



Global Chief Audit Executive Survey —Financial Services Industry (FSI) perspective

Internal Audit's (IA) modernization efforts are leading to greater impact and influence

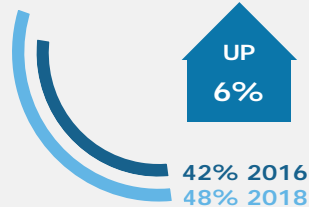
2018 Global CAE Survey

1100 CAE Respondents

From 40 Countries

With nearly 350 FSI Respondents

FSI IA's impact and influence is increasing



% of respondents who believe their IA function has strong impact and influence ... **but there's still room for improvement**

Only **36%** of respondents indicate that they are perceived very positively within their organization

Near term FSI IA priorities



66%

Implementing IA analytics



58%

Strengthening IA pipeline



48%

Better integration with second line of defense functions

FSI places a high priority on better integration with second line of defense functions whereas other industries prioritize enhancing the quality of Internal Audit

Impact and influence is tied to innovation

FSI CAEs are applying Agile IA...

49% of functions that are currently using agile principles report having strong impact and influence

...CAEs are innovating through **analytics and robotic process automation (RPA)**...

63% of functions that are currently using advanced analytics report having strong impact and influence

88% of functions that are currently using RPA report having strong impact and influence

Resourcing models must evolve faster

FSI CAEs are seeking new competencies



Need to strengthen talent pipeline

Missing key skills/talent **39%**



Competencies such as analytics expertise or experience are most sought out by the IA function



Specialist skills are the most commonly cited reason for using an alternative resourcing model

Advise and anticipate—don't just assure

FSI IA mostly provides assurance with advisory in certain cases. But the proportion of advisory services provided is expected to increase in the next 3-5 years...

57% of FSI respondents anticipate increasing the proportion of advisory services they deliver



67% of FSI survey respondents expect to increase their function's investment in innovation over the next 3-5 years. Top 3 innovative developments that will impact and transform the FSI IA function*



Data analytics



RPA/cognitive technologies



Predictive analytics

*Most commonly selected by respondents

Agile practices are gaining momentum with FSI CAEs

11% see Agile as the key innovation

43% plan on prioritizing Agile IA

29% of FSI IA functions are currently adopting Agile IA or are considering informally or formally adopting an Agile approach

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