Filling the Void: Addressing Today’s Skills Gaps in Internal Audit

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Today’s Speakers

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RELEVANCE  EXCELLENCE  RESULTS

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Today’s Discussion

- Skills in short supply in internal audit
- Identifying skills gaps in your team
- Professional development strategies
- Outside resources
- Incorporating employees into the process
Skills shortages
Poll Question 1

How would you characterize the skills and expertise of your team?

- Perfect – we have all the skills and expertise we need
- Good – we have a solid skill set but room to improve
- Fair – we’re lacking key skills
- Poor – we have a long way to go
Hiring is hard – more so in internal audit

Unemployment rates

Projected employment growth: 2014-2024

Source: U.S. Bureau of Labor Statistics
Technical Skills Gaps

International Professional Practices Framework (IPFF)
Governance, risk and control
Technological proficiency

Sources: Common Body of Knowledge (CBOK), The Institute of Internal Auditors, 2015 Internal Audit Capabilities and Needs Survey, Protiviti
Nontechnical Skills Gaps

- Business acumen
- Persuasion
- Developing board-committee relationships
- Strategic thinking

Sources: Common Body of Knowledge (CBOK), The Institute of Internal Auditors, 2015 Internal Audit Capabilities and Needs Survey, Protiviti
Emerging Areas of Focus
Identifying skills gaps in your team
Identify Skills Gaps

- Start with employee reviews – but make it an ongoing process
- Consider feedback from internal clients
- Consult outside sources
Addressing Skills Gaps

- Invest in your team
- Invest in yourself
- Encourage staff to invest in themselves
Professional development
Poll Question 2

How has your budget for internal audit employees’ professional development changed the past 3 years?

• Increased
• No change
• Decreased
Professional Development

- Formal training
- Reimbursement
  - Conferences
  - IIA membership
  - Certifications
Professional Development

- Mentorships
- Job-shadowing
- Role rotation
- Cross-training
- Brown-bag sessions
- Guest speakers
- Stretch assignments
The Value of Certification

Areas with greatest improvement between certified and noncertified internal auditors:

1. International Professional Practices Framework
2. Governance, risk and control
3. Business acumen

Source: Common Body of Knowledge (CBOK), The Institute of Internal Auditors
Poll Question 3

Does your company reimburse internal auditors for expenses related to earning, maintaining certifications?

- Yes, full reimbursement
- Yes, partial reimbursement
- No reimbursement
Outside resources
Outside Resources

- The IIA
- External auditors
- Consultants, project professionals
- Guest speakers
- Your network
- Toastmasters
Making staff part of the process
Incorporating staff into the process

- Ask them
- Self-assessments
- Inter-staff trainings
- Volunteer experience
- New hires’ insights
Poll Question 4

How frequently do you have an external quality assessment review conducted of your internal audit function?

• Every year
• Every 5 years
• Every 6-10 years
• Only if someone brings it up
• Never
Formalize it
Formalize it

- Write it
- Measure it
- Monitor it
- Change it
Takeaways

- Addressing skills gaps not getting easier
- Deficiencies in both technical, soft skills
- Managers have options
- Treat bridging gaps like other goals
Filling the Void

Q & A
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