A COLLABORATION BETWEEN HAYS MALAYSIA AND IIAM

The Inside Story of Internal Audit

Shaping Future Talent

MALAYSIA 2026

HAYS

The Institute of Internal Auditors Malaysia

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SECTION 01

About Hays & IIAM

About Hays Malaysia

Hays Malaysia is a leading recruitment partner to organisations across the financial services, commercial and public sectors. Through our long-standing relationships with Internal Audit leaders and professionals, we have developed deep market knowledge of the talent, remuneration and workforce trends shaping the profession. Combining specialist recruitment expertise with real-time market insights, we support organisations in building high-performing audit functions and help professionals navigate their careers in an evolving risk landscape.

About IIAM

The Institute of Internal Auditors Malaysia (IIA Malaysia) is the leading professional body dedicated to advancing the Internal Audit profession and promoting excellence in governance, risk management, internal control and professional practice. As the Malaysian affiliate of The Institute of Internal Auditors Inc (The IIA), the global authority for the profession, IIA Malaysia supports Internal Audit practitioners through internationally recognised certifications, continuous professional development, technical guidance, thought leadership, research and industry collaboration.

Committed to strengthening organisational resilience and governance, IIA Malaysia works closely with regulators, corporate leaders, Audit Committees and industry stakeholders to elevate the quality and impact of Internal Audit across Malaysia. Through strategic initiatives such as the Inside Story of Internal Audit, the Institute provides valuable industry insights, promotes leading practices, and equips Internal Audit leaders to navigate an evolving business landscape while creating sustainable value for their organisations.

SECTION 02

Foreword

Welcome to the Inside Story of Internal Audit.

This report brings together insights from Internal Audit professionals and leaders across Malaysia, at a time of reflection and transition for the industry. Amid continued geopolitical uncertainties, increased regulatory scrutiny as well as rapid technological advancement, organisations and individuals alike are re-evaluating what sustainable careers and talent strategies should look like.

Most internal audit functions were built with compliance in mind. At present, the expectation on internal audit is for them to influence strategy, guide transformation and most importantly, anticipate risk before it materialises.

One theme stands out clearly: talent has become a key driver of resilience and growth. Professionals today are more informed and deliberate in their career choices, with expectations extending beyond remuneration to include clear progression, strong leadership, meaningful work and genuine investment in people.

Natasha Ishak

Regional Director, Southeast Asia · Banking, Insurance, Financial Services & Shared Services, Hays

At the same time, leadership roles within Internal Audit are evolving from retrospective assurance to forward looking advisory. Beyond technical expertise, leaders are increasingly expected to become strategic enablers of sustainable growth by balancing commercial and regulatory demands, navigating change, and translating complex insights into clear business outcomes. Skills such as communication, judgement and adaptability are no longer just differentiators, they are essential for progression and long-term relevance in a more complex and data-driven environment.

This report explores how roles are evolving, where key challenges lie, and how both professionals and organisations can respond more thoughtfully. It also highlights the opportunity for internal auditors to better align their promise of trust and protection with their internal talent and leadership practices.

As Malaysia's internal audit function continues to evolve, the organisations that succeed will be those that act with clarity, invest with purpose, and recognise talent as a long term strategic asset. We hope this report provides a constructive lens to support informed decisions and meaningful conversations about the future of internal audit careers.

SECTION 02

Foreword

Welcome to the Inside Story of Internal Audit.

The Internal Audit profession stands at a defining moment. As organisations navigate an increasingly complex landscape shaped by digital transformation, evolving regulations, geopolitical uncertainty and emerging risks, the expectations placed on Internal Audit continue to grow. Beyond providing independent assurance, Internal Audit is expected to deliver strategic insight, anticipate emerging challenges and enable organisations to strengthen governance, enhance resilience and create long-term value.

Suhailah Mohamed Abdulla
President, The Institute of Internal Auditors Malaysia (IIA Malaysia)

Against this backdrop, I am pleased to present the Inside Story of Internal Audit, an inaugural collaborative publication between The Institute of Internal Auditors Malaysia (IIA Malaysia) and Hays Malaysia. This publication brings together valuable perspectives on the current state of the Internal Audit profession, emerging leadership priorities, talent trends and organisational capabilities and meaningful benchmarks that will assist Boards, Audit Committees, Chief Audit Executives and Internal Audit leaders in assessing their functions, developing future-ready capabilities and positioning Internal Audit as a trusted strategic partner.

As the leading professional body for Internal Auditors in Malaysia and the Malaysian affiliate of The Institute of Internal Auditors (The IIA), IIA Malaysia remains committed to advancing the profession through professional development, thought leadership, technical guidance and advocacy of the Global Internal Audit Standards™. We believe that strengthening the profession begins with informed decision-making, continuous learning and meaningful collaboration across the governance ecosystem.

I would like to express my sincere appreciation to all participating organisations and Internal Audit leaders for generously sharing their experiences and insights, as well as our collaboration partner for making this publication possible. Your contributions have resulted in a report that we trust will become a valuable reference for organisations seeking to strengthen their Internal Audit functions and leadership capabilities.

We hope the insights presented in this publication will stimulate meaningful conversations, inspire continuous improvement and support the continued evolution of the Internal Audit profession. Together, we can build a stronger, more resilient profession that continues to uphold trust, integrity and good governance for the benefit of organisations and society.

SECTION 03

Five Forces Reshaping Internal Audit

Internal Audit is entering one of the most significant periods of transformation in its history. As organisations navigate an evolving complex business environment, expectations of the function are expanding well beyond independent assurance. Today's Internal Audit teams are expected to provide strategic insight, anticipate emerging risks, enable organisational resilience and support better business decision-making.

Our findings point to five structural shifts that are redefining the profession. Together, they highlight how the role, capabilities and expectations of Internal Audit are evolving—and what organisations must do to build future-ready audit functions.

1

Internal Audit Is Shifting from Assurance Provider to Strategic Business Partner

The role of Internal Audit is expanding beyond evaluating controls and compliance. Increasingly, organisations expect audit functions to challenge business assumptions, provide forward-looking insight and contribute to strategic decision-making. As expectations continue to evolve, the greatest value of Internal Audit will lie not only in identifying risks, but in helping organisations navigate them.

2

AI Is Redefining How Assurance Is Delivered

Artificial intelligence, automation and data analytics are transforming the way Internal Audit plans, executes and reports on audit activities. While technology will improve efficiency and broaden assurance coverage, it is unlikely to replace professional judgement. Instead, the future of Internal Audit will depend on combining digital capabilities with critical thinking, business understanding and stakeholder influence.

3

Talent Has Become the Profession's Greatest Competitive Challenge

Demand for experienced Internal Audit professionals continues to outpace supply, particularly for individuals with expertise in technology, cybersecurity and data analytics. However, the competition for talent extends beyond remuneration. Organisations that provide meaningful career development, leadership opportunities and exposure to business transformation will be better positioned to attract and retain future-ready auditors.

4

Future Success Will Be Defined by Capabilities, Not Technical Expertise Alone

Technical auditing skills remain fundamental, but they are no longer sufficient on their own. As Internal Audit becomes more integrated into business decision-making, organisations value professionals who demonstrate strategic thinking, commercial acumen, communication and stakeholder management alongside technical expertise. The most effective auditors will be those who can translate assurance into business insight.

5

Internal Audit Is Emerging as a Leadership Platform

For many organisations, Internal Audit has evolved into a pathway for developing future business leaders. Exposure to enterprise-wide risks, governance, executive stakeholders and strategic decision-making equips auditors with capabilities that extend well beyond the function itself. Today, Internal Audit is viewed not only as a destination for assurance professionals, but as a foundation for broader leadership roles across Risk, Compliance, Operations and the executive leadership team.

SECTION 04

About the Survey & Respondents

The Inside Story of Internal Audit Malaysia 2026 brings together the perspectives of Internal Audit professionals and senior audit leaders to provide an independent view of how the profession is evolving across Malaysia.

Jointly developed by Hays Malaysia and the Institute of Internal Auditors Malaysia (IIAM), the study explores the trends reshaping Internal Audit—from workforce dynamics and talent mobility to emerging skills, technology adoption and leadership development. Rather than presenting isolated survey findings, the publication examines how these themes intersect to influence the future direction of the profession.

The research draws on responses from Internal Audit practitioners, Heads of Internal Audit and Chief Audit Executives (CAEs) representing organisations across Financial Services and Non-Financial Services. Participants span a broad range of industries, including banking, insurance, asset management, manufacturing, healthcare, energy, property, government-linked companies and other major sectors. Respondents also represent organisations operating across local, regional and global audit functions, providing a broad perspective on the evolving role of Internal Audit within different organisational contexts.

The analysis combines survey findings with qualitative perspectives shared by senior audit leaders, providing additional context behind the trends observed. Together, these insights form the basis for the analysis presented across each chapter – from talent and technology to leadership, capability and the future of assurance.

SECTION 05

Internal Audit in Malaysia Today

Chapter 3 identified five forces accelerating the evolution of Internal Audit in Malaysia. The findings that follow demonstrate how these forces are translating into tangible changes across the profession. From shifting skills requirements and changing career motivations to increasing investment in technology and specialist capabilities, Internal Audit professionals are operating in an environment that looks markedly different from that of just a few years ago.

The landscape at a glance

69.9% have adopted AI or advanced analytics within Internal Audit

88% #1 ranked capability: strategic thinking & business acumen

75.8% cite competitive compensation as the strongest retention driver

Source: Hays–IIAM Internal Audit Survey 2026

Malaysia's Internal Audit profession is entering a new phase of evolution. As organisations navigate a more complex and interconnected risk environment, expectations of the function are expanding beyond traditional assurance towards a broader strategic role. Today, Internal Audit is expected not only to evaluate governance, risk and controls, but also to provide forward-looking insights, strengthen organisational resilience and support better business decision-making.

This shift is reshaping the profession in several important ways. Organisations are placing greater emphasis on building audit functions that combine strong technical foundations with broader commercial, digital and interpersonal capabilities. At the same time, technology is becoming more deeply embedded within Internal Audit operating models, enabling teams to enhance assurance activities through data analytics, automation and artificial intelligence. Alongside these developments, attracting and retaining experienced professionals has become an important priority as demand continues to outpace the supply of future-ready talent.

These themes are reflected throughout the findings. More than half of organisations (69.9%) have already adopted technologies such as data analytics, automation or AI within their Internal Audit function, while respondents also identified strategic thinking, business acumen, communication and data analytics as among the capabilities expected to define future success. At the same time, competitive compensation, career development and workplace flexibility continue to influence how organisations attract and retain talent in an increasingly competitive market.

Taken together, these findings suggest that Internal Audit is no longer defined solely by its role as an independent assurance function. Today, its value lies in helping organisations anticipate change, navigate complexity and deliver insights that support better strategic outcomes. The profession has reached an important inflection point, where future success will depend not only on technical excellence, but also on an organisation's ability to embrace technology, develop future-ready talent and position Internal Audit as a trusted business partner.

While this chapter provides an overview of the key trends shaping Malaysia's Internal Audit landscape today, the chapters that follow examine each of these themes in greater detail. From the profile of today's Internal Audit workforce and the factors influencing talent attraction and retention, to the capabilities, technologies and emerging risks that will define the future of the profession, the report explores how Internal Audit is evolving—and what organisations must do to remain ahead of that change.

SECTION 06

The Workforce Behind Internal Audit

The role of Internal Audit has evolved significantly over the past decade. As organisations face increasingly complex regulatory environments, technological disruption and emerging enterprise risks, Internal Audit is expected to provide far more than independent assurance. Today's auditors are called upon to deliver strategic insights, evaluate emerging risks and act as trusted business partners.

While the profession's remit continues to expand, this raises an important question: is the workforce evolving at the same pace?

The findings suggest Malaysia's Internal Audit workforce is undergoing a period of transition. Organisations are asking Internal Audit functions to oversee broader responsibilities, support complex business environments and develop more specialised capabilities, often whilst continuing to operate within relatively lean organisational structures. Rather than pointing towards a single model for success, the findings indicate that organisations are adapting their Internal Audit functions in different ways according to their business complexity, regulatory obligations and operating environments.

This chapter explores how today's Internal Audit workforce is structured, where the profession is evolving and what these trends may signal for organisations as expectations of Internal Audit continue to rise.

The Scope of Internal Audit Is Expanding Faster Than Traditional Workforce Models

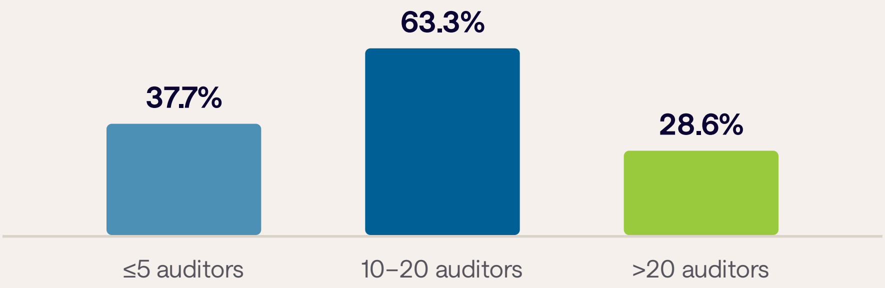
Perhaps the strongest theme emerging from this year's survey is the widening gap between the expanding role of Internal Audit and the relatively stable workforce models adopted by many organisations.

While teams comprising five or fewer Internal Auditors represent the most prevalent team size across the survey population, their geographical reach is often broader than might be expected. More than a third (37.7%) already provide assurance coverage across ASEAN, APAC or global operations. This proportion rises to 63.3% among organisations employing 10 to 20 Internal Auditors.

Interestingly, this trend does not continue amongst the largest Internal Audit functions. Whilst organisations employing more than 20 auditors are found primarily within the Financial Services sector, only 28.6% report regional audit responsibilities. Rather than reflecting limited capability, this highlights the fundamentally different role Internal Audit plays within highly regulated industries, where larger teams are often required to support domestic governance, regulatory compliance and specialist assurance activities.

Collectively, these findings do not suggest that organisations require fewer Internal Auditors. Rather, they highlight that many organisations are already operating with lean structures whilst asking Internal Audit functions to oversee broader geographical and organisational responsibilities. As business complexity continues to increase, organisations may need to reassess whether existing workforce models remain aligned with future expectations.

Regional coverage by team size



Source: Hays–IIAM Internal Audit Survey 2026

Internal Audit Is Evolving Along Multiple Operating Models

One of the most notable findings from this study is that there is no longer a single blueprint for a successful Internal Audit function. Whilst organisations share many common objectives, their workforce structures often reflect differences in operating environments rather than organisational maturity.

Within Financial Services, larger Internal Audit functions remain the norm, reflecting extensive regulatory oversight, heightened governance expectations and the need for specialist technical expertise across areas such as prudential regulation, financial crime and operational resilience. Workforce scale within these organisations is often driven by regulatory complexity as much as business growth.

Outside Financial Services, Internal Audit functions are more commonly characterised by leaner teams with broader organisational responsibilities. Instead of maintaining highly specialised audit departments, many organisations rely on experienced professionals capable of supporting multiple business units, regional operations and diverse risk portfolios.

These findings suggest Internal Audit operating models are becoming increasingly tailored to organisational context. As risk environments continue to diverge across industries, organisations are designing Internal Audit functions around the capabilities required to support their business strategy, rather than pursuing a uniform organisational structure.

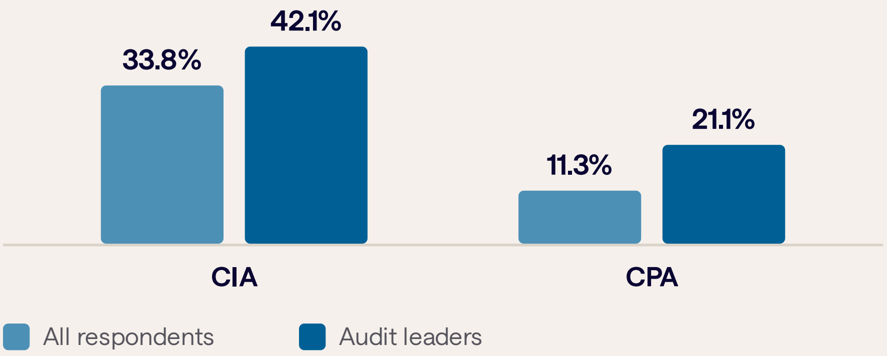
The Internal Auditor Is Becoming Increasingly Multidisciplinary

The changing nature of organisational risk is also reshaping the profile of the Internal Audit profession itself. Whilst Financial and Operational Audit remain the profession's foundational disciplines, respondents also identified specialist expertise spanning Information Technology Audit, Audit Analytics, ESG and Sustainability, Financial Crime, Credit Risk, Treasury Audit and Enterprise Risk Management. This growing diversity reflects how Internal Audit is evolving beyond traditional assurance into a function that supports organisations across a more interconnected risk landscape.

Professional qualifications reinforce this shift. Overall, 33.8% of respondents hold the Certified Internal Auditor (CIA) qualification. Among Chief Audit Executives and Heads of Internal Audit, this increases to 42.1%, reinforcing the CIA's position as the profession's leading specialist credential. Similarly, CPA representation increases from 11.3% across the wider respondent pool to 21.1% amongst Internal Audit leaders, suggesting organisations continue to value both specialist audit credentials and broader financial expertise at senior levels.

Rather than simply validating technical competence, professional qualifications signal leadership readiness and the ability to navigate complex assurance environments.

Qualifications, all respondents vs. audit leaders



Source: Hays–IIAM Internal Audit Survey 2026

Experience Remains One of the Profession's Greatest Strengths

Alongside increasing technical breadth, Malaysia's Internal Audit profession continues to be characterised by a highly experienced workforce.

The survey respondent profile reflects a workforce with both substantial professional experience and strong academic and professional credentials. Bachelor's degrees remain the most common educational qualification, while postgraduate studies and professional certifications continue to be widely pursued, reinforcing the profession's commitment to maintaining technical excellence and professional standards.

This depth of experience becomes particularly significant as Internal Audit continues its transition from a predominantly assurance-focused function towards one that supports strategic decision-making. As organisations navigate more uncertain operating environments, practical judgement, stakeholder management and commercial understanding are becoming just as important as technical audit capability.

Looking Beyond the Workforce Profile

Viewed collectively, the findings point to a profession at an important inflection point. The expectations placed upon Internal Audit continue to expand. Organisations are asking Internal Audit functions to oversee broader risk portfolios, provide greater strategic insight and support complex governance environments. At the same time, many functions continue to operate within relatively lean organisational structures, requiring professionals to manage wider responsibilities and develop diverse skillsets.

Importantly, this should not be interpreted as evidence that leaner workforce models represent the future of Internal Audit. Rather, the findings highlight the growing pressure placed upon Internal Audit functions as business complexity continues to increase. Whether current organisational structures remain sustainable will ultimately depend on organisations' ability to invest in the right combination of talent, specialist expertise, technology and operating models.

The survey also demonstrates that there is no universal blueprint for success. Financial Services and Non-Financial organisations continue to adopt distinctly different workforce strategies, each reflecting their respective regulatory environments, business models and organisational priorities. The common thread, however, is clear: regardless of industry, organisations increasingly require Internal Auditors who combine technical assurance expertise with commercial acumen, strategic thinking and the ability to navigate emerging areas of risk. Understanding how organisations successfully build and sustain these talent pipelines is therefore more important than ever.

No single blueprint: two operating models, one common thread

FINANCIAL SERVICES

Larger and more specialised

Team structure	Larger functions remain the norm
What shapes it	Regulatory complexity as much as business growth
Where effort goes	Domestic governance, regulatory compliance and specialist assurance
Capability model	Specialist expertise: prudential regulation, financial crime, operational resilience

NON-FINANCIAL SERVICES

Leaner, with a broader remit

Team structure	Leaner teams
What shapes it	Broader organisational responsibilities
Where effort goes	Multiple business units, regional operations and diverse risk portfolios
Capability model	Experienced professionals rather than highly specialised departments

THE COMMON THREAD

regardless of industry, auditors who combine

Technical assurance expertise + Commercial acumen

Strategic thinking + Navigating emerging areas of risk

A summary of the findings in this chapter · Source: Hays–IIAM Internal Audit Survey 2026

SECTION 07

Retention & Talent Mobility: What Drives Internal Audit Professionals?

As the Internal Audit function continues to expand beyond its traditional assurance remit, the competition for experienced talent is gradually becoming intense. Organisations are no longer competing solely to fill vacancies—they are competing for professionals who can navigate complex regulatory environments, embrace digital transformation and provide strategic insight to the business.

Against this backdrop, attracting and retaining Internal Audit talent has become a strategic capability issue rather than simply a recruitment challenge. Whilst competitive remuneration remains an important market differentiator, the survey findings suggest that professionals are placing growing emphasis on long-term career development, meaningful work and opportunities to build future-ready capabilities. This reflects a broader shift in the profession, where career decisions are increasingly influenced by an organisation's ability to support continuous learning, broader exposure and sustained career growth.

Internal Audit Professionals Are Prioritising Long-Term Career Development

The survey findings suggest that the Internal Audit talent market has become significantly more competitive. As demand for experienced professionals continues to outpace supply, Internal Auditors are becoming increasingly selective about where they choose to build their careers. Whilst remuneration remains an important consideration, professionals are evaluating opportunities through a much broader lens, considering the long-term value an organisation can offer in supporting their professional growth.

This trend is evident when comparing both historical and current mobility drivers. Historically, professionals most commonly left their previous employer for better compensation and benefits (47.3%), closely followed by career progression and promotion opportunities (46.7%). Company culture and work environment (27.3%), together with regional or global exposure (25.5%), also featured prominently. Today, these expectations have become even more pronounced. Better compensation and benefits remain the strongest driver of talent movement (63.0%), whilst career progression continues to be one of the key considerations (50.3%). Notably, regional and global exposure has grown in importance, with 30.3% of respondents identifying it as a key reason they would consider changing employers.

Rather than viewing talent mobility as simply salary-driven, the findings point towards a workforce that is becoming more intentional in managing its career trajectory. As Internal Audit evolves into a more strategic and multidisciplinary profession, professionals are seeking opportunities that broaden their experience, strengthen their commercial understanding and position them for future leadership roles. Organisations are now competing not only on compensation, but on the overall career proposition they can offer.

Career Progression Is Gradually Defined by Capability Development

One of the clearest themes emerging from the survey is that career progression has become far more than a question of promotion. As the profession evolves, Internal Auditors are increasingly seeking opportunities that allow them to develop new capabilities, gain exposure to different business environments and remain relevant in a rapidly changing risk landscape.

This changing definition of career development is reflected throughout the survey findings. Career progression consistently ranks amongst the strongest drivers of attraction, mobility and retention, whilst regional and global exposure continues to increase in importance. In addition, 18.2% of respondents indicated that opportunities to work with AI, data analytics and emerging technologies would encourage them to move employers, highlighting growing recognition that future career success will depend on developing digital capabilities alongside traditional audit expertise.

These findings suggest that professionals are actively investing in their long-term employability. As organisations continue to transform their operating models and embrace technology-enabled assurance, career development is measured by the breadth of experience and capability acquired, rather than tenure or title alone. Organisations that provide opportunities to develop new technical skills, work across regional operations and participate in strategic initiatives are therefore likely to strengthen both attraction and retention outcomes.

Retention Has Become a Strategic Capability Issue

As organisations compete for specialised Internal Audit talent, retaining experienced professionals is becoming just as important as attracting them. Beyond the immediate costs of recruitment, high turnover can erode institutional knowledge, disrupt succession planning and weaken the consistency of assurance provided to the business. In an environment where audit functions are expected to respond to more complex and interconnected risks, retaining experienced talent is critical to maintaining organisational resilience.

The survey findings reinforce that effective retention strategies extend well beyond remuneration. Whilst competitive compensation and benefits remain the strongest retention factor (75.8%), nearly half of respondents also identified career progression opportunities (48.5%) as a key reason to remain with their employer. Flexible working arrangements (38.8%), clear promotion pathways (37.6%) and employee recognition (33.9%) also emerged as important contributors to long-term engagement.

Professional development continues to play a significant role in retention. Around one-quarter of respondents highlighted formal training and certification sponsorships (25.5%), as well as increased exposure to senior leadership and Audit Committees (26.1%), as important reasons to remain with their current organisation. These findings suggest that professionals increasingly value organisations that invest in their long-term development rather than simply rewarding short-term performance.

Collectively, the findings indicate that retention should no longer be viewed as an HR initiative alone. Instead, it forms part of a broader workforce strategy focused on developing future leaders, preserving critical capability and ensuring Internal Audit functions remain equipped to respond to a dynamic risk environment.

What keeps professionals — beyond pay

Source: Hays–IIAM Internal Audit Survey 2026

What This Means for Organisations

The survey findings highlight three important shifts shaping the Internal Audit talent market.

Firstly, organisations are increasingly competing for capability rather than headcount. Whilst remuneration remains an essential component of any employee value proposition, experienced Internal Audit professionals are now evaluating employers based on the opportunities they provide for career development, capability building and long-term growth.

Secondly, career progression is evolving beyond promotion. As Internal Audit becomes more technology-enabled and strategically aligned to the business, professionals are seeking experiences that broaden their expertise, strengthen their commercial understanding and prepare them for future leadership responsibilities. Organisations that invest in structured development pathways, cross-functional exposure and continuous learning are likely to be better positioned to attract and retain high-performing talent.

Finally, retention has become a strategic business imperative. The expanding expectations placed on Internal Audit mean organisations cannot afford to view retention simply as reducing employee turnover. Sustaining high-performing audit functions will increasingly depend on creating an employee value proposition that combines competitive remuneration with meaningful career opportunities, leadership exposure, workplace flexibility and ongoing capability development.

The retention paradox

SEE PAGE 25 · THE SALARY GAP: STAYING VS MOVING

75.8%

Top reason to STAY

Competitive compensation & benefits

63%

Top reason to LEAVE

Better compensation & benefits

> *Compensation is at once the strongest reason professionals stay (75.8%) and the strongest reason they leave (63.0%). Pay has become table stakes — necessary, but no longer differentiating.*

Source: Hays–IIAM Internal Audit Survey 2026

As the profession continues to transform, success will depend not only on attracting talent, but also on enabling audit professionals to evolve with changing business demands. This raises a critical question: what skills and capabilities will organisations require from their Internal Audit functions in the future?

SECTION 08

The Future-Ready Internal Auditor: Skills That Will Define The Next Generation

The evolution of Internal Audit is no longer defined solely by changes in risk—it is increasingly defined by changes in capability. As organisations navigate digital transformation, heightened regulatory expectations and growing business complexity, the role of Internal Audit is expanding beyond assurance into one that supports strategic decision-making, organisational resilience and long-term value creation.

This evolution is fundamentally reshaping the profile of the modern Internal Auditor. Technical expertise remains essential, but it is no longer sufficient on its own. Organisations increasingly require professionals who can interpret complex risks within a broader commercial context, leverage technology to generate deeper insights and influence stakeholders across every level of the business.

The survey findings reinforce that the future Internal Auditor will not be characterised by expertise in a single discipline, but by the ability to integrate business acumen, digital capability and leadership into a broader, multidisciplinary skillset.

Business Acumen Has Become the Profession's Competitive Advantage

One of the strongest messages emerging from the survey is that the Internal Audit profession is becoming increasingly business-oriented. As organisations expect audit functions to contribute beyond compliance and assurance, auditors are being asked to provide insights that help management navigate uncertainty, improve decision-making and anticipate future risks.

This shift has elevated commercial judgement from a desirable attribute to a core capability. Rather than assessing whether controls are operating effectively in isolation, Internal Auditors are increasingly expected to understand how operational, financial, technological and regulatory risks interact to influence broader business performance.

This evolution is reflected clearly in the findings. Strategic Thinking & Business Acumen was identified by 88.0% of respondents as the most important capability for Internal Auditors today, making it the highest-ranked competency by a considerable margin. Communication & Stakeholder Management followed at 79.5%, reinforcing that technical expertise alone is no longer enough. The ability to communicate complex issues, influence senior stakeholders and translate audit observations into commercially relevant recommendations is becoming equally important.

Interestingly, technology-related capabilities already feature prominently, with 65.7% identifying Cybersecurity & IT Governance as a critical competency and 45.2% highlighting Data Analytics & AI. This suggests that whilst technology is becoming increasingly embedded within the profession, organisations continue to view business understanding and stakeholder influence as the capabilities that maximise the value of technology-enabled assurance.

Most important capabilities today

Source: Hays–IIAM Internal Audit Survey 2026

The role of Internal Audit is evolving. Organisations are no longer looking solely for technically proficient auditors, but for professionals who can translate risk and assurance insights into meaningful business outcomes.

Digital Capability Is Becoming the Profession's Largest Investment Priority

Whilst organisations continue to value business acumen today, the survey also reveals where the profession believes its greatest capability challenge lies.

The overwhelming emphasis placed on Data Analytics & AI is less an indication that traditional audit skills are becoming obsolete, and more a recognition that the profession must evolve alongside the organisations it serves. As businesses increasingly adopt automation, artificial intelligence and data-driven decision-making, Internal Audit must develop comparable capabilities to remain relevant and continue providing meaningful assurance.

This explains why 81% of respondents identified Data Analytics & AI as the most important capability to develop for the future—almost three times higher than any other competency. Rather than reflecting a short-term technology trend, this suggests a broader transformation in how Internal Audit work will be performed over the coming decade.

Importantly, respondents did not identify technology in isolation. Communication & Stakeholder Management, Strategic Thinking & Business Acumen and Critical Thinking all continue to rank amongst the profession's future priorities. This demonstrates that Internal Auditors do not view technology as replacing professional judgement, but as enhancing their ability to deliver deeper insights, improve audit quality and support more informed business decisions.

For organisations, this has significant implications. Investment in technology alone is unlikely to deliver meaningful transformation unless it is accompanied by equal investment in developing commercial judgement, analytical thinking and stakeholder engagement capabilities.

The Future Capability Gap Is Not Technical—It Is Integrative

Perhaps the most interesting finding from the survey is not which skills were ranked highest, but how perceptions differ between auditors and hiring leaders.

Whilst Internal Auditors overwhelmingly believe AI and Data Analytics represent the profession's greatest development priority, hiring leaders continue to evaluate talent through a broader capability lens. Although 34.7% of hiring leaders identified Data Analytics & AI as their highest hiring priority, Communication & Stakeholder Management (22.7%) and Critical Thinking (14.9%) remain equally prominent considerations.

This suggests organisations are not searching for technology specialists alone. Instead, they are seeking professionals capable of integrating technical capability with business judgement, communication and leadership.

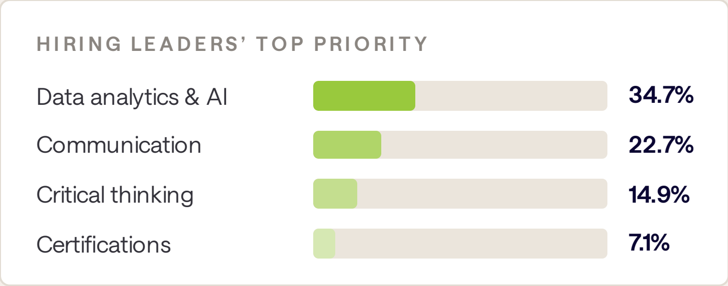
Professional qualifications further reinforce this shift. Whilst certifications remain an important foundation, they accounted for only 7.1% of hiring priorities, indicating that qualifications have increasingly become an entry requirement rather than a distinguishing competitive advantage. Increasingly, differentiation comes from an individual's ability to apply knowledge within complex commercial environments, influence stakeholders and navigate ambiguity.

In other words, the capability gap facing Internal Audit is no longer purely technical—it is integrative. Future-ready professionals will be expected to connect technology, business strategy and organisational risk into coherent, actionable insights.

Auditors and hiring leaders rank the future differently

81%

auditors' top future skill: Data Analytics & AI



Source: Hays–IIAM Internal Audit Survey 2026

Defining the Next Generation of Internal Auditors

Taken together, the findings suggest the profession is entering a new phase of maturity. As Internal Audit continues its transition from assurance provider to strategic business partner, organisations will require a broader and more adaptable capability profile than ever before.

The next generation of Internal Auditors will need to combine strategic thinking with digital fluency, commercial awareness with analytical rigour, and technical expertise with the ability to influence organisational outcomes. These capabilities should not be viewed as competing priorities, but as complementary components of a modern Internal Audit function capable of delivering meaningful business value.

For organisations, the challenge therefore extends beyond recruitment. Building a future-ready Internal Audit function will require sustained investment in capability development, leadership pipelines and continuous learning. Technical skills can be developed, but cultivating commercial judgement, strategic thinking and the ability to influence stakeholders requires deliberate investment over time.

THE RISE OF THE INTEGRATIVE AUDITOR

AI may be the skill of the future, but business impact remains the ultimate differentiator.

The most sought-after auditors are not those who simply analyse data, but those who can combine digital fluency with commercial judgement, stakeholder influence and strategic thinking.

Digital fluency + Commercial judgement

Stakeholder influence + Strategic thinking

Technology generates insights.
Integrative auditors create value.

SECTION 09

AI & Technology in Internal Audit

Digital Transformation in Internal Audit: AI Adoption Across Malaysian Organisations

Throughout this publication, one theme has consistently emerged: Artificial Intelligence (AI) is reshaping the future of Internal Audit. From the capabilities organisations seek to the emerging risks they face, AI has repeatedly surfaced as one of the defining forces transforming the profession. The question is therefore no longer whether AI will influence Internal Audit, but how organisations are embedding it into the function.

AI is no longer simply a technology initiative—it is becoming a catalyst for a more data-driven, insight-led and strategically aligned Internal Audit function. As organisations navigate increasing regulatory complexity, growing data volumes and evolving stakeholder expectations, the ability to integrate AI into audit methodologies and workforce capabilities is becoming a key differentiator.

Digital Maturity Is Becoming a Defining Characteristic of Leading Internal Audit Functions

The results reinforce that Internal Audit has entered a new phase of digital maturity. Rather than asking whether AI has a role within the function, leading organisations are increasingly focused on how it can enhance assurance quality, improve decision-making and strengthen organisational resilience.

This shift is reflected in the survey findings, where 69.9% of organisations have already adopted AI or advanced analytics within their Internal Audit activities. However, adoption is far from uniform. Financial Services organisations continue to lead the market, with 85.0% reporting AI adoption compared to 65.1% across Non-Financial Services. Similarly, organisations with global (82.1%) and APAC (83.3%) Internal Audit responsibilities demonstrate considerably higher adoption than those operating primarily within Malaysia (64.8%) or ASEAN (59.1%).

AI adoption by sector and by mandate scope

Source: Hays–IIAM Internal Audit Survey 2026

Rather than indicating that some industries are simply adopting technology faster than others, these differences suggest that AI adoption is closely linked to organisational complexity. As governance structures become more regional, regulatory expectations intensify and audit populations grow significantly larger, traditional audit approaches become increasingly difficult to scale. In these environments, AI is evolving from a productivity tool into a core component of how assurance is delivered.

This has important implications for organisations that have yet to begin their digital transformation. As AI adoption becomes increasingly common across mature Internal Audit functions, technology is likely to become a baseline capability rather than a source of competitive differentiation.

Organisations Are Reinventing Audit Methodologies—Not Replacing Auditors

Whilst AI adoption continues to accelerate, the findings suggest organisations are taking a deliberate and pragmatic approach to implementation. Rather than pursuing wholesale automation, most organisations are integrating AI into specific audit activities where it can enhance efficiency, improve consistency and generate deeper insights, whilst preserving professional judgement and governance oversight.

Among organisations already using AI, 48.1% utilise it primarily for data analytics and audit testing, allowing auditors to interrogate larger data sets, identify anomalies more effectively and strengthen risk-based assurance. A further 32.4% leverage AI-enabled tools such as Microsoft Copilot and Power BI to improve reporting, documentation and productivity. More advanced applications—including continuous monitoring, predictive analytics and generative AI—remain relatively limited, indicating that many organisations are still building the foundations of a digitally enabled audit function.

Equally telling are the barriers faced by organisations that have yet to adopt AI. Among non-adopters, 32.1% identified budget constraints as the primary challenge, suggesting that implementation is currently constrained more by investment priorities and organisational readiness than by resistance to the technology itself.

Taken together, the findings indicate that organisations increasingly view AI as a capability to be embedded progressively rather than implemented overnight. The most successful transformations are therefore likely to be those that integrate technology into established audit methodologies whilst maintaining appropriate governance, oversight and professional scepticism.

The Future of AI in Internal Audit Will Be Defined by People, Not Technology

Perhaps the most significant implication of AI adoption is not technological, but organisational.

Earlier in this report, 81% of Internal Auditors identified Data Analytics & AI as the single most important capability they believe they must develop for the future. This reflects a broader recognition that as AI becomes embedded within Internal Audit, expectations of auditors themselves are evolving just as rapidly.

Increasingly, organisations will require professionals who can combine digital fluency with commercial judgement, critical thinking and stakeholder influence. The role of the auditor is therefore shifting from executing routine audit procedures towards interpreting complex information, exercising professional judgement and translating technology-enabled insights into meaningful business recommendations.

Adoption is outrunning capability

SEE PAGE 17 · AUDITORS AND HIRING LEADERS RANK THE FUTURE DIFFERENTLY

69.9%
Organisations that have adopted AI

81%
Auditors who still need the skill

> *Adoption has moved faster than capability: while 69.9% of organisations have deployed AI or advanced analytics, 81% of auditors still name it as the skill they most need to develop.*

Source: Hays–IIAM Internal Audit Survey 2026

This also suggests that AI implementation and workforce development cannot be viewed as separate transformation initiatives. Investment in technology without investment in capability is unlikely to realise its full value. Equally, developing digital skills without embedding AI into audit methodologies risks limiting the profession's ability to deliver deeper insights and more effective assurance.

For organisations, the challenge is therefore broader than adopting new technologies. It is about developing audit teams capable of working alongside AI whilst continuing to provide the independent judgement, professional scepticism and strategic insight that technology alone cannot replicate.

From Digital Adoption to Digital Transformation

Taken together, the findings point to a profession that is evolving beyond technology adoption alone. Technology is no longer simply improving how audits are performed—it is reshaping how Internal Audit functions are organised, how assurance is delivered and what organisations expect from the profession.

Importantly, the survey demonstrates that successful transformation extends beyond technology implementation. Organisations that derive the greatest value from AI are likely to be those that align digital investment with capability development, governance, operating model design and continuous learning. AI should therefore be viewed not as a standalone technology initiative, but as one component of a broader strategy to build more resilient, agile and insight-driven Internal Audit functions.

Ultimately, the future of Internal Audit will not be determined by which organisations adopt AI first. It will be determined by which organisations are able to integrate technology, people and processes into a cohesive operating model that enhances assurance quality, strengthens organisational resilience and enables Internal Audit to play a more strategic role in supporting business performance. As technology reshapes the profession, it also introduces a new generation of risks and leadership challenges, reinforcing the need for Internal Audit functions to continuously adapt their capabilities and assurance approaches.

SECTION 10

Emerging Risks & Future Challenges

The Internal Audit Function Is Navigating a More Complex Risk Environment

The risk landscape facing Internal Audit continues to evolve at an unprecedented pace. Rapid advances in AI, accelerating digital transformation and increasing stakeholder expectations are reshaping both organisational risk profiles and the role Internal Audit is expected to play.

Our qualitative analysis indicates that the profession's greatest challenge is no longer simply identifying emerging risks. Rather, it is ensuring that Internal Audit functions possess the capabilities, operating models and strategic influence required to respond effectively. While AI remains the dominant emerging theme, respondents also highlighted growing expectations from business leaders and increasing pressure to build future-ready audit teams.

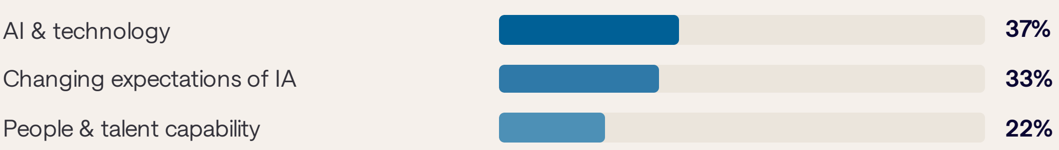
AI Is Redefining Internal Audit Beyond Technology

AI and technology-related challenges accounted for 37% of responses, making them the most frequently cited emerging risk. Respondents consistently referenced AI adoption, automation, digital transformation and the need to audit increasingly technology-enabled business processes.

However, the findings suggest that AI is no longer viewed as a standalone technology risk. Instead, it is reshaping how organisations operate and fundamentally changing the expectations placed on Internal Audit. As AI becomes embedded across business functions, auditors are expected to modernise audit methodologies, strengthen digital capabilities and provide assurance over increasingly complex technology-enabled environments.

The impact is particularly evident within Financial Services, where 50% of respondents identified AI and technology-related challenges as their primary emerging risk, reflecting the sector's rapid digitalisation and heightened regulatory scrutiny. By comparison, Non-Financial Services organisations reported a more balanced risk profile, with 33% identifying AI as a key challenge alongside broader business transformation priorities. These findings suggest that while AI has become a universal risk driver, its implications are shaped by the operating environment in which organisations operate.

Top coded emerging themes



Source: Hays–IIAM Internal Audit Survey 2026

Emerging Risks Are Expanding the Strategic Role of Internal Audit

Technology is only one dimension of the evolving risk landscape. Thirty-three percent (33%) of responses highlighted changing expectations of Internal Audit, making it the second most prominent emerging theme.

This shift was particularly evident among Non-Financial Services organisations, where 34% identified changing stakeholder expectations as their most significant challenge, compared with 37.5% in Financial Services where expectations remain closely linked to technology transformation and regulatory oversight. Across both sectors, respondents consistently pointed to increasing expectations from Audit Committees and senior leadership for Internal Audit to provide commercially relevant insights, support strategic decision-making and strengthen organisational resilience.

Leadership perspective further reinforces this trend. While auditors naturally focus on individual risk categories such as AI, cybersecurity and technology disruption, Chief Audit Executives increasingly view emerging risks through the broader lens of organisational readiness. Similarly, C-suite leaders are placing greater emphasis on governance effectiveness, business resilience and Internal Audit's ability to anticipate emerging risks rather than simply identify them.

Collectively, these findings indicate that Internal Audit is evolving from a traditional assurance function towards a strategic business partner. Future success will depend not only on identifying risks but also on helping organisations navigate uncertainty and support enterprise-wide decision-making.

Future Readiness Will Be Defined by Capability

As organisations adapt to an increasingly complex risk environment, technology alone will not determine the future effectiveness of Internal Audit. People-related challenges accounted for 22% of responses, making talent and capability the third most frequently cited emerging theme.

Notably, capability concerns were more pronounced among Non-Financial Services respondents, where 25% identified talent shortages and capability gaps as a key emerging challenge, compared with just 10% within Financial Services. This suggests that while Financial Services organisations are currently focused on technology and regulatory complexity, many organisations outside the sector are equally concerned with building the workforce needed to support ongoing transformation.

Respondents consistently highlighted shortages in AI, cybersecurity, IT audit and data analytics capabilities. These findings reinforce a broader message throughout this report: technology investments alone will not future-proof Internal Audit. Organisations that invest in developing digitally capable auditors with strong commercial judgement and strategic thinking will be better positioned to respond to increasingly interconnected risks and deliver long-term value.

SECTION 11

Career & Salary Benchmark

The Malaysian Internal Audit market continues to offer competitive remuneration across all levels of seniority, reflecting sustained demand for experienced audit professionals. Whilst salary benchmarks remain attractive—particularly for management and leadership positions—the market is showing signs of returning to a more balanced and sustainable pace of salary growth.

Rather than widespread salary inflation, organisations are becoming increasingly selective in how they reward talent. This reflects a shift towards long-term workforce planning, where competitive remuneration is complemented by career development, specialist capability building and broader employee value propositions.

Salary Growth Has Normalised, But Demand for Specialist Talent Remains Strong

The Malaysian Internal Audit market continues to demonstrate a more measured pace of salary growth, signalling a return to a stable remuneration environment following several years of heightened competition for talent. Survey findings support this trend, with nearly three-quarters (73%) of respondents reporting annual salary increases of between 2% and 5%, whilst only 10% received increments exceeding 7%. Looking ahead, professionals also maintain relatively balanced expectations, with 5% emerging as the most common anticipated salary increment over the next 12 months.

73%
received annual increments of 2–5%

10%
received increments exceeding 7%

5%
most common expected increment ahead

Source: Hays–IIAM Internal Audit Survey 2026

Whilst overall salary growth has normalised, remuneration is not evolving uniformly across the profession. Market observations indicate that organisations continue to recognise expertise in areas such as Technology Audit, Cybersecurity, Data Analytics and AI, particularly where these capabilities support broader digital transformation and business resilience initiatives. Similarly, professionals progressing into management and leadership roles continue to benefit from stronger remuneration outcomes, reflecting the increasing strategic importance of Internal Audit within organisations.

Taken together, these findings suggest that whilst broad-based salary inflation has moderated, organisations remain prepared to invest competitively in capabilities that are scarce, business-critical and strategically important.

External Career Moves Continue to Command Higher Salary Expectations

Whilst professionals generally expect annual salary increments of around 5% from their current employer, expectations increase significantly when considering external career opportunities. The survey found that the most common expected salary increase when changing employers ranged between 20% and 30%, with 25% emerging as the single most common expectation, closely aligned with the salary increases respondents reported receiving in their previous external moves.

This suggests that professionals view external career moves as an opportunity not only for higher remuneration, but also for recognising the additional value they bring through broader experience, new capabilities and increased responsibilities. As a result, organisations seeking to attract experienced Internal Audit talent may need to consider more competitive remuneration packages, particularly where candidates possess skills that are difficult to replace or support strategic business priorities.

The Salary Gap: Staying vs Moving

SEE PAGE 14 · THE RETENTION PARADOX

3–5%
Most common annual salary increment

20–30%
Typical increase sought through an external move

> *The most common annual salary increment reported was 3–5%, while respondents expect approximately 20–30% salary uplift when changing employers.*
>
> As a result, Internal Audit leaders may need to consider a broader mix of retention strategies, including competitive remuneration, accelerated career progression, targeted development opportunities and investments in emerging skill areas.

Source: Hays–IIAM Internal Audit Survey 2026

Total Rewards Are Becoming an Increasingly Important Differentiator

Whilst base salary remains an important consideration, organisations are increasingly competing through broader total rewards strategies.

Survey findings indicate that almost half (48%) of respondents receive annual bonuses equivalent to one to three months' salary, whilst a further 31% receive between three to five months. Medical coverage remains the most widely provided employee benefit, alongside flexible claimable allowances and car allowances.

These findings suggest that professionals are increasingly evaluating opportunities holistically. Flexible working arrangements, wellbeing initiatives, professional development and performance-based incentives are becoming increasingly important components of an organisation's employee value proposition, particularly as fixed salary growth becomes more measured.

Capability Is Driving Long-Term Market Value

One of the strongest findings from the survey is that professional qualifications alone no longer guarantee immediate salary progression. Respondents were almost evenly split on whether obtaining a professional qualification resulted in a salary increase, with 43% reporting an increment compared with 44% who experienced no immediate impact.

Viewed alongside broader market trends, this reinforces a significant shift in how organisations assess talent. Professional certifications continue to provide an important technical foundation, but remuneration decisions are increasingly influenced by an individual's broader capability profile. Commercial judgement, stakeholder management, leadership potential and specialist expertise in areas such as digital transformation, data analytics and technology risk are becoming valuable differentiators in the market.

This closely reflects one of the recurring themes throughout this publication: long-term career progression and earning potential are determined by capability rather than qualifications or tenure alone.

The qualification split

43%
Qualification produced a salary increase

44%
No immediate salary impact

Source: Hays–IIAM Internal Audit Survey 2026

Qualifications Open Doors. Impact Opens More.

Professional certifications remain an important career milestone and can accelerate opportunities for promotion, advancement and leadership opportunities. The survey findings suggest that while credentials help establish credibility, long-term career and salary progression are increasingly shaped by an individual's ability to combine technical expertise with commercial insight, stakeholder influence and value creation.

Market Outlook

The Malaysian Internal Audit compensation market remains healthy, with organisations continuing to invest in experienced talent despite a more measured salary environment. Whilst annual salary growth has stabilised, opportunities for career progression remain strong, particularly for professionals who take on broader responsibilities or develop capabilities aligned with evolving business needs.

Looking ahead, organisations are likely to adopt a more targeted approach to remuneration, balancing disciplined salary management with selective investment in roles and capabilities that are critical to business priorities. For professionals, this suggests that long-term career growth will depend not only on remuneration, but also on building the breadth of experience and expertise required to succeed in an evolving Internal Audit landscape.

SECTION 12

The Making of a Chief Audit Executive

Building the Next Generation of Internal Audit Leaders

Throughout this report, one message has remained consistent: the Internal Audit profession is undergoing significant transformation. As organisations navigate increasing complexity, rapid technological advancement and evolving stakeholder expectations, the role of Internal Audit has expanded beyond providing independent assurance to becoming a strategic partner to the business.

As the profession evolves, so too do the expectations placed on its leaders. Understanding how today's Chief Audit Executives (CAEs) developed into trusted business advisers provides valuable insight into the capabilities that will define the next generation of Internal Audit leadership.

Leadership Is Built Through Perspective, Not Just Experience

A common perception is that progression to Chief Audit Executive is largely a function of tenure—gaining sufficient years of audit experience before naturally advancing into leadership. However, the findings suggest that successful leadership is shaped less by time and more by the ability to develop a broader perspective of the organisation.

The survey demonstrates that there is no single pathway to becoming a CAE. Approximately 42% of respondents began their careers in external audit, whilst 71% indicated that Internal Audit was not their original career aspiration. Despite these varied starting points, their leadership journeys shared a common characteristic: a deliberate effort to broaden their understanding of the business beyond individual audit engagements.

Rather than specialising exclusively in audit execution, successful leaders sought opportunities to understand business operations, organisational strategy and how risks interact across different functions. This broader perspective enabled them to contribute not only as assurance providers, but as trusted advisers capable of supporting better business decisions.

There Is No Single Route to CAE

42%
began their careers in external audit

71%
did not originally set out to work in internal audit

Source: Hays–IIAM Internal Audit Survey 2026

The Most Effective Leaders Think Beyond Individual Audits

One of the clearest themes emerging from the survey is that successful CAEs approach Internal Audit differently as they progress through their careers. Rather than viewing audits as isolated engagements, they develop the ability to connect risks across the organisation, identify emerging patterns and understand how strategic, operational and regulatory issues intersect.

This enables Internal Audit leaders to move beyond identifying control weaknesses towards providing insights that strengthen organisational resilience and support strategic decision-making. As the expectations of Internal Audit continue to evolve, leadership is increasingly defined by the ability to influence business outcomes rather than simply deliver audit findings.

When respondents reflected on the capabilities that contributed most to their leadership journey, the themes were remarkably consistent. Business acumen, strategic thinking, stakeholder management and communication were cited far more frequently than technical audit expertise alone. As one Chief Audit Executive observed:

> “ *Typically those who combine strong governance expertise with strategic thinking, business acumen, stakeholder influence, and the ability to communicate beyond audit and compliance matters.*
>
> **— Chief Audit Executive, on what distinguishes future leaders**

The findings reinforce a broader shift explored throughout this report: technical excellence remains fundamental, but it is no longer sufficient on its own. Future leaders will be distinguished by their ability to combine governance expertise with commercial judgement, strategic influence and the confidence to engage effectively with senior stakeholders.

Developing the Leaders of Tomorrow

The leadership journeys shared throughout this survey reinforce many of the themes explored across this publication. As Internal Audit continues to evolve, the capabilities that define successful CAEs are becoming closely aligned with those required for the future of the profession.

This suggests that leadership development should not begin when individuals enter senior management. Instead, organisations should cultivate broader business exposure, digital capability and strategic thinking throughout an auditor's career, creating a pipeline of leaders equipped to navigate complex business environments.

The future of Internal Audit will not be shaped solely by technology, regulation or emerging risks. It will be shaped by leaders who can bring these elements together—combining sound governance with commercial insight, digital fluency and the ability to influence organisational decision-making. Organisations that invest in developing these capabilities today will be best positioned to build resilient Internal Audit functions capable of creating lasting business value.

CLOSING

The Future of Internal Audit Has Already Begun

Throughout this publication, one message has remained remarkably consistent: the Internal Audit profession is no longer evolving gradually—it is undergoing fundamental transformation.

As organisations navigate increasing business complexity, rapid technological advancement and evolving stakeholder expectations, the role of Internal Audit has expanded far beyond its traditional assurance mandate. Today's audit functions are expected not only to strengthen governance and evaluate controls, but also to provide strategic insight, anticipate emerging risks and contribute meaningfully to organisational resilience.

The findings throughout this study demonstrate that these changes are not occurring in isolation. Workforce models are evolving. Talent expectations are shifting. Technology is reshaping audit methodologies. New capabilities are becoming essential, and the qualities that define successful Internal Audit leaders continue to expand. Collectively, these trends point towards a profession that is becoming more strategic, multidisciplinary and business-oriented.

Importantly, the future of Internal Audit will not be determined by technology alone. Nor will it be defined solely by professional qualifications, organisational structure or individual experience. Instead, success will increasingly depend on an organisation's ability to develop future-ready talent, embrace innovation responsibly and build Internal Audit functions that combine technical excellence with commercial insight, digital capability and leadership.

For organisations, this represents both a challenge and an opportunity. Those that invest in strengthening capability, modernising operating models and developing the next generation of Internal Audit leaders will be better positioned to navigate uncertainty, respond to emerging risks and create long-term value.

For Internal Audit professionals, the message is equally clear. Continuous learning, adaptability and a broader understanding of the business will become the defining characteristics of successful careers in the years ahead.

> *"Is Internal Audit equipped for the risks of tomorrow, or is it still structured for the risks of yesterday?"*

Ultimately, Internal Audit has reached an important inflection point. The organisations and professionals that embrace this transformation today will not simply keep pace with change—they will help define the future of the profession itself.