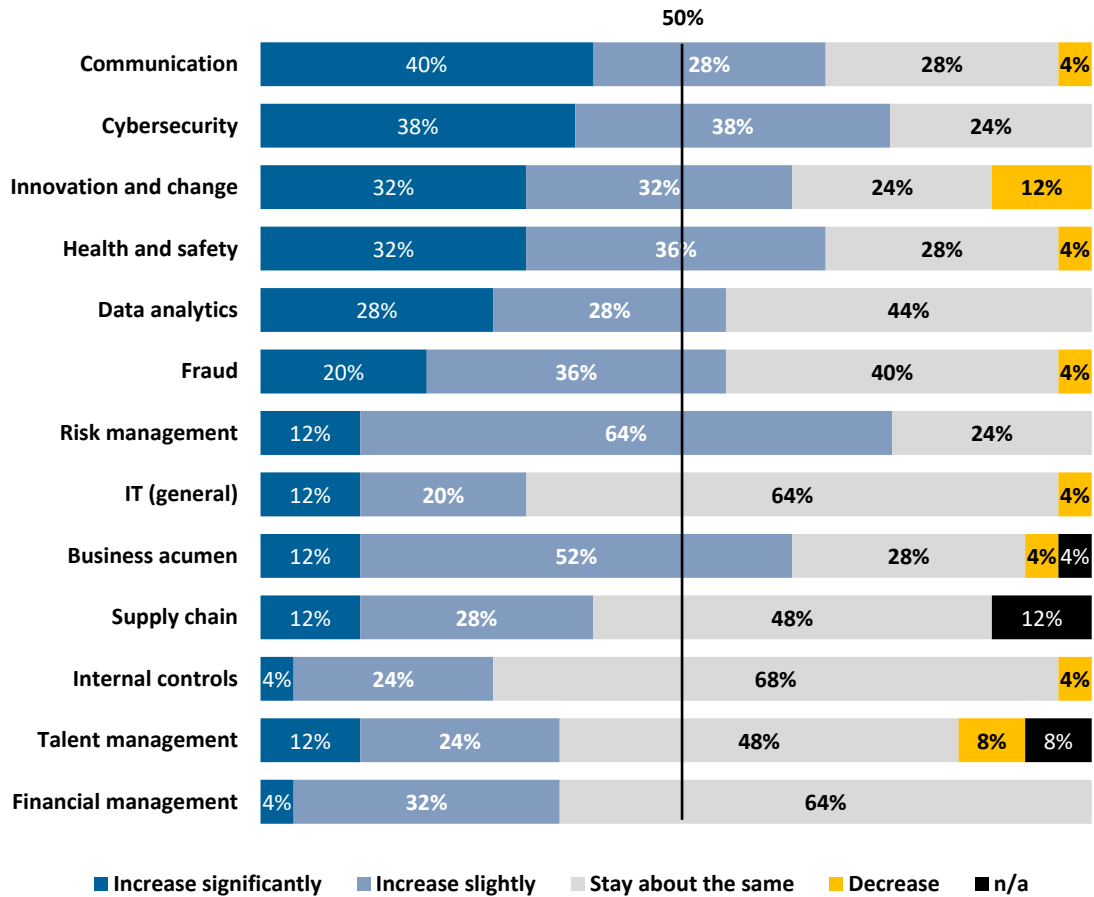
Note: Q1: Looking forward to the next 12 months, how do you expect your budget to change as a result of COVID-19 in the following areas? Topics were 1) overall budget, 2) internal staffing (including salary, bonuses, and benefits), 3) external sourcing (audit services by third parties), and 4) professional development (certifications, training, conferences, etc.). Survey responses were collected June 3-5, 2020, from CAEs and directors in North America associated with The IIA. Consumer-facing (e.g., retail, food, travel) only. $n = 24$.

Exhibit A.2: Anticipated Audit Process Changes (Consumer-Facing)



Note: Q5: Looking forward, how do you anticipate your audit process will change as a result of COVID-19? Survey responses were collected June 3-5, 2020, from CAEs and directors in the U.S., Canada, and Caribbean associated with The IIA. Consumer-facing only. *n* = 25.

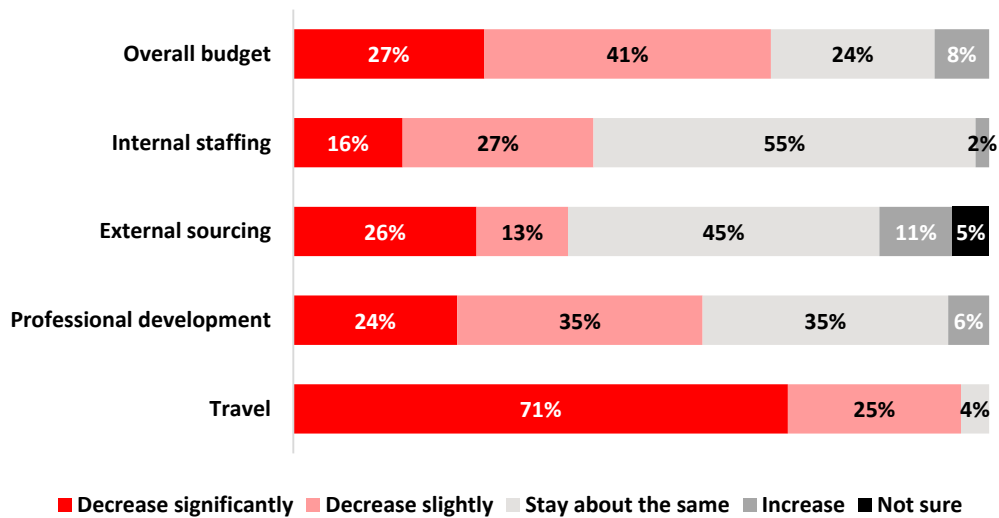
Exhibit A.3: COVID-19 Impact on Internal Audit Competency Needs (Consumer-Facing)



Note: Q6: Looking forward, how do you think the need for competencies in the following areas will change as a result of COVID-19? Survey responses were collected June 3-5, 2020, from CAEs and directors in the U.S., Canada, and Caribbean associated with The IIA. Consumer-facing only. *n* = 25.

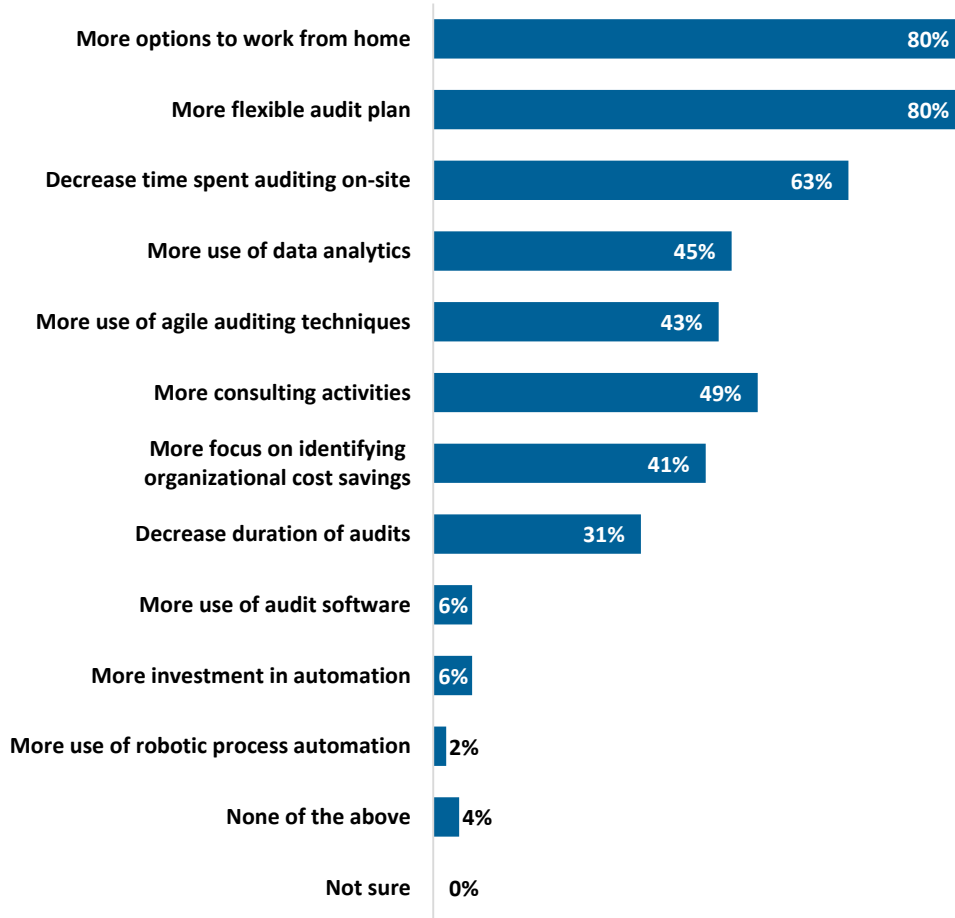
APPENDIX B: EDUCATIONAL SERVICES

Exhibit B.1: Internal Audit Budget Changes Expected in Next 12 Months Due to COVID-19 (Educational Services)



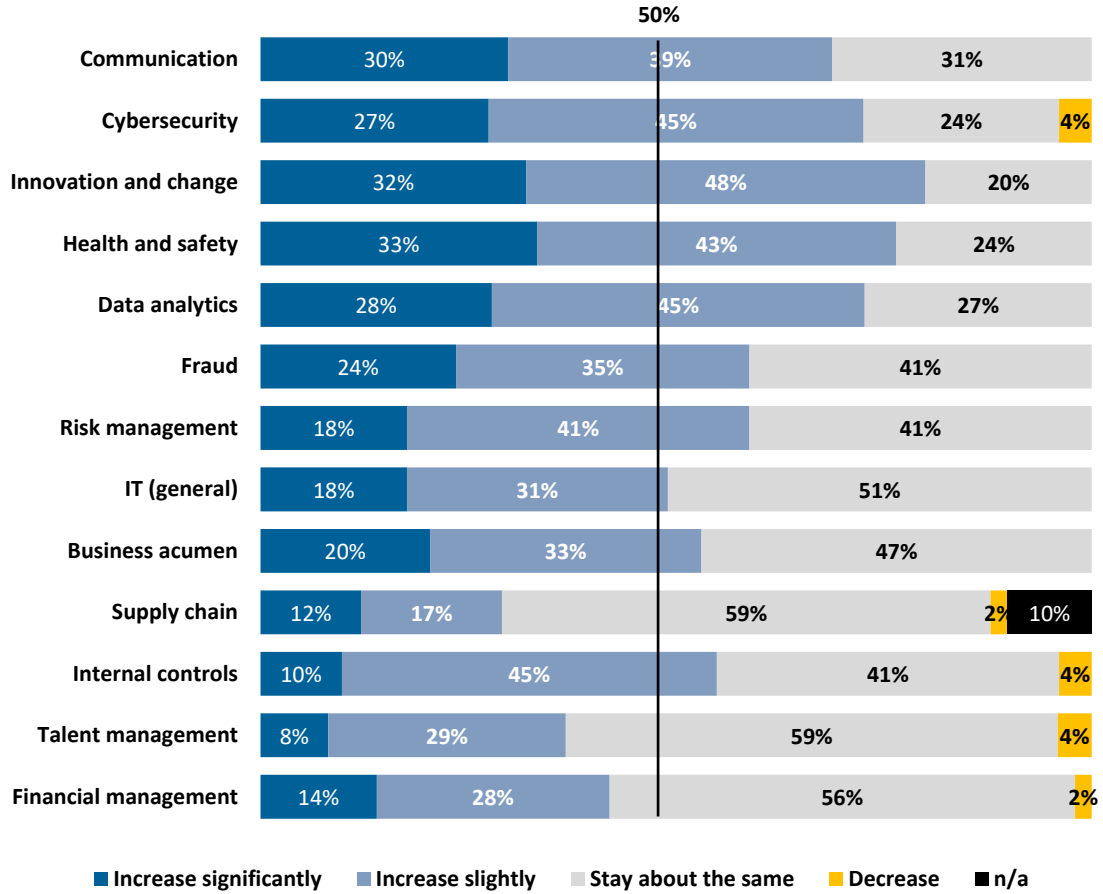
Note: Q1: Looking forward to the next 12 months, how do you expect your budget to change as a result of COVID-19 in the following areas? Topics were 1) overall budget, 2) internal staffing (including salary, bonuses, and benefits), 3) external sourcing (audit services by third parties), and 4) professional development (certifications, training, conferences, etc.). Survey responses were collected June 3-5, 2020, from CAEs and directors in North America associated with The IIA. Educational services only. *n* = 51.

Exhibit B.2: Anticipated Audit Process Changes (Educational Services)



Note: Q5: Looking forward, how do you anticipate your audit process will change as a result of COVID-19? Survey responses were collected June 3-5, 2020, from CAEs and directors in the U.S., Canada, and Caribbean associated with The IIA. Educational services only. *n* = 51.

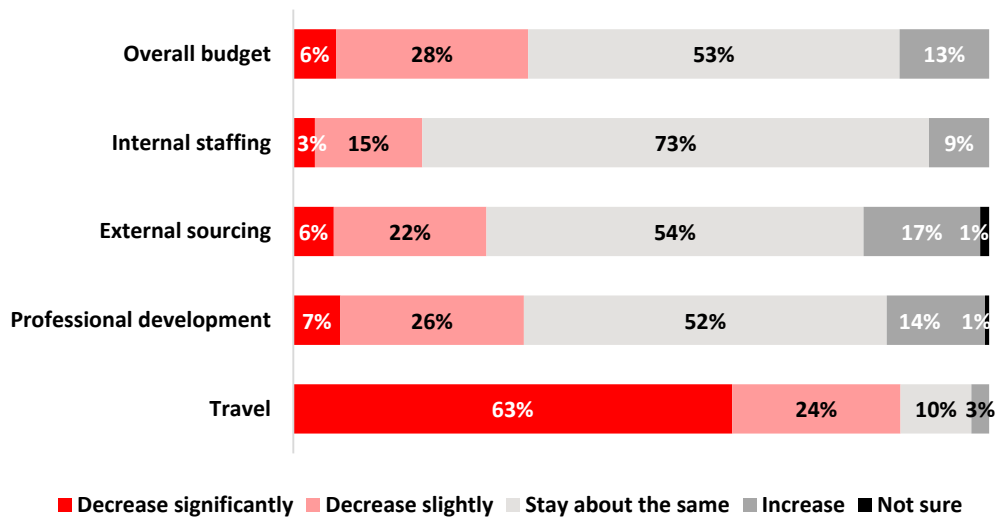
Exhibit B.3: COVID-19 Impact on Internal Audit Competency Needs (Educational Services)



Note: Q6: Looking forward, how do you think the need for competencies in the following areas will change as a result of COVID-19? Survey responses were collected June 3-5, 2020, from CAEs and directors in the U.S., Canada, and Caribbean associated with The IIA. Educational services only. n = 51.

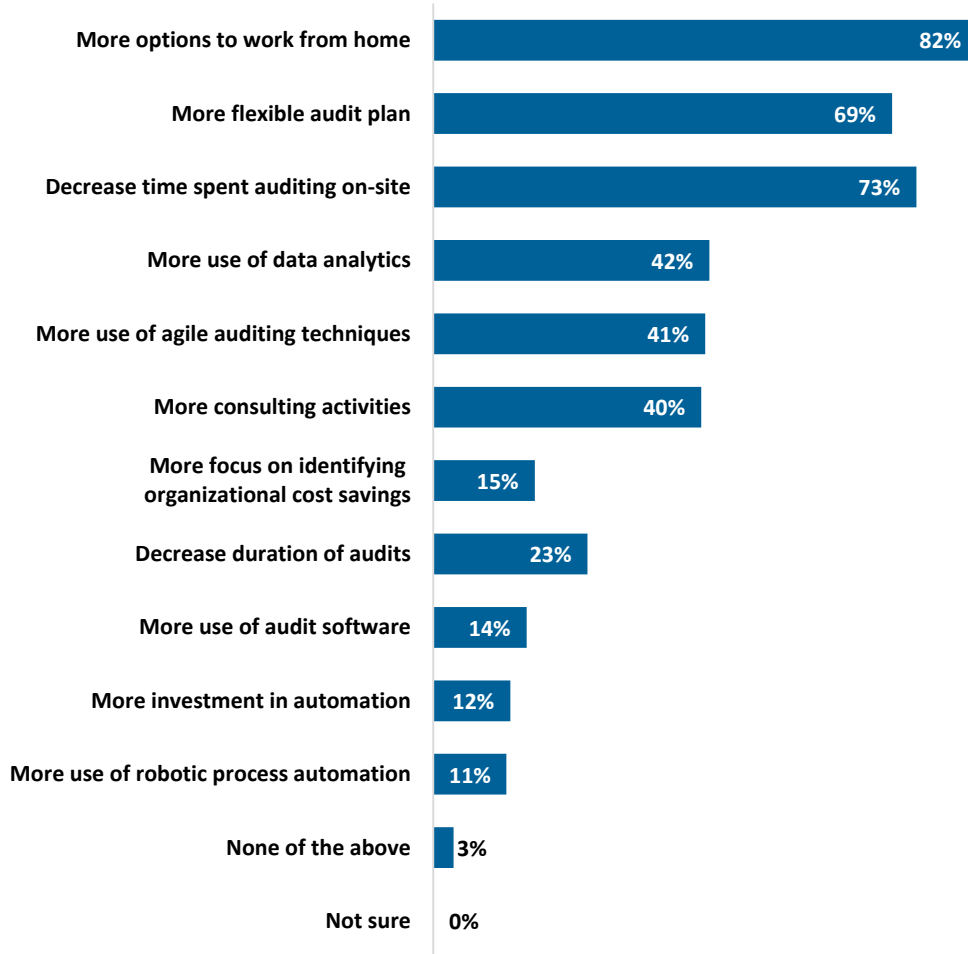
APPENDIX C: FINANCE AND INSURANCE

Exhibit C.1: Internal Audit Budget Changes Expected in Next 12 Months Due to COVID-19 (Finance and Insurance)



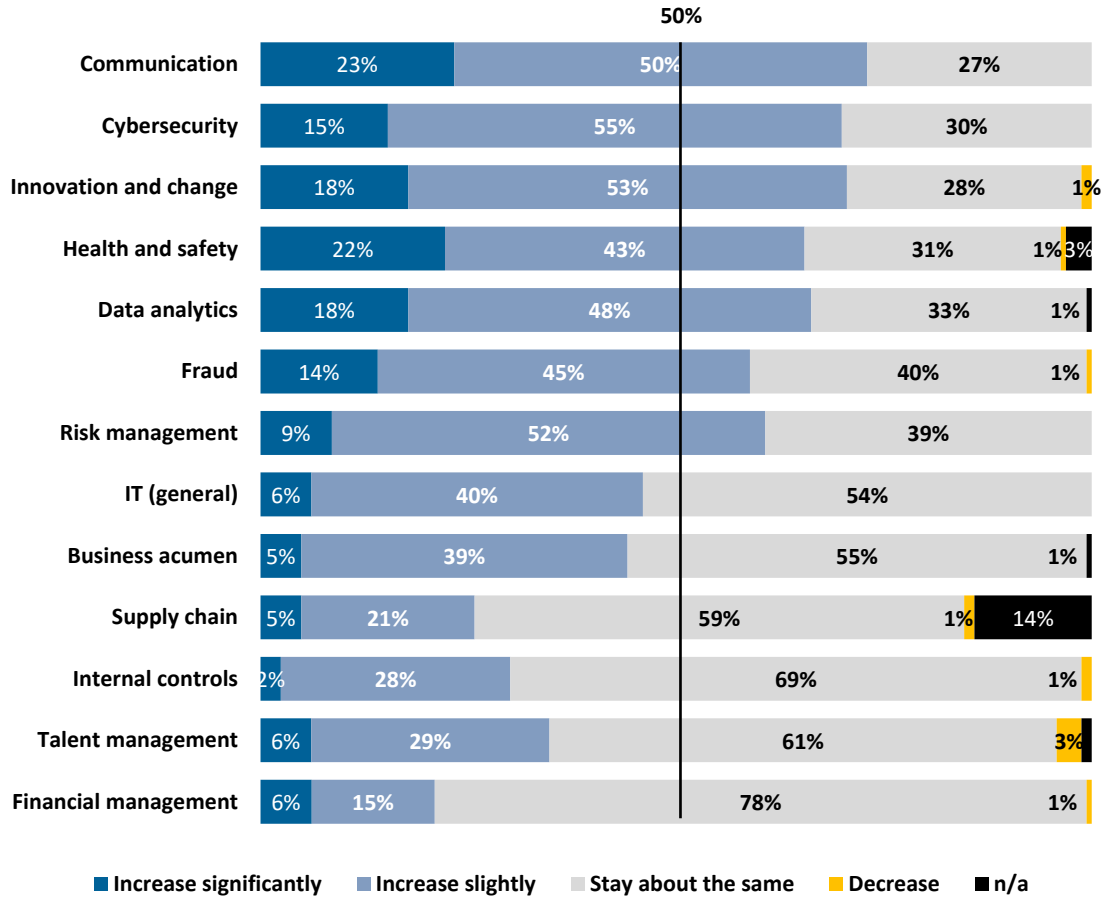
Note: Q1: Looking forward to the next 12 months, how do you expect your budget to change as a result of COVID-19 in the following areas? Topics were 1) overall budget, 2) internal staffing (including salary, bonuses, and benefits), 3) external sourcing (audit services by third parties), and 4) professional development (certifications, training, conferences, etc.). Survey responses were collected June 3-5, 2020, from CAEs and directors in North America associated with The IIA. Finance and insurance only. *n* = 163.

Exhibit C.2: Anticipated Audit Process Changes (Finance and Insurance)



Note: Q5: Looking forward, how do you anticipate your audit process will change as a result of COVID-19? Survey responses were collected June 3-5, 2020, from CAEs and directors in the U.S., Canada, and Caribbean associated with The IIA. Finance and insurance only. *n* = 51.

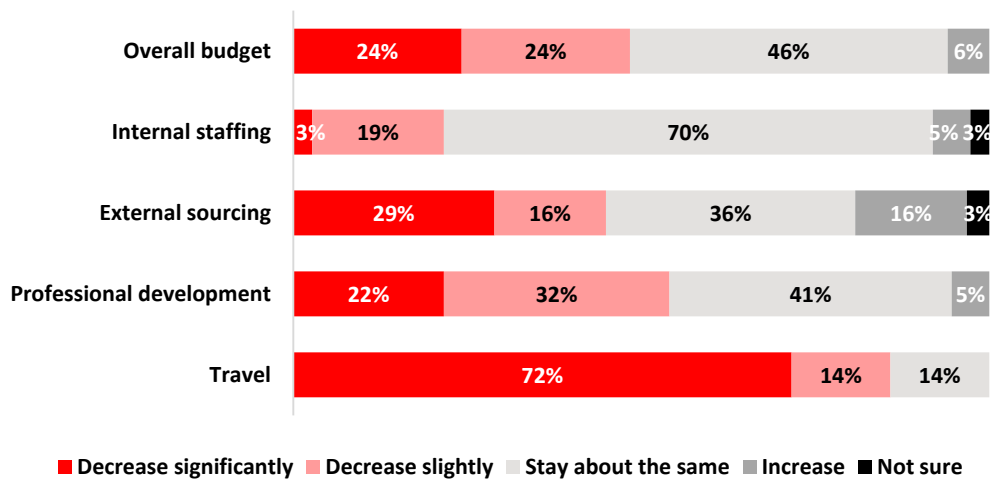
Exhibit C.3: COVID-19 Impact on Internal Audit Competency Needs (Finance and Insurance)



Note: Q6: Looking forward, how do you think the need for competencies in the following areas will change as a result of COVID-19? Survey responses were collected June 3-5, 2020, from CAEs and directors in the U.S., Canada, and Caribbean associated with The IIA. Finance and insurance only. n = 163.

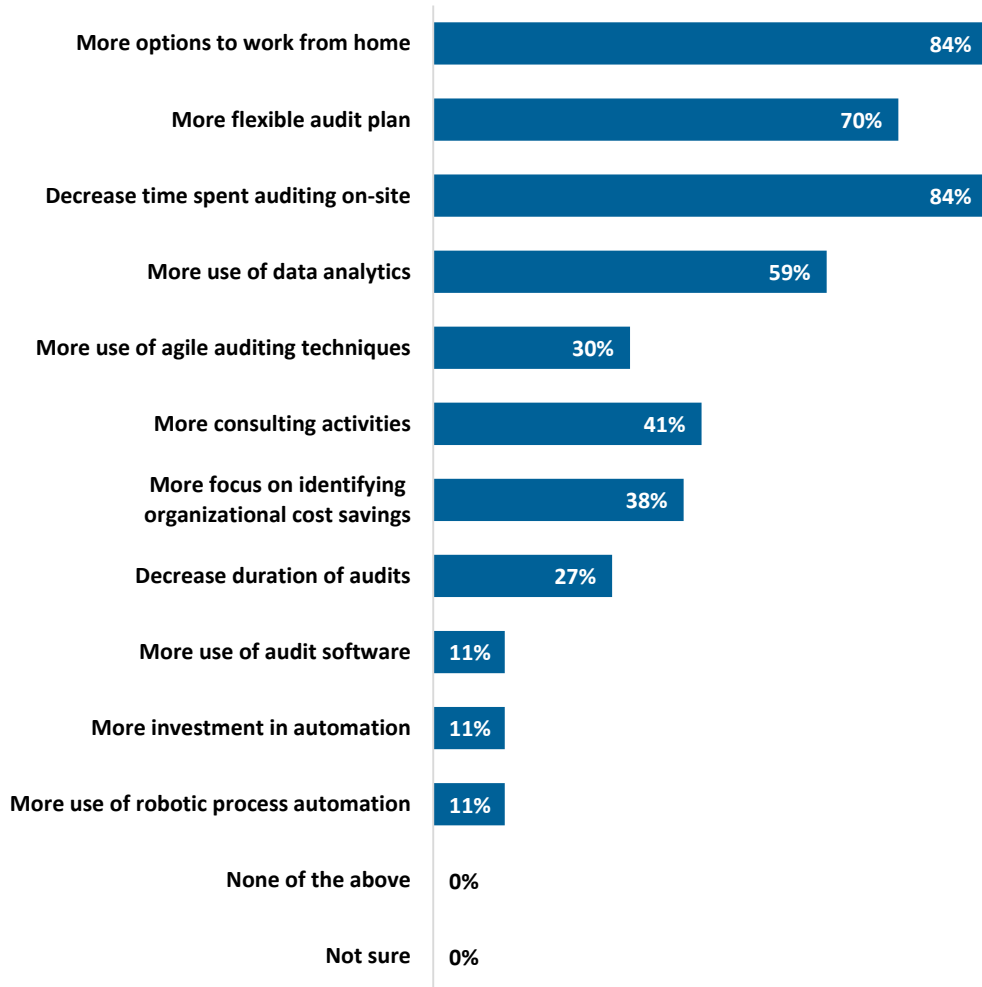
APPENDIX D: HEALTH CARE AND SOCIAL ASSISTANCE

Exhibit D.1: Internal Audit Budget Changes Expected in Next 12 Months Due to COVID-19 (Health Care and Social Assistance)



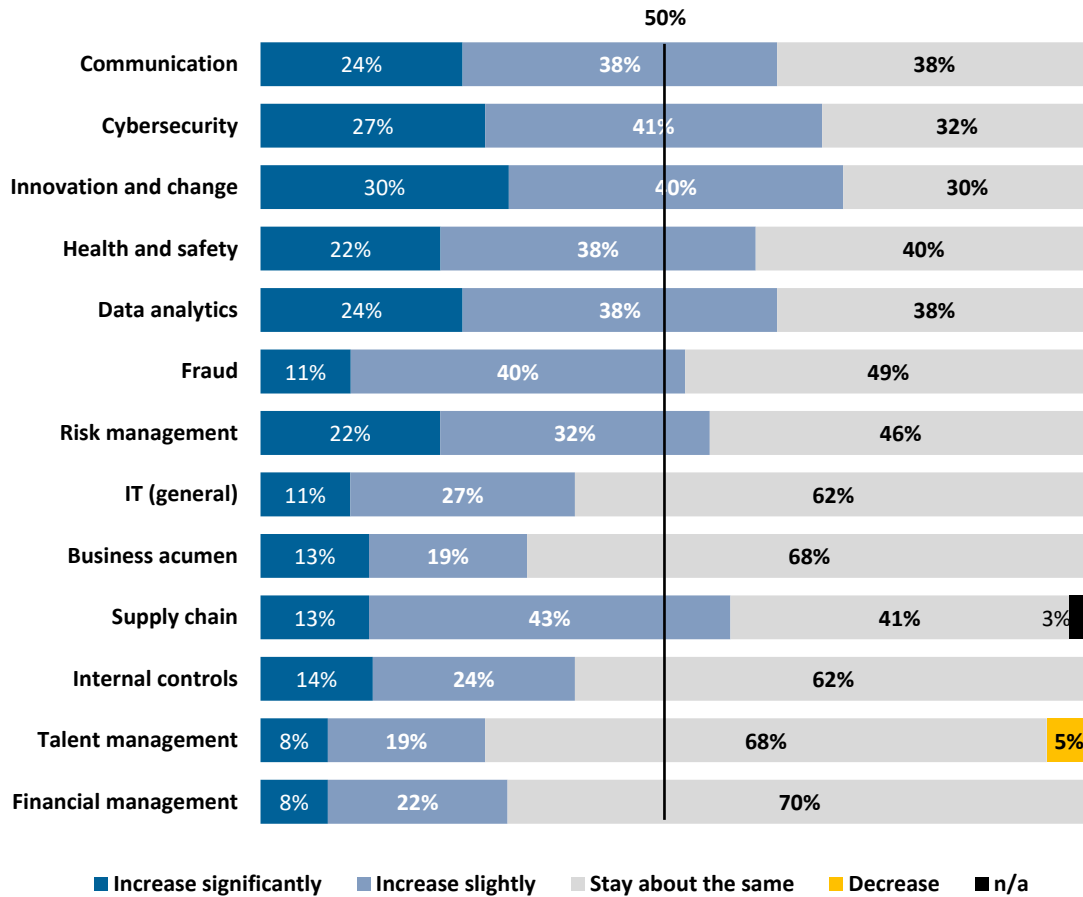
Note: Q1: Looking forward to the next 12 months, how do you expect your budget to change as a result of COVID-19 in the following areas? Topics were 1) overall budget, 2) internal staffing (including salary, bonuses, and benefits), 3) external sourcing (audit services by third parties), and 4) professional development (certifications, training, conferences, etc.). Survey responses were collected June 3-5, 2020, from CAEs and directors in North America associated with The IIA. Healthcare and social assistance only. *n* = 37.

Exhibit D.2: Anticipated Audit Process Changes (Health Care and Social Assistance)



Note: Q5: Looking forward, how do you anticipate your audit process will change as a result of COVID-19? Survey responses were collected June 3-5, 2020, from CAEs and directors in the U.S., Canada, and Caribbean associated with The IIA. Health care and social assistance only. *n* = 37.

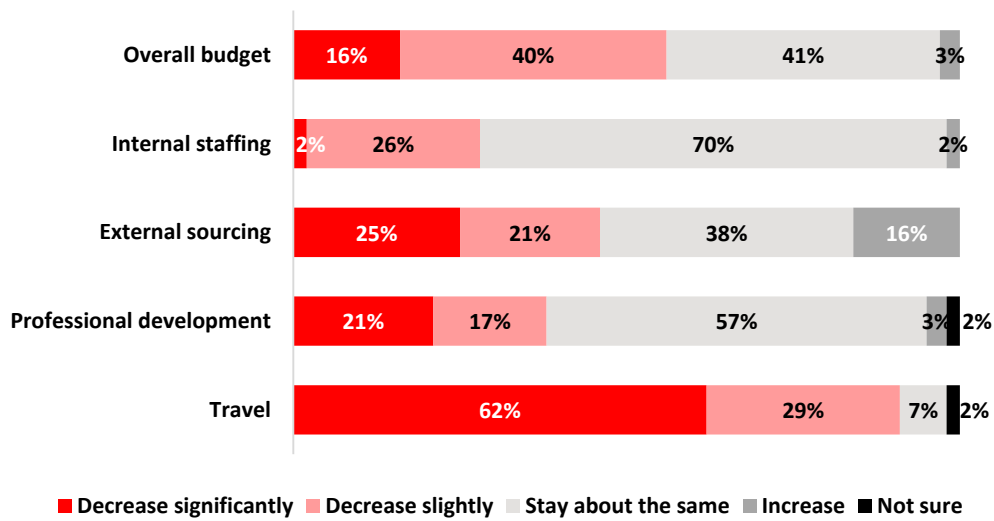
Exhibit D.3: COVID-19 Impact on Internal Audit Competency Needs (Health Care and Social Assistance)



Note: Q6: Looking forward, how do you think the need for competencies in the following areas will change as a result of COVID-19? Survey responses were collected June 3-5, 2020, from CAEs and directors in the U.S., Canada, and Caribbean associated with The IIA. Health care and social assistance only. *n* = 37.

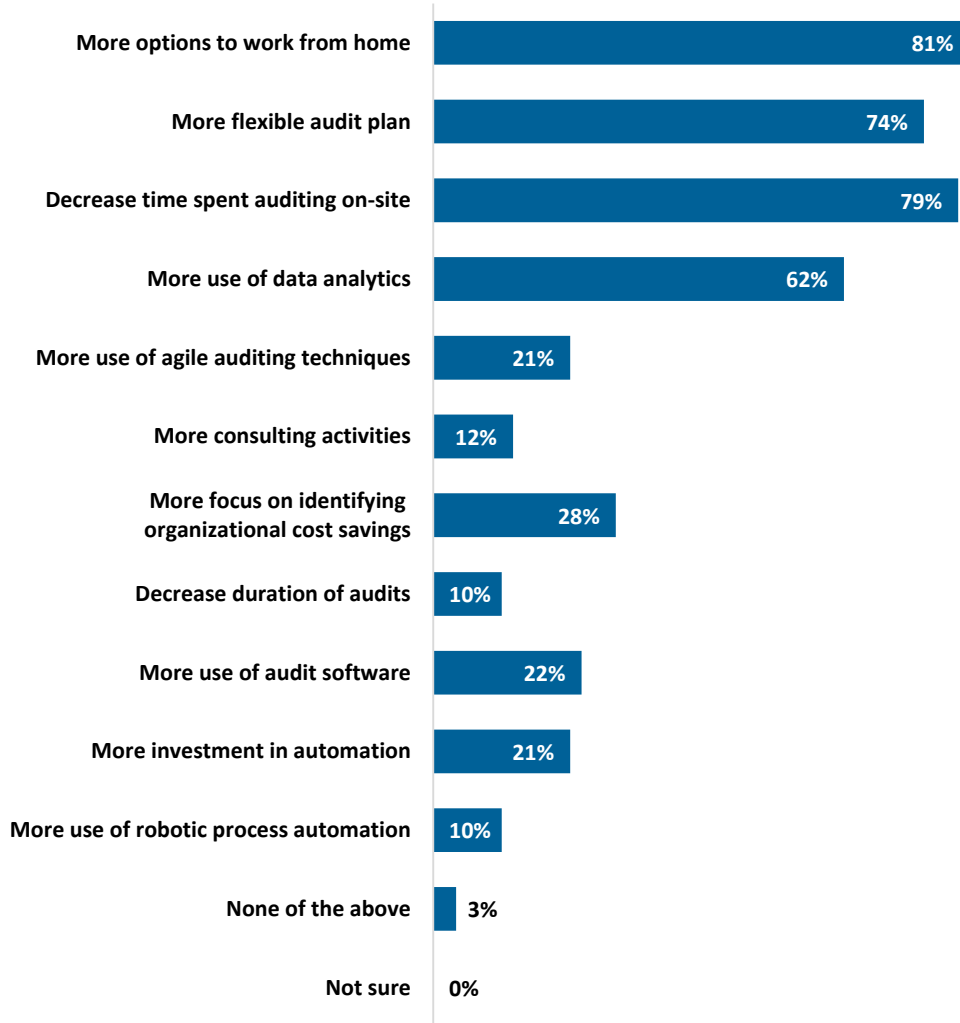
APPENDIX E: MANUFACTURING

Exhibit E.1: Internal Audit Budget Changes Expected in Next 12 Months Due to COVID-19 (Manufacturing)



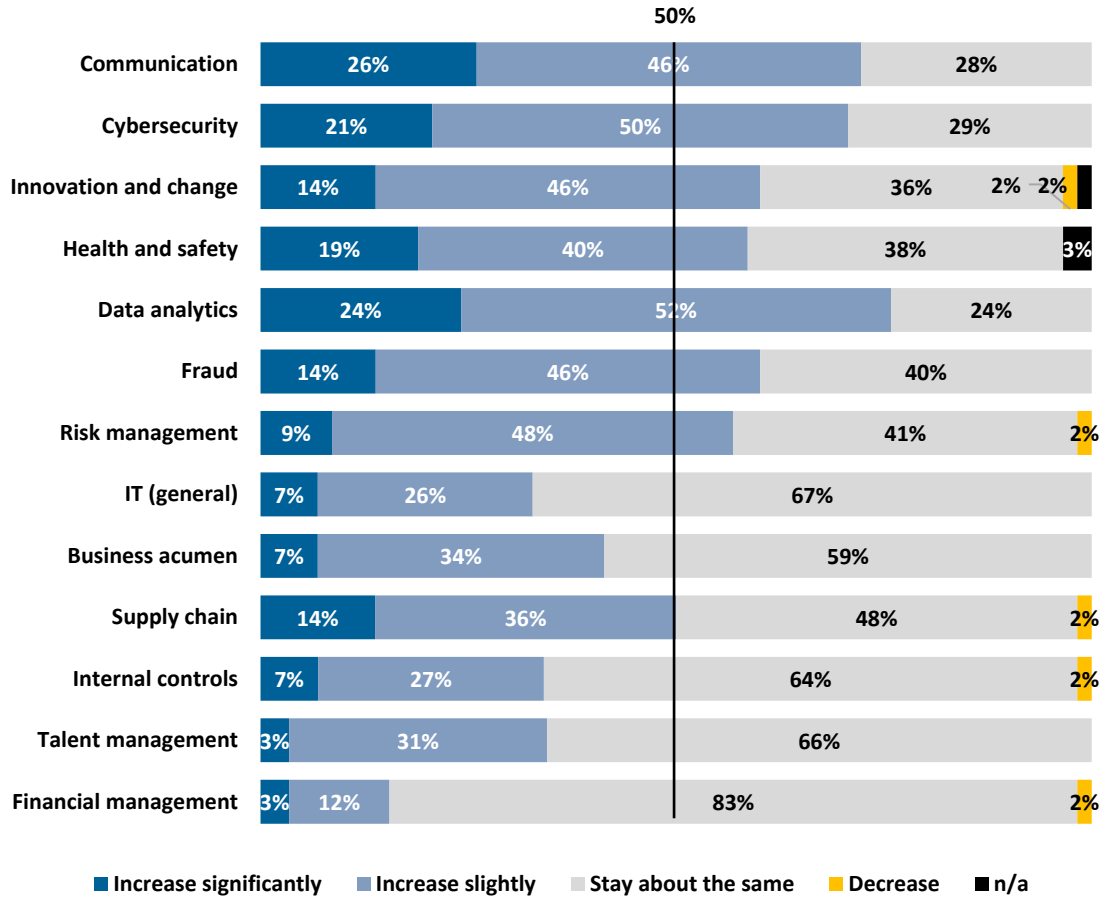
Note: Q1: Looking forward to the next 12 months, how do you expect your budget to change as a result of COVID-19 in the following areas? Topics were 1) overall budget, 2) internal staffing (including salary, bonuses, and benefits), 3) external sourcing (audit services by third parties), and 4) professional development (certifications, training, conferences, etc.). Survey responses were collected June 3-5, 2020, from CAEs and directors in North America associated with The IIA. Manufacturing only. *n* = 58.

Exhibit E.2: Anticipated Audit Process Changes (Manufacturing)



Note: Q5: Looking forward, how do you anticipate your audit process will change as a result of COVID-19? Survey responses were collected June 3-5, 2020, from CAEs and directors in the U.S., Canada, and Caribbean associated with The IIA. Manufacturing only. *n* = 37.

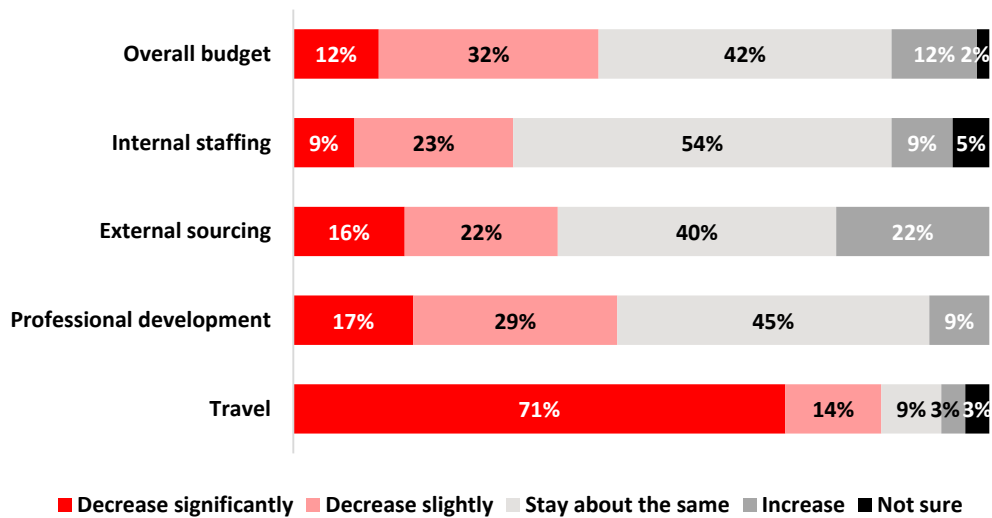
Exhibit E.3: COVID-19 Impact on Internal Audit Competency Needs (Manufacturing)



Note: Q6: Looking forward, how do you think the need for competencies in the following areas will change as a result of COVID-19? Survey responses were collected June 3-5, 2020, from CAEs and directors in the U.S., Canada, and Caribbean associated with The IIA. Manufacturing only. *n* = 58.

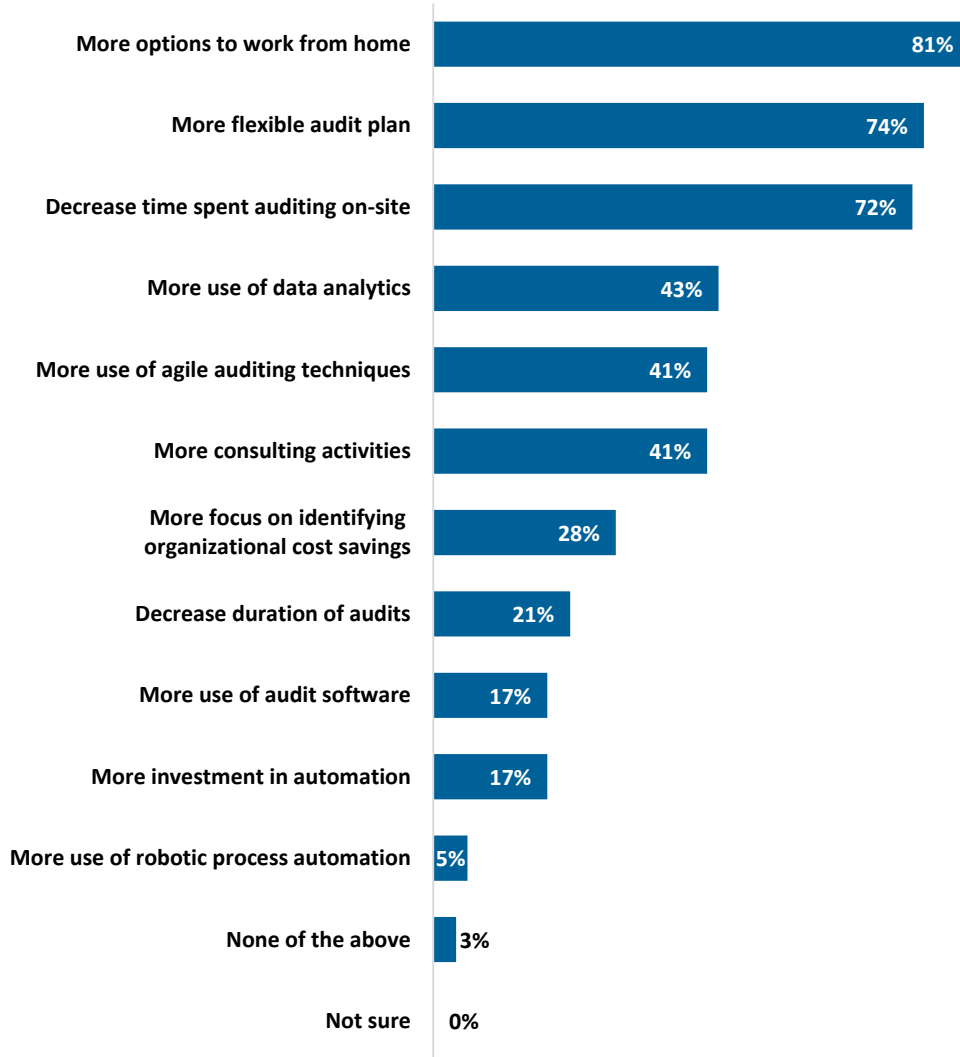
APPENDIX F: NON-CONSUMER-FACING

Exhibit F.1: Internal Audit Budget Changes Expected in Next 12 Months Due to COVID-19 (Non-Consumer-Facing)



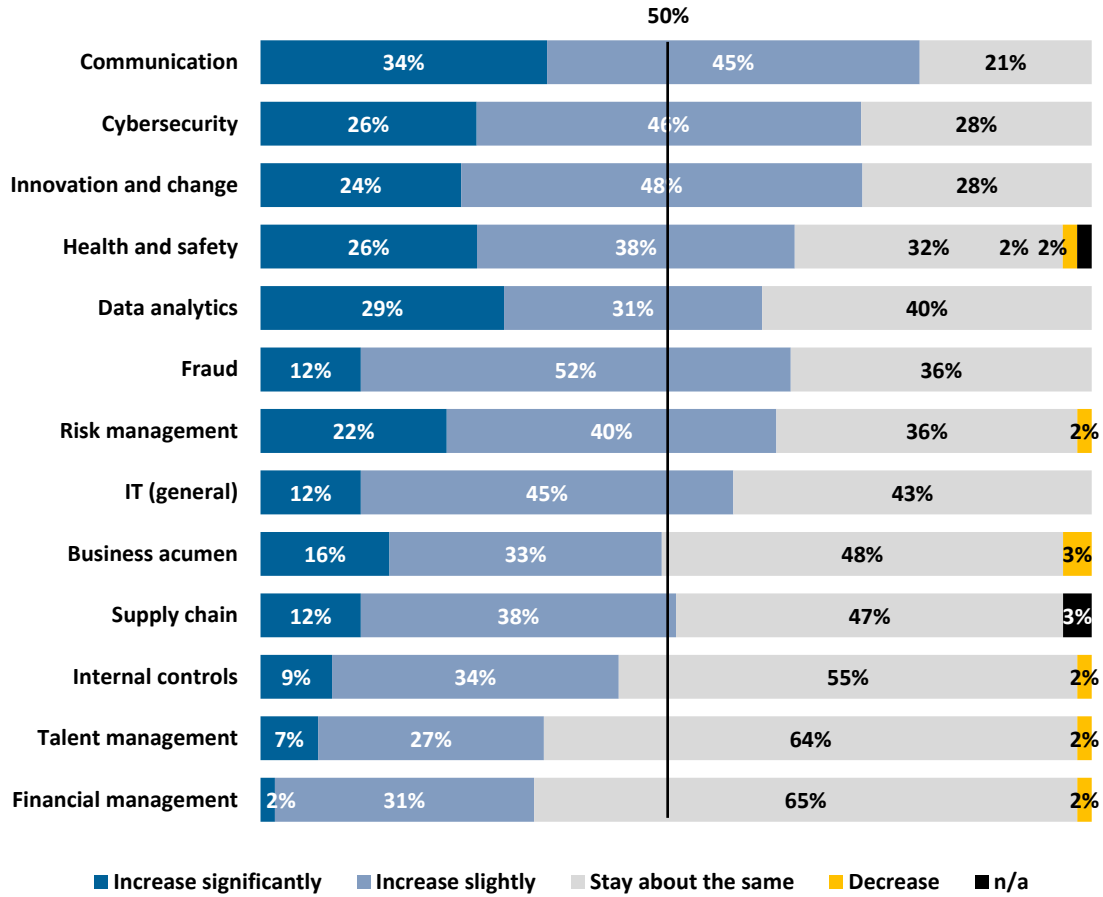
Note: Q1: Looking forward to the next 12 months, how do you expect your budget to change as a result of COVID-19 in the following areas? Topics were 1) overall budget, 2) internal staffing (including salary, bonuses, and benefits), 3) external sourcing (audit services by third parties), and 4) professional development (certifications, training, conferences, etc.). Survey responses were collected June 3-5, 2020, from CAEs and directors in North America associated with The IIA. Non-consumer-facing only. *n* = 58.

Exhibit F.2: Anticipated Audit Process Changes (Non-Consumer-Facing)



Note: Q5: Looking forward, how do you anticipate your audit process will change as a result of COVID-19? Survey responses were collected June 3-5, 2020, from CAEs and directors in the U.S., Canada, and Caribbean associated with The IIA. Non-consumer-facing only. *n* = 58.

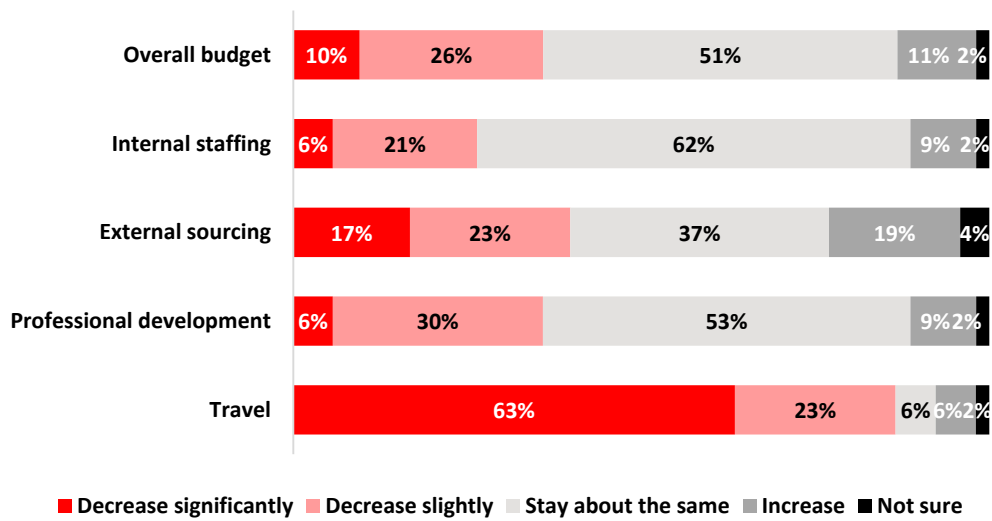
Exhibit F.3: COVID-19 Impact on Internal Audit Competency Needs (Non-Consumer-Facing)



Note: Q6: Looking forward, how do you think the need for competencies in the following areas will change as a result of COVID-19? Survey responses were collected June 3-5, 2020, from CAEs and directors in the U.S., Canada, and Caribbean associated with The IIA. Non-consumer-facing only. n = 58.

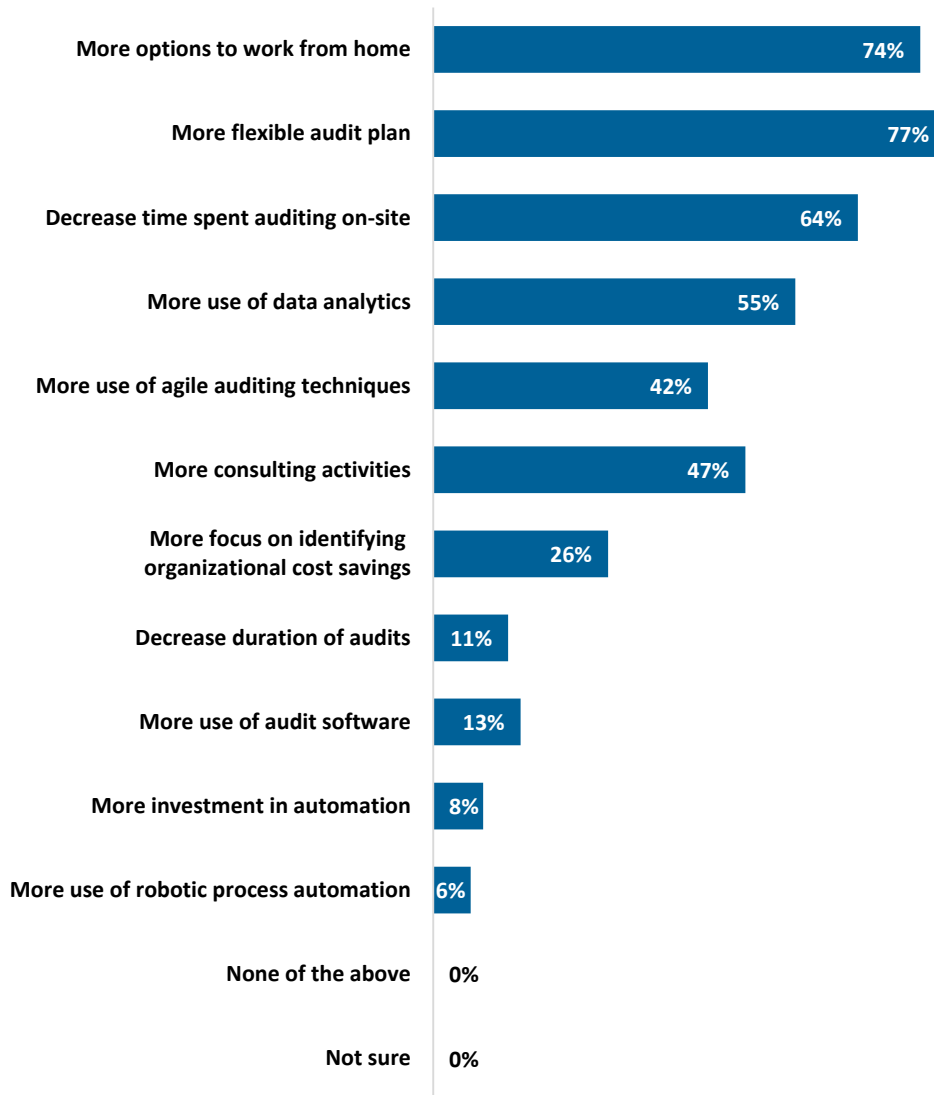
APPENDIX G: PHYSICAL OUTPUTS

Exhibit G.1: Internal Audit Budget Changes Expected in Next 12 Months Due to COVID-19 (Physical Outputs)



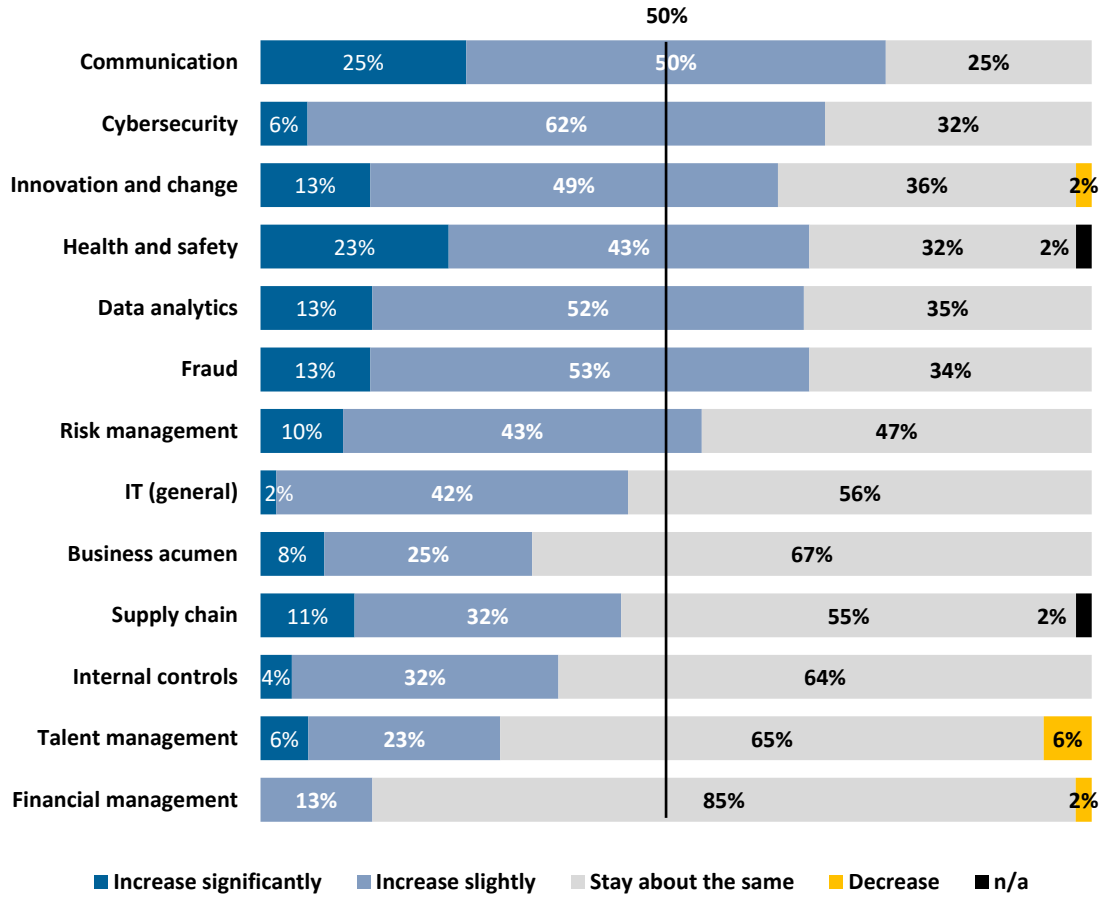
Note: Q1: Looking forward to the next 12 months, how do you expect your budget to change as a result of COVID-19 in the following areas? Topics were 1) overall budget, 2) internal staffing (including salary, bonuses, and benefits), 3) external sourcing (audit services by third parties), and 4) professional development (certifications, training, conferences, etc.). Survey responses were collected June 3-5, 2020, from CAEs and directors in North America associated with The IIA. Physical outputs only. *n* = 53.

Exhibit G.2: Anticipated Audit Process Changes (Physical Outputs)



Note: Q5: Looking forward, how do you anticipate your audit process will change as a result of COVID-19? Survey responses were collected June 3-5, 2020, from CAEs and directors in the U.S., Canada, and Caribbean associated with The IIA. Physical outputs only. *n* = 53.

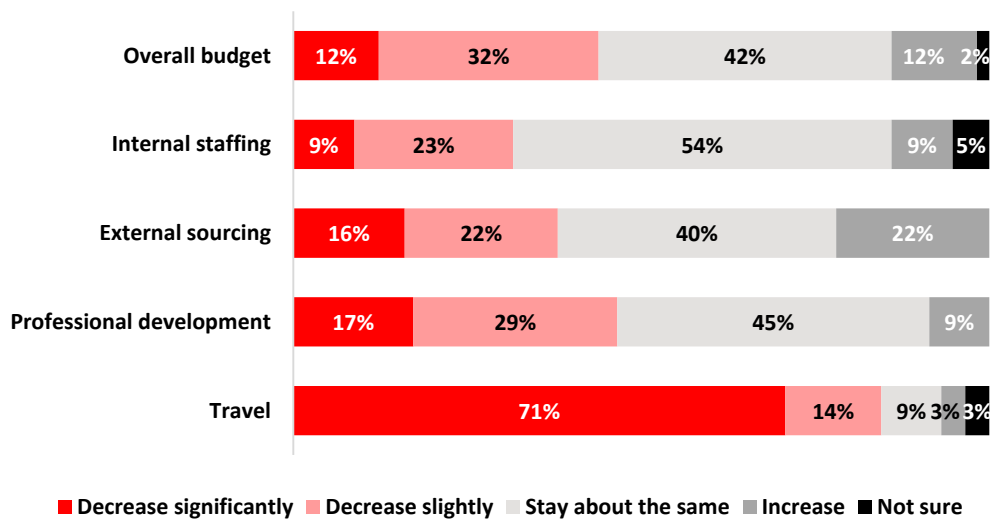
Exhibit G.3: COVID-19 Impact on Internal Audit Competency Needs (Physical Outputs)



Note: Q6: Looking forward, how do you think the need for competencies in the following areas will change as a result of COVID-19? Survey responses were collected June 3-5, 2020, from CAEs and directors in the U.S., Canada, and Caribbean associated with The IIA. Physical outputs only. n = 52.

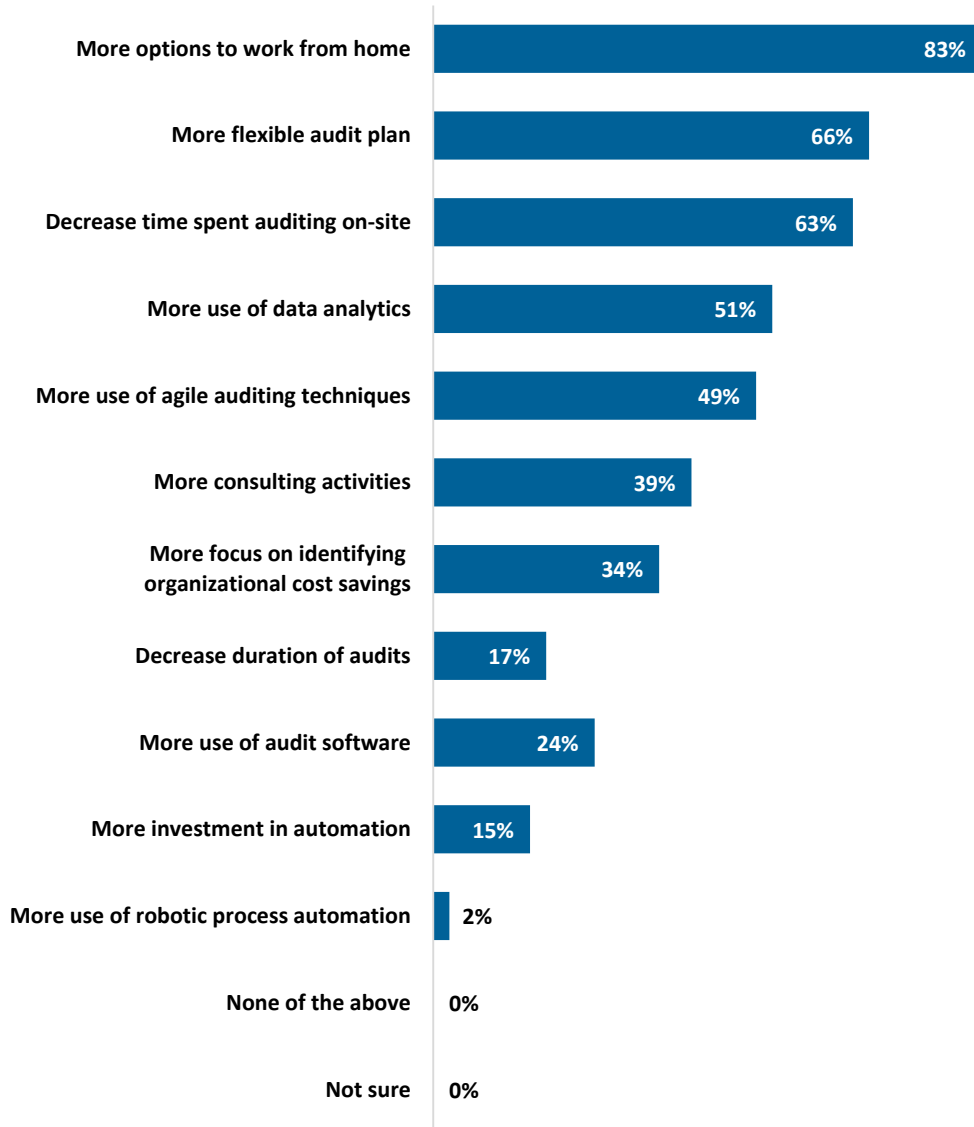
APPENDIX H: PUBLIC ADMINISTRATION

Exhibit H.1: Internal Audit Budget Changes Expected in Next 12 Months Due to COVID-19 (Public Administration)



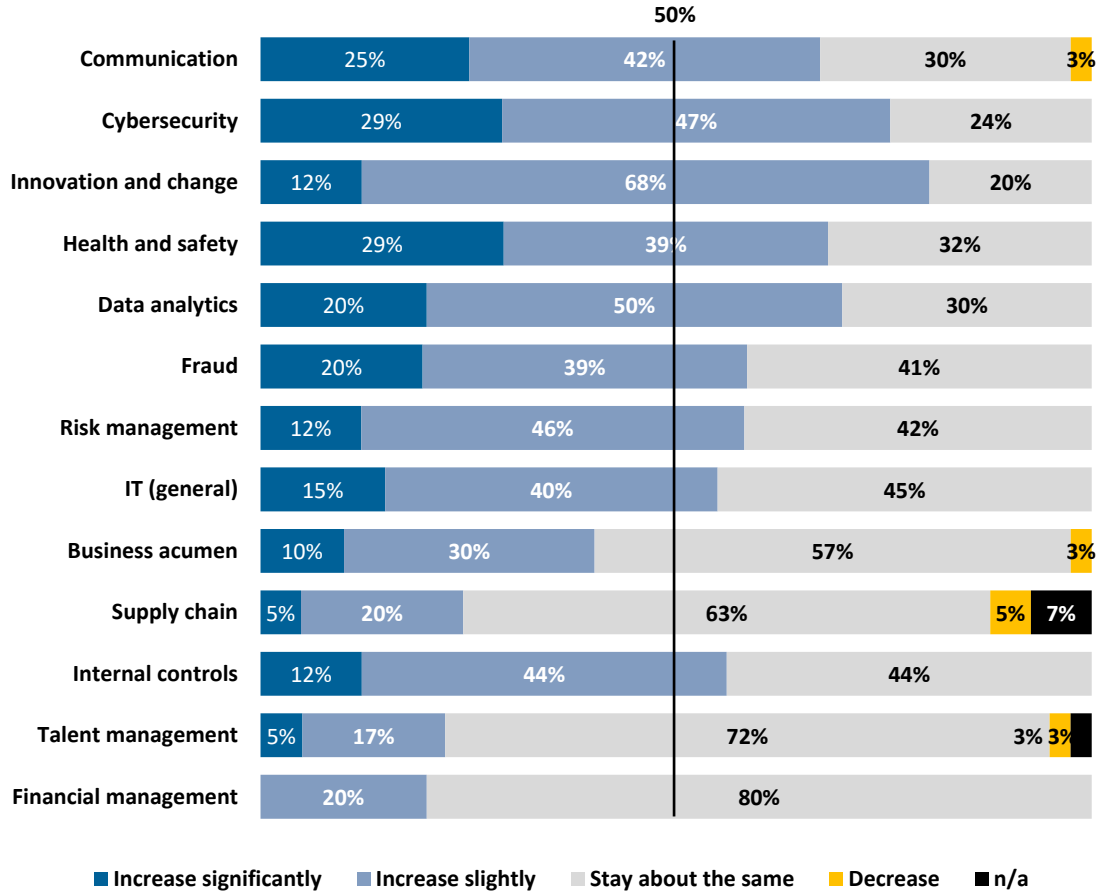
Note: Q1: Looking forward to the next 12 months, how do you expect your budget to change as a result of COVID-19 in the following areas? Topics were 1) overall budget, 2) internal staffing (including salary, bonuses, and benefits), 3) external sourcing (audit services by third parties), and 4) professional development (certifications, training, conferences, etc.). Survey responses were collected June 3-5, 2020, from CAEs and directors in North America associated with The IIA. Public administration only. *n* = 41.

Exhibit H.2: Anticipated Audit Process Changes (Public Administration)



Note: Q6: Looking forward, how do you think the need for competencies in the following areas will change as a result of COVID-19? Survey responses were collected June 3-5, 2020, from CAEs and directors in the U.S., Canada, and Caribbean associated with The IIA. Public administration only. *n* = 53.

Exhibit H.3: COVID-19 Impact on Internal Audit Competency Needs (Public Administration)



Note: Q6: Looking forward, how do you think the need for competencies in the following areas will change as a result of COVID-19? Survey responses were collected June 3-5, 2020, from CAEs and directors in the U.S., Canada, and Caribbean associated with The IIA. Public administration only. n = 41.

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June 2020



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