

Enhancing Audit Technology Effectiveness

Key Insights from TeamMate's 2015 Global Technology Survey



“Technology Champions” Contribute to Enhanced Performance

The **2015 TeamMate Internal Audit Technology Survey (IATS)** focuses on the role and impact of Technology Champions (TCs), a reference to designated individuals assigned major responsibility for the audit systems and tools employed by an internal audit organization. In recent years, at conferences and presentations around the world, we have been increasingly asked about the nature and focus of the TC role, which focuses beyond a single solution set, such as TeamMate, and whether TCs provide tangible benefits to the internal audit functions and parent organizations they serve. Our 2015 technology survey results provide a broad range of data and insights to respond effectively to such questions.

In developing this year’s survey, we set out to learn:

- What do Technology Champions do? Where do they focus?
- What types of organizations have established TC positions?
- How widespread is the TC practice?
- Do TCs have a common set of characteristics or attributes that could help to develop TC job descriptions?
- Above all, are Technology Champions contributing to enhanced internal audit performance?

After analyzing the input of some 400 IATS respondents from across the globe, including nearly 60% reporting that their organizations have a Technology Champion, we can make the following observations:

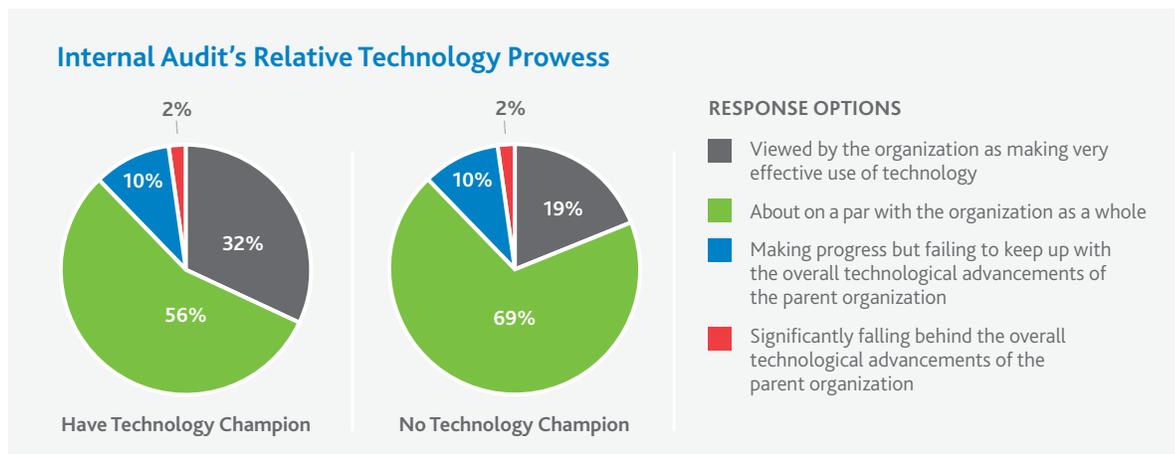
- **Having a Technology Champion on board appears to be a leading practice** of organizations seeking to optimize their deployment and use of technology.
- **On average, organizations with TCs are operating at a higher level of technology maturity** than organizations without TCs.
- **More than 80% of organizations with Technology Champions view them as key to their success**, suggesting that they would not have achieved their current level of technology maturity without strong and effective contributions from their TC.

Accordingly, while the roles and responsibilities of Technology Champions around the world differ significantly, as would be expected, internal audit groups with an established TC position appear to be achieving real and tangible benefits from their investment in the TC role, as detailed in this report.

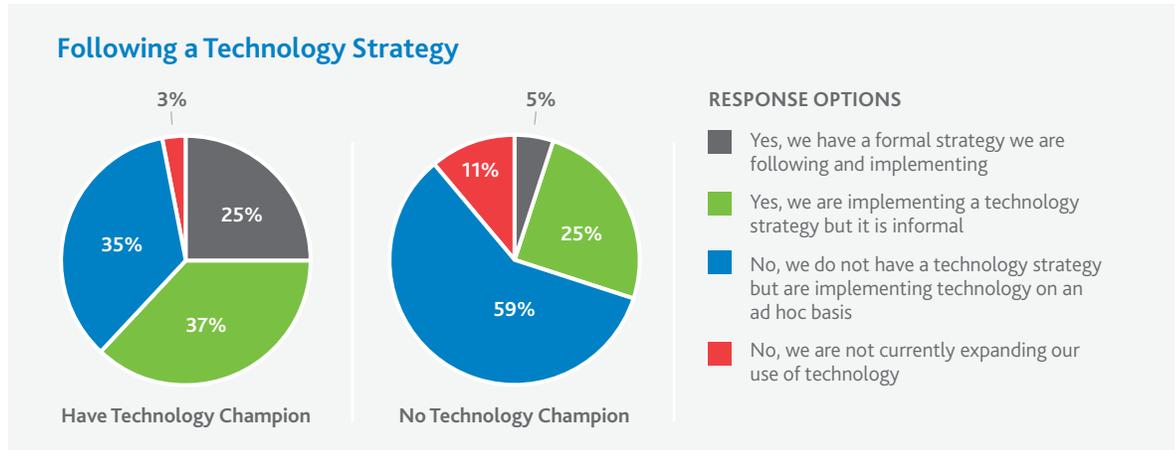
Comparative Survey Responses Reflect Positive TC Impact

By comparing IATS responses from organizations with and without Technology Champions, we can gain useful insights about the apparent link between Technology Champions and enhanced internal audit performance:

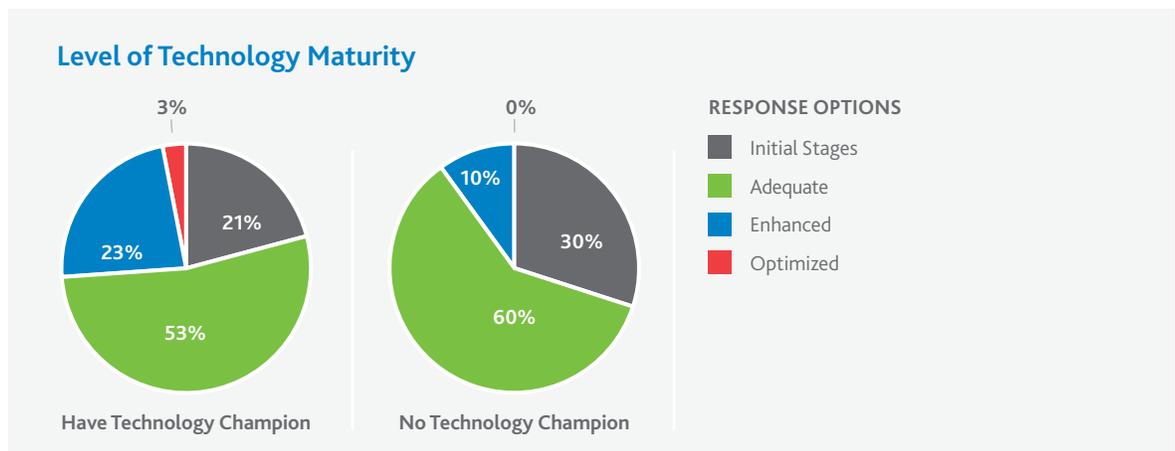
- Technology Proficiency** — 20% of responding organizations with TCs claim that *all members of their internal audit staffs are proficient* with the technology used in their internal audit department compared with 16% for other respondents. Similarly, 64% of respondents with TCs report that *most members of their staffs* are proficient with departmental technology compared with 60% for non-TC organizations, and only 16% of TC organizations indicate that *few members of their staffs* are proficient with technology used within the department compared with 23% for non-TC organizations.
- Relative Technology Prowess** — 32% of internal audit groups with TCs are considered to be making *very effective use of technology* by their parent organizations, a figure that is 68% higher than the 19% for internal audit groups without TCs.



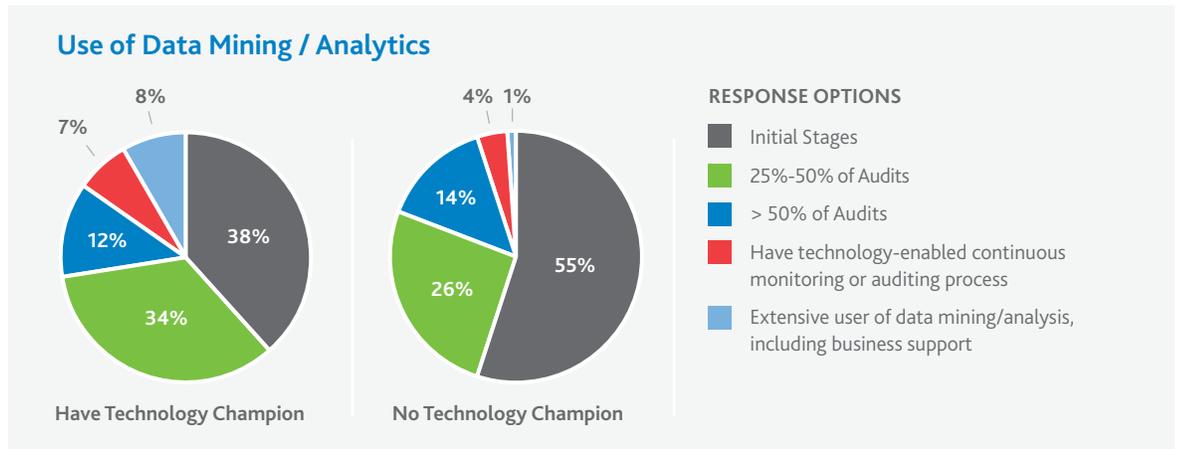
- **Strategic Orientation** — 25% of TC organizations are following and implementing a formal technology strategy compared with only 5% for non-TC organizations, a fivefold difference; another 37% of TC organizations are implementing an informal tech strategy, compared with 25% for other respondents.



- **Levels of Technology Maturity** — 26% of TC organizations place themselves at the *Enhanced* or *Optimized* level of technology maturity compared with only 10% for non-TC organizations. Of note, all IATS respondents with a formal technology strategy place themselves at the *Enhanced* level of maturity, reflecting the strong correlation between the two measures (for further information, see TeamMate reports on **Assessing Your Audit Technology Maturity** and **Developing an Effective Internal Audit Technology Strategy** at teammatesolutions.com/leadership).



- **Leveraging Data Mining/Analytics Resources** — 8% of TC organizations consider themselves to be *extensive users* of data mining and analysis resources, compared with only 1% of non-TC organizations; similarly, 7% of TC organizations have a *technology-enabled continuous-monitoring or auditing process in place*, compared with 4% for non-TC organizations.



- **Technology Budgets** — On a year-over-year basis, 35% of TC organizations reported that their technology budgets had increased, compared with 26% for non-TC organizations; similarly, 39% of TC organizations expect their tech budgets to increase over the next two years, compared with 28% for non-TC organizations.

Given these strong indicators, it's not surprising that more than 97% of the 2015 IATS respondents with Technology Champions report that their TCs are making a positive contribution to their internal audit organizations, with 44% describing the contribution as *vital*, a characterization defined as "we would not be at the point we are with technology without having such a person in place."

TeamMate Observation

While adding a TC does not automatically enhance the technology level of an internal audit group, it does appear to be an effective core strategy for moving up the technology maturity curve.

TC Organizations and Position Holders Reflect Varied Backgrounds

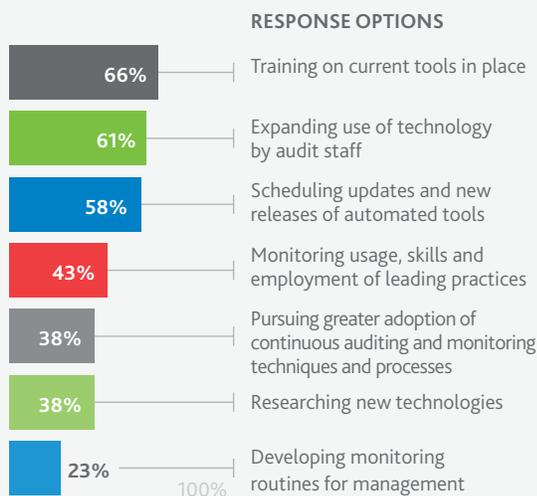
According to 2015 IATS data, Technology Champions come from a wide range of parent organizations in terms of revenues, industry and market focus. In addition, rather than being concentrated among larger internal audit departments, they represent a broad cross-section of the internal audit universe with 37% of the TCs coming from audit groups with 1-10 members, 46% from departments with 11-50 members, and 17% from staffs with 51 or more members.

Looking at where TCs are coming from, **61% are members of the internal audit staff, 22% are heads of IT audit, and 6% are CAEs.** They also reflect a strong mix of audit and technology, with 73% having a strong audit background and 59% a strong background in technology. In addition, 65% of our TC respondents have advanced usage skills and a deep knowledge of tech tools, 50% have a strong background in data analysis, and more than a third have a strong background in data security.

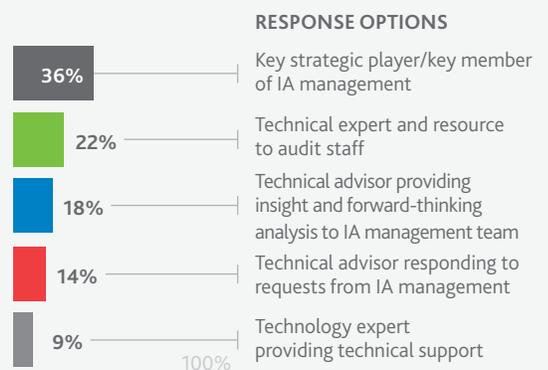
For more than 8 in 10 IATS respondents from organizations with Technology Champions, serving as the TC is a part-time role: 75% perform their TC work along with other internal audit responsibilities while another 6% address TC issues along with other responsibilities outside of internal audit. At the same time, **serving as Technology Champion is a full-time role for 18% of the respondents from TC organizations,** and for 80% of these respondents, it is a permanent position.

Looking at TCs who are members of the internal audit department with other audit responsibilities, **35% have specific time allocated to the TC role while nearly two-thirds must squeeze time from other audit responsibilities to address their TC work.** Of this group, **65% say the TC role is primarily viewed as providing technical support.** At the same time, **more than a third (36%) of TC respondents say they are viewed as a key strategic player and a key member of the IA management team.**

Functional Focus of Technology Champions



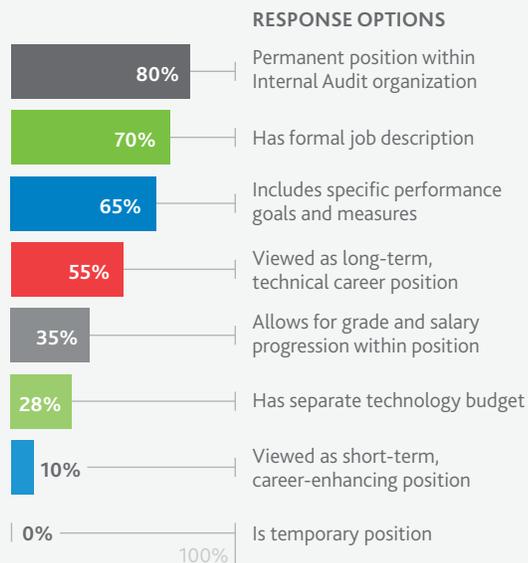
How Technology Champions Are Viewed by CAEs & Audit Management



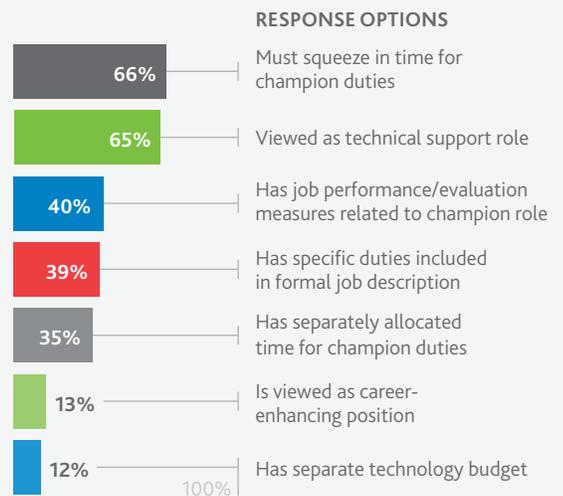
When we asked IATS respondents about the impact of TC service on their careers, 52% said they expect serving as a TC will enhance the development of individuals in this position while nearly the same number (47%) consider the role to be neutral in terms of career enhancement.

Looking ahead, 82% of the IATS respondents from organizations with Technology Champions project that their TC will continue to lead the technology initiatives of their respective internal audit groups.

Nature of Full-Time Technology Champion Positions



Nature of Part-Time Technology Champion Positions within Internal Audit



TeamMate Insight

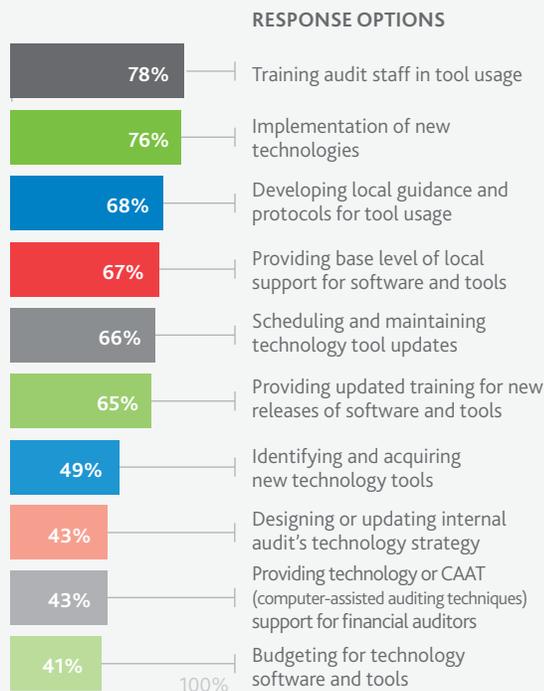
With the vast majority of individuals serving as TCs expecting to continue in the role, it is important to update TC job descriptions on an ongoing basis to ensure continued development of both the individual and the internal audit department. In addition, make a point to tailor TC responsibilities to the changing needs of the organization and to modify the expectations of the position accordingly.

Technical Roles Predominate

When it comes to the primary roles being performed by Technology Champions, there is a clear divide between what could be described as technical and strategic activities, with the primary emphasis on more technical work. More than three-fourths of the TCs taking part in the 2015 IATS survey are engaged in training audit staff in tool usage and in the implementation of new technologies. In addition, roughly two-thirds take part in developing local guidance and protocols for tool usage, providing a base level of local support for software and tools, scheduling and maintaining technology tool updates, and providing updated training for new releases of software and tools.

On the strategic front, nearly half of the 2015 IATS TC respondents are engaged in the identification and acquisition of new technology tools and more than 40% take part in the design or update of internal audit's technology strategy, in providing technology or CAAT (computer-assisted auditing techniques) support for financial auditors, and in budgeting for technology software and tools.

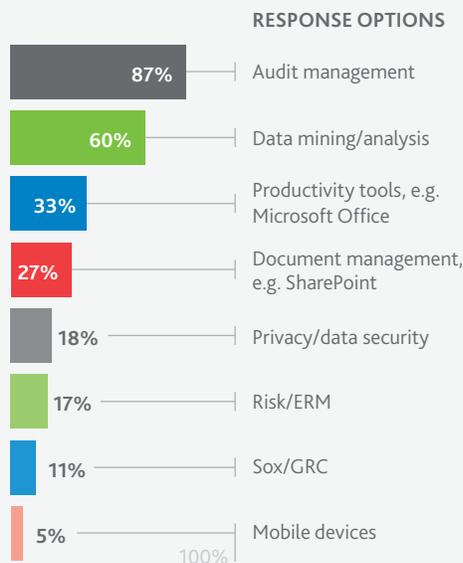
Technology Champion Responsibilities



Clear Focus on Two Automated Tools

When asked where they focus in terms of automated tools, two areas stood out, with seven in eight TC respondents pointing to audit management and 60% targeting data mining and analysis. From there, the focus on tools dropped sharply, with productivity registering 33% and document management coming in at 27% followed by 18% for privacy and data security, 17% for risk & ERM, 11% for Sox & GRC, and 5% for mobile devices.

Automation (Tools) Focus of Technology Champions



Technical Functions Receive Greater Focus

On the functional front, nearly two-thirds of the TCs taking part in the 2015 IATS survey are placing a high priority on tools training, with 61% focusing on the expanded use of technology by the audit staff, 58% focusing on scheduling updates and new releases of automated tools, and 43% making a point to monitor skills, usage and leading-practice activities. On the strategic front, 38% are pursuing the greater adoption of continuous auditing and monitoring techniques and processes and in researching new technologies, and 23% are focusing on developing monitoring routines for management.

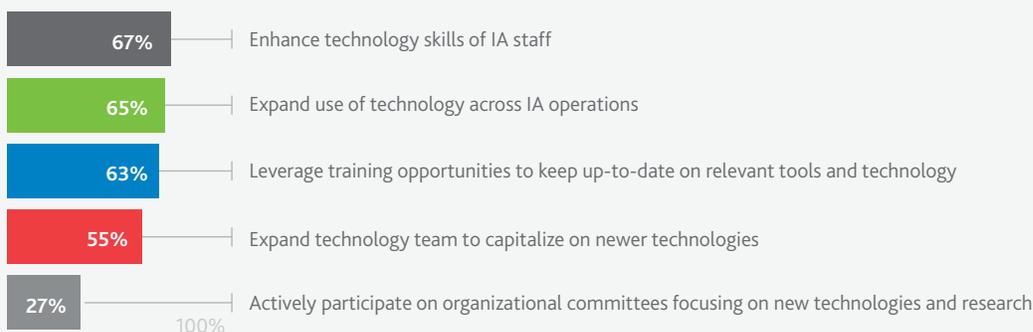
Management Expectations of Technology Champions

When asked about internal audit management expectations of them, the Technology Champions taking part in the 2015 IATS survey pointed to four areas, in particular:

- Enhancing the technology-related skills of the internal audit staff
- Expanding the use of technology across internal audit operations
- Leveraging training opportunities to keep up to date on relevant tools and technology
- Expanding their technology teams to capitalize on newer technologies

IA Management Expectations of Technology Champions

RESPONSE OPTIONS



TeamMate Insight

With the results of our 2015 technology survey, an internal audit group could construct basic job descriptions for two types of Technology Champion positions — one with a technical focus and another with a more strategic orientation evolving from an initial technical focus. Helping internal audit groups construct job descriptions for both types of Technology Champion will be a primary goal of TeamMate's thought leadership efforts in 2016.

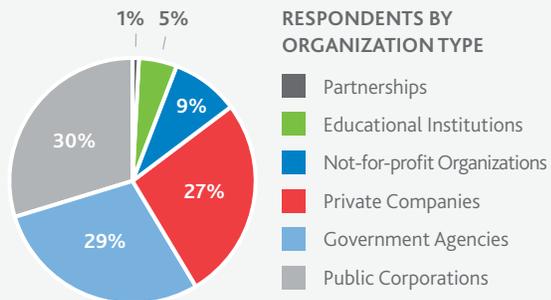
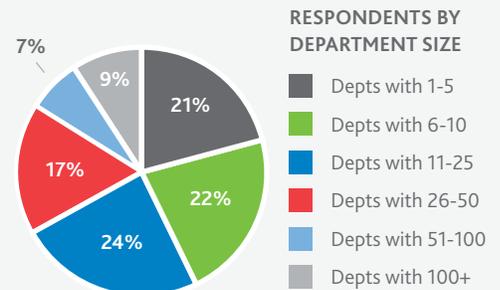
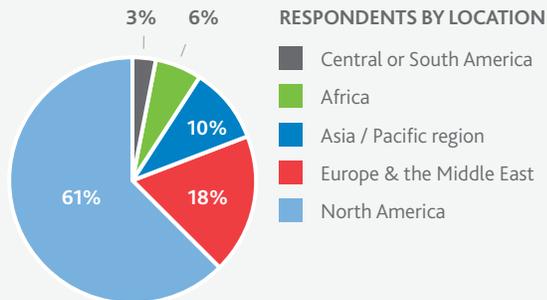


Some Closing Thoughts

The wide variations in the roles, responsibilities, backgrounds and priorities of Technology Champions suggest that internal audit organizations have tailored the nature and scope of these positions to fit their specific technology focus and maturity. We believe this is the right approach from both a strategic and practical perspective.

After analyzing the results of our 2015 Internal Audit Technology Survey, we can say without hesitation that having a Technology Champion is a leading practice that can provide significant benefits for internal audit groups around the world. If you have yet to create a TC role at your organization, consider placing greater emphasis on technical considerations, to start. Conversely, if your technology capabilities are more mature, look for ways to raise the strategic orientation of your Technology Champion and related technology activities. Either way, you can draw upon our survey findings and insights to help you on your journey.

Survey Background & Demographics



Contact Us

UNITED STATES

The Towers at Westshore
1410 N. Westshore Boulevard, Suite 400
Tampa, FL 33607
U.S.A.
1 888 830 5559

CANADA

Suite 300, 90 Sheppard Ave. E.
Toronto, Ontario M2N 6X1
Canada
1 800 461 5308, ext. 6853

EUROPE, MIDDLE EAST, AFRICA

41st Floor, 25 Canada Square
London, E14 5LQ
Phone: +44 20 3197 6566

ASIA PACIFIC

15/F, W Square
312-324 Hennessey Road
Wan Chai
Hong Kong
+ 852 2610 7080