

Enquete 2023

The Internal Audit Profession
in Germany, Austria and Switzerland

DIIR, IIA Austria and IIA Switzerland

Management Summary (English)

Preface

This document is an English language version of the management summary from the joint publication "Enquete 2023" by DIIR, IIA Austria, and IIA Switzerland. You may find the complete study (in German language) [here](#).

Management Summary

Over the past 20 years, the Enquete Study has emerged into an important benchmarking tool for internal audit functions in Germany, Austria, and Switzerland. Moreover, it provides valuable guidance and decision support for key stakeholders of Internal Auditing. To continue to provide relevant insights, the scope of this year's survey has been improved and extended compared to the Enquete 2020 version. Topics of importance to audit executives, such as ESG and technology, are now addressed in greater detail. The following general results, among others, have emerged from the survey, which was conducted at the beginning of 2023.

Results

- Internal auditing performs a central role within the scope of good corporate governance at a large majority of the participating companies.
- This role is characterized not only by appropriate organizational integration of the internal audit function, but also by regular exchanges with central governance bodies, such as the Executive Board, the Audit Committee, the Supervisory Board, or the Board of Directors.
- Nearly 60% of the internal audit functions are exclusively assigned to internal auditing tasks, whereas the remaining functions also address various additional areas.
- More than 90% of the internal audit functions are partially or even fully aligned with the corporate strategy. This reveals how well an internal audit function can provide support in monitoring and achieving strategic objectives.
- The main objectives and tasks of the internal audit functions are dominated by traditional assurance topics relating to the effectiveness of, for example, risk management, the internal control system, the compliance function, or adherence to corporate rules. Conversely, objectives relating to the efficiency of such governance functions only take on a subordinate role.

- Participating audit executives regularly review the adequacy and effectiveness of the company's internal control system (ICS), risk management system (RMS), and compliance management system (CMS). Interestingly, 90.0% of the internal auditors regularly review the ICS, 76.0% the RMS, and 70.5% the CMS.
- A detailed look at the areas of activity reveals that engagements related to internal controls (24.0%), business processes (23.8%), as well as engagements related to compliance (19.3%) on average account for the majority of internal auditing activities. Assurance and consulting engagements in the areas of risk management (11.8%) and IT security (11.4%) make up a considerable share of internal auditing activities. Collectively, assurance engagements (over 80% of the total internal auditing activities) dominate over consulting engagements.
- The present complexity of the participating organizations is also reflected in the complexity of the audit universe. In comparison to the Enquete 2020, the increasing importance of digitalization and cyber risks or cybercrime has led to a recognizable increase in the size of the audit universe.
- Exciting innovations are particularly emerging in the area of technology usage and auditing. For one thing, internal auditing itself is using increasingly technological support, ranging from simple management software solutions to more complex data analysis methods, such as process mining or artificial intelligence and machine learning. For another, there is a "gap" between existing technologies and the review of these by internal auditing, which could in general lead to an increase of risk within the company.
- For the first time, the Enquete 2023 covers the assurance and consulting involvement of internal auditing in ESG topics. A majority of audit executives (68%) reported that they refrain from offering consulting services in any of the three ESG topic areas: environmental, social, or governance. In addition, more than one-third (34%) of the audit executives stated that they do not provide any assurance services in the aforementioned subject areas. This suggests that internal auditing is positioning itself as an assurance provider with regard to ESG. These assurance services are primarily provided in the areas of governance (30%) and environmental (29%), while the social area is slightly behind (27%).
- The survey again asked about staffing levels, continuing education, and the progression of internal auditing staff. The results continue to show a highly heterogeneous picture in terms of the proportion of auditors per 1,000 employees or the use of the internal audit function as a management training ground.

The Enquete 2023 provides valuable insights into the profession and reveals the complexity and versatility of internal auditing. The findings offer internal audit functions the opportunity to benchmark their performance or to identify areas of improvement.

Author

Prof. Dr. Marc Eulerich, CIA

July 27th, 2023

DIIR

Deutsches Institut für
Interne Revision e.V.

Theodor-Heuss-Allee 108
D-60486 Frankfurt am Main
Telefon +49 (0) 69 713769-0
www.diir.de
info@diir.de



Institut für Interne Revision
Österreich

Schönbrunnerstraße 218-220
A-1120 Wien
Telefon +43 (1) 817 0291
www.internerevision.at
sekretariat@internerevision.at



Institute of Internal Auditors
Switzerland

Vulkanstrasse 120
CH-8048 Zürich
Telefon +41 (0) 44 298 3434
www.ias.ch
info@ias.ch