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Internal Audit Analytics Survey

Introduction

This internal audit analytics survey was collaboratively conducted by the Institute of Internal Auditors Malaysia (IIAM) and Deloitte Malaysia from April 2019 to July 2019. The objective of the survey is to understand the current landscape on the use of analytics for internal audit.

Total 621 respondents, from the below industries:



Benefits of internal audit analytics

59.1% of respondents believe that analytics bring additional insights, as trends and anomalies can be better identified.



Resulting impact of internal audit analytics

51.5% of respondents believe that the use of analytics result in enhanced efficiencies.



Internal audit processes supported by analytics

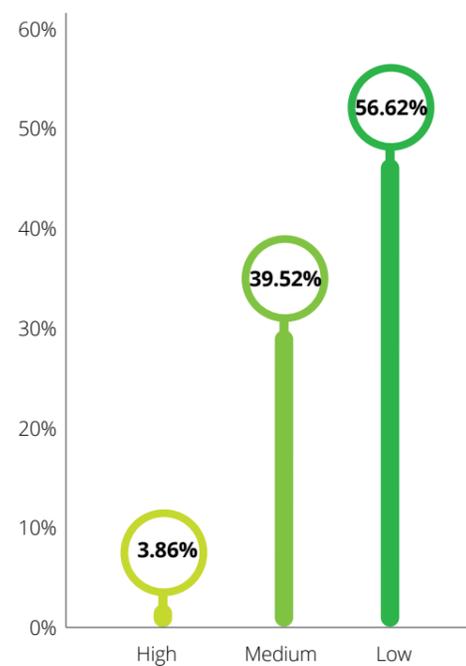
The graph shows the percentage of respondents that believe analytics have supported each area of an internal audit process.

Analytics is proven to enhance fieldwork, audit planning and audit scoping.



Usage of analytics in internal audit

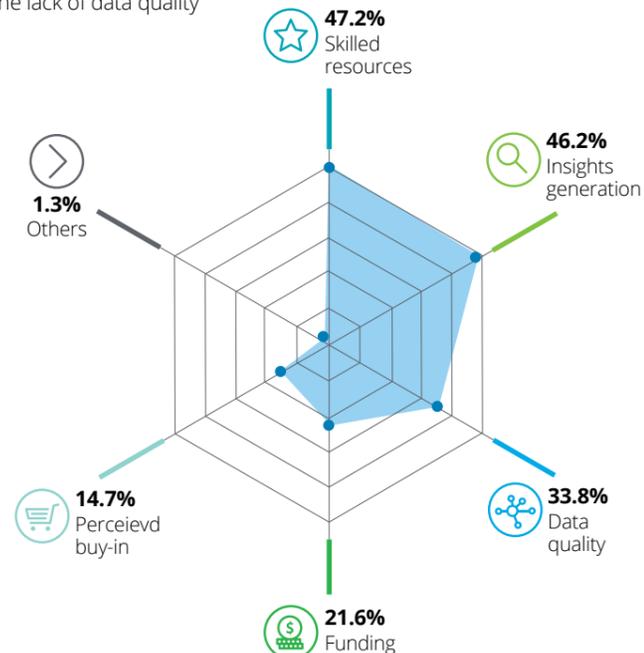
More than half of the respondents have low usage of analytics in internal audit.



Challenges in incorporating data analytics

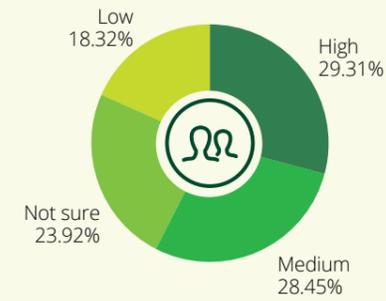
The top 3 challenges faced by companies when attempting to incorporate data analytics are:

- (i) the lack of skilled resources
- (ii) the difficulty in generating insights and
- (iii) the lack of data quality



Audit Committee's interest in internal audit analytics

57.76% of respondents believe their Audit Committees have a medium to high level of interest in the use of data analytics and the value added.



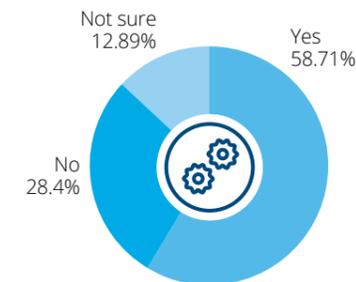
Information shared with Audit Committee about internal audit analytics

Comparatively, 52.81% (high and medium) of respondents have shared information with their respective Audit Committee.



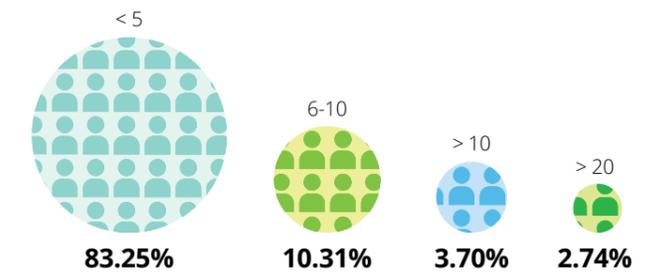
Practice of continuous audit in the internal audit function

Majority of respondents (59%) practice continuous auditing in their IA department. They acknowledge the benefits by having continuous monitoring of internal controls.



Number of staff dedicated to data analytics

A high number (83%) of respondents still have less than 5 staff dedicated to data analytics in their internal audit function.



Number of days spent on data analytics training and development per month

88.47% of the survey respondents have less than 5 days of training and development relating to Data Analytics.



Analytics tools used

Based on our survey results, the common analytics tools used by the survey respondents are Excel, Tableau and ACL. However, there are also 146 survey respondents (23.5%) who do not use any analytics tools.



In summary, based on the survey results, the requirement for analytics has grown significantly. It is evident that the benefits of using analytics can enhance efficiencies and provide greater assurance in internal audits. However, internal audit functions face challenges in acquiring skilled resources and appropriate tools to generate insights from the data.

Deloitte's point of view

Given the surge in data volume today, traditional audit techniques alone are no longer sufficient. Providing assurance in a big-data world calls for smart analytics at every step – from **audit planning to reporting**. Embedding analytics in every phase of the audit process helps management and boards to navigate a world that has become more volatile, uncertain and complex. We call this new approach to embedding analytics: **insights-driven auditing**.

Analytics is more effective when delivered as an integrated team. This means core internal audit professionals are working together with data science/analytics professionals, and calling on subject matter specialists as appropriate.



Enhanced audit integration model