

# Audit Score

Assessment Name: City of London - Internal  
Audit Maturity Assessment 2024

Date created: 30 Sep 2024

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**Leveling up isn't something that you do "once and for all." It's something you do constantly...**



# Report Roadmap



Gartner Score Overview

Key Findings

Next Steps for Increased Maturity

- Path to Maturity – All Activities
- Tables with Findings
  - Activities by Importance
  - Activities by Maturity
  - Activities by API
- Maturity Level Definitions
- Methodology & Score Calculation
- Participant List
- How Gartner Can Help

# Introduction

## Gartner Score Overview



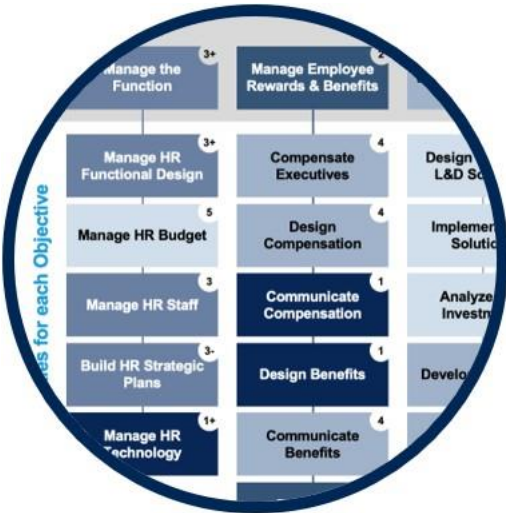
# Introduction

The **Gartner Score** is a proprietary tool that enables organizations to improve functional performance by assessing their performance across a broad set of functional activities. The diagnostic measures two primary dimensions: **importance** and **maturity**.

**Score Details**     Date: 30 Sep 2024

Selected peer group: **Government**

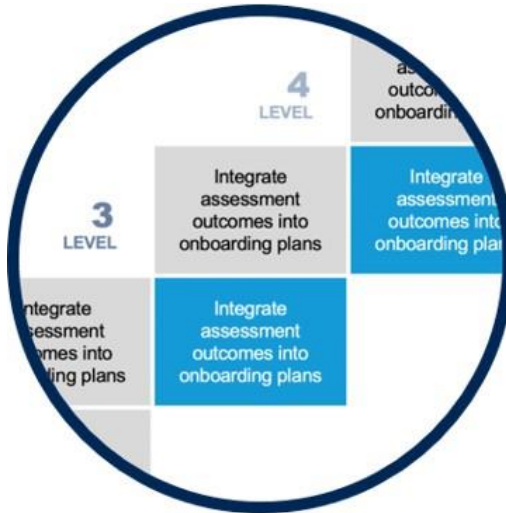
Organization Size: **<5000 Employees**



Executive Summary  
**Objectives & Activities**



Executive Summary  
**Maturity & Importance**

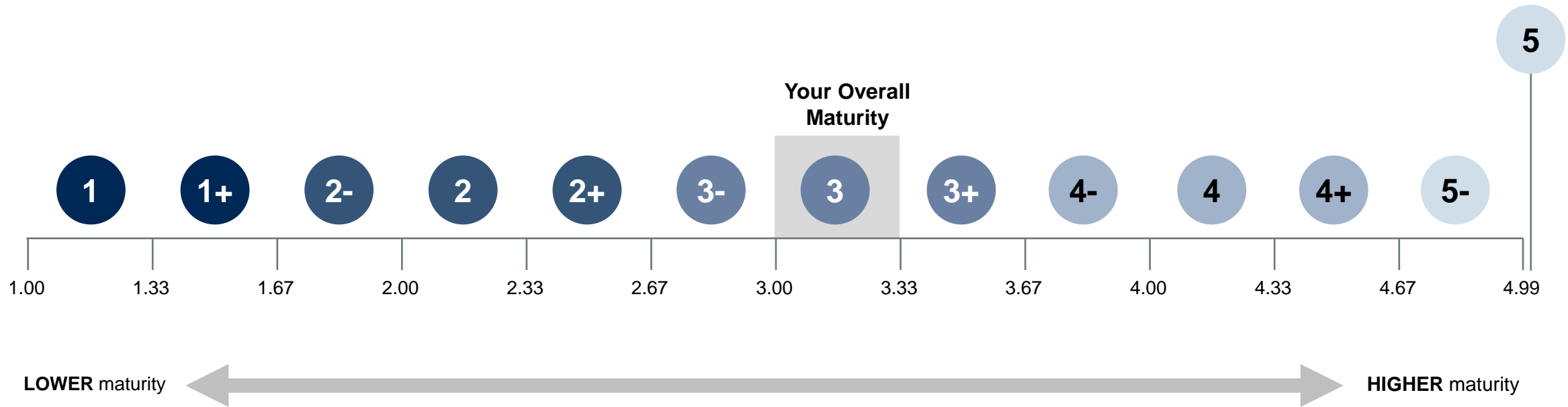


Path to Maturity  
**Next Steps to Improve**

# What is your Overall Maturity Level?

Maturity measures how advanced an organization's development is in a functional activity relative to Gartner's best practice research.

- Measured on a scale ranging from **1 (lower)** to **5 (higher)**
- Refined with a **(+)** or **(-)** to indicate intermediate levels of maturity.
- Maturity is best defined as a range. Details are provided in the Methodology & Score Calculation section of the Appendix.



Respondents included in this assessment: **1**

Peer benchmark: **3**

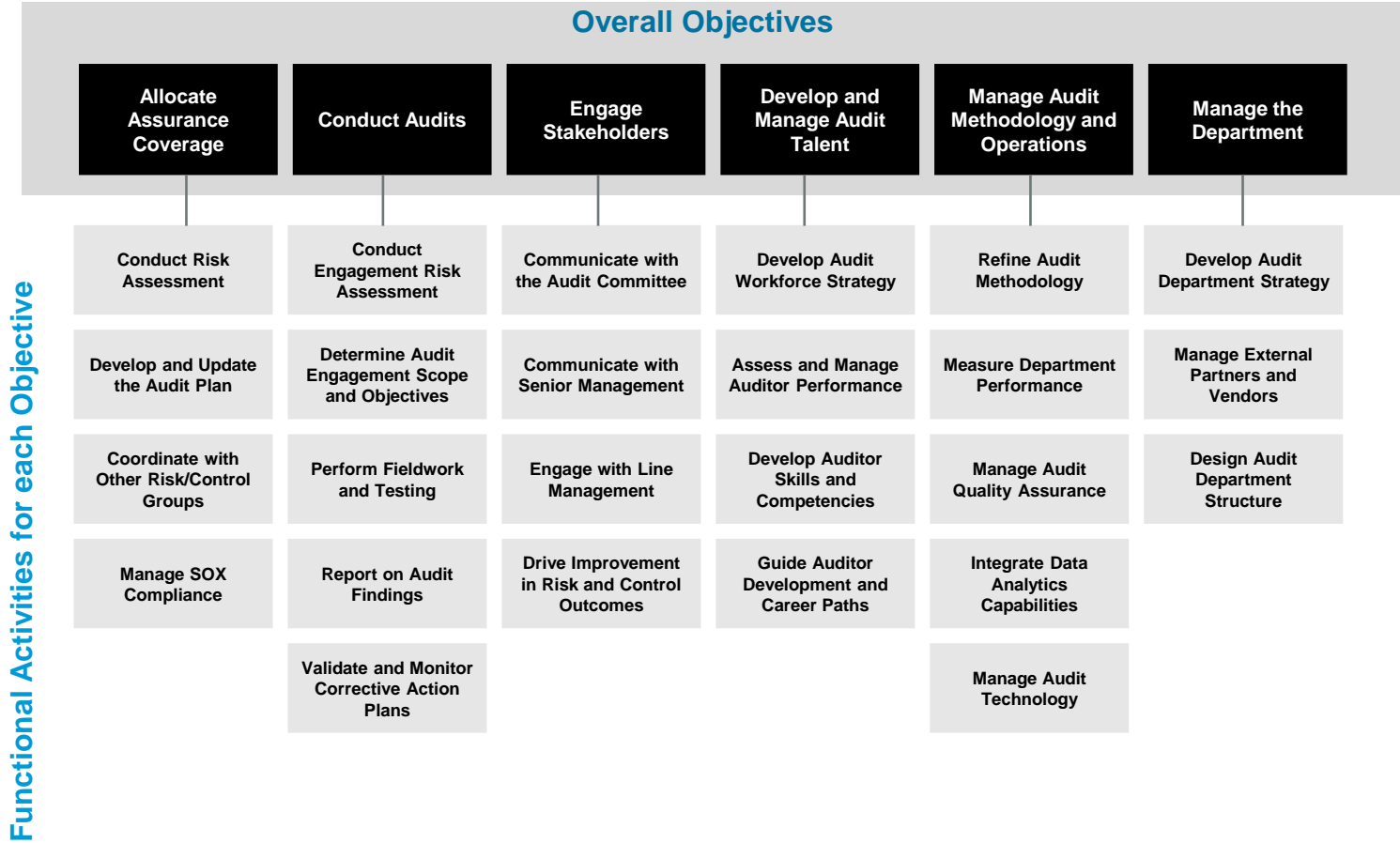
Participating organizations in the peer benchmark: **20**

# **Executive Summary**

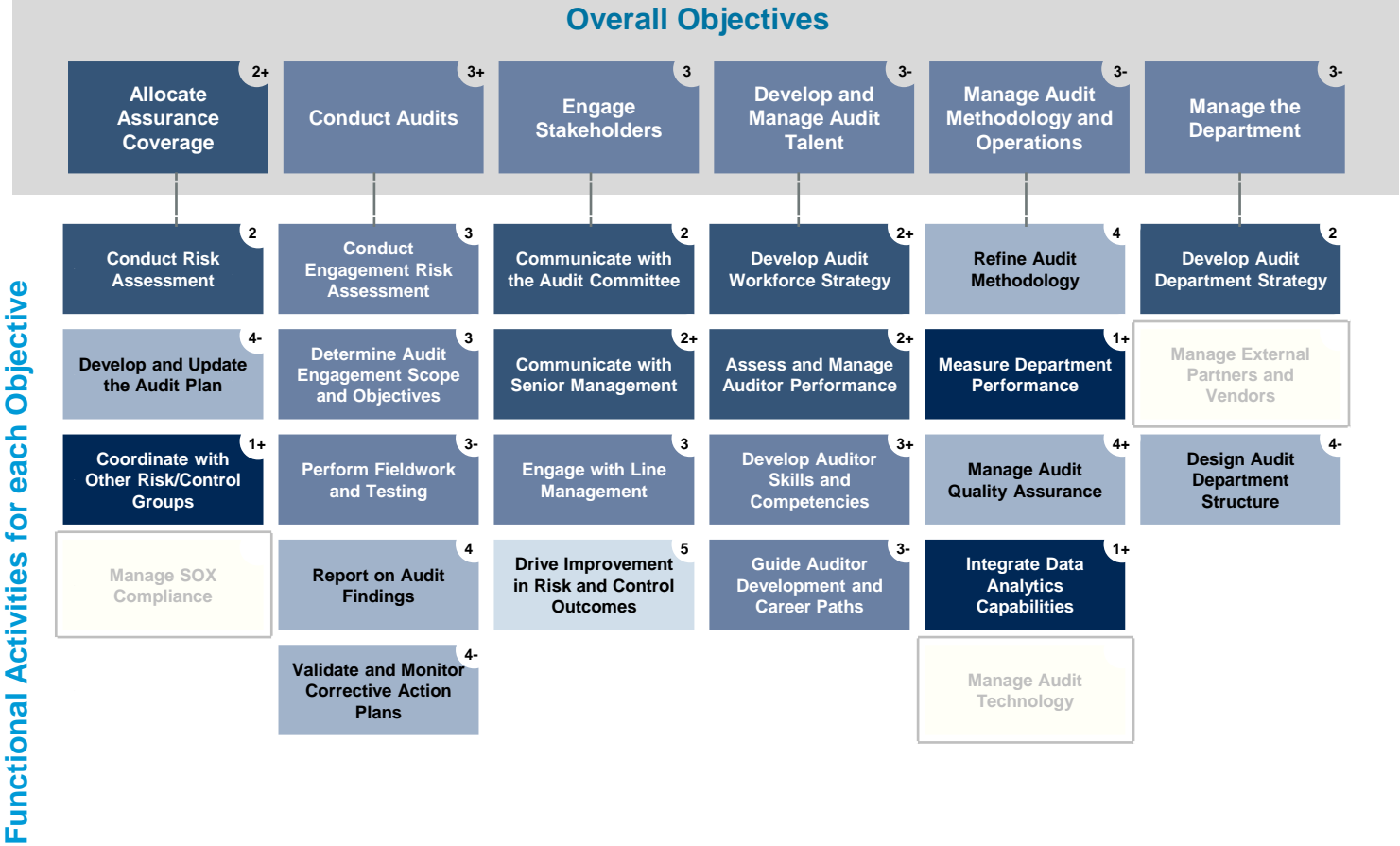
## **Key Findings**



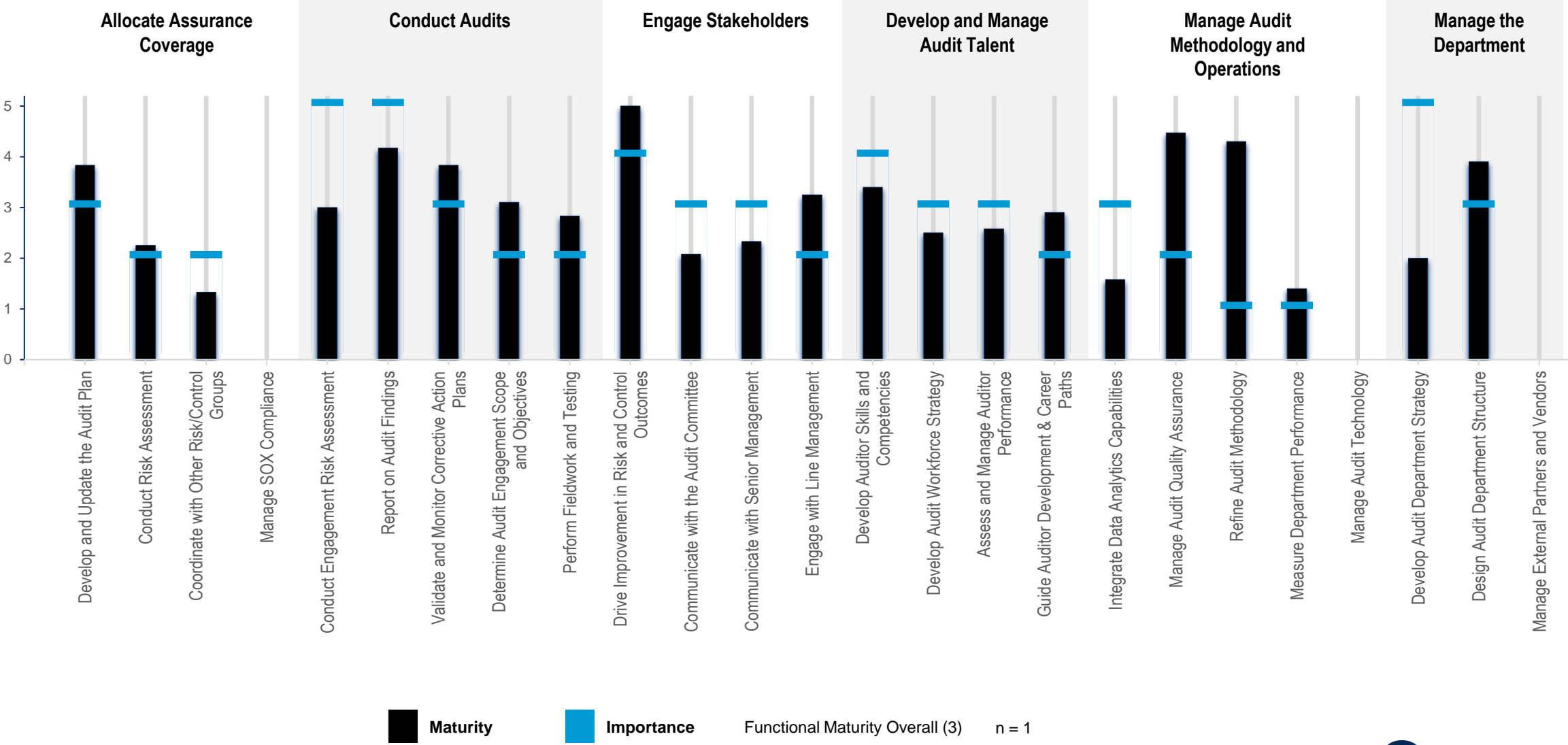
# Objectives & Functional Activities



# Maturity Levels of Objectives & Activities



# Maturity & Importance

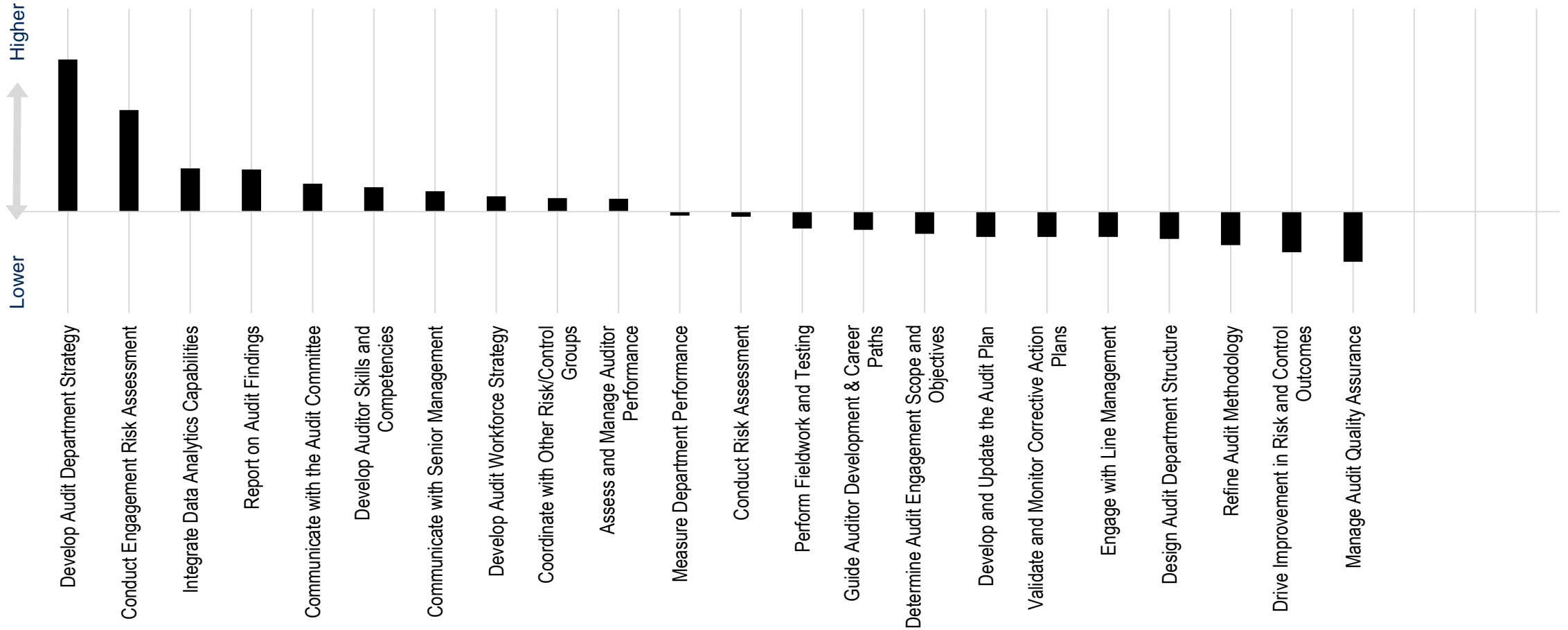


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# Activity Priority Index

The (API) identifies where the function is less mature in activities of greater importance.



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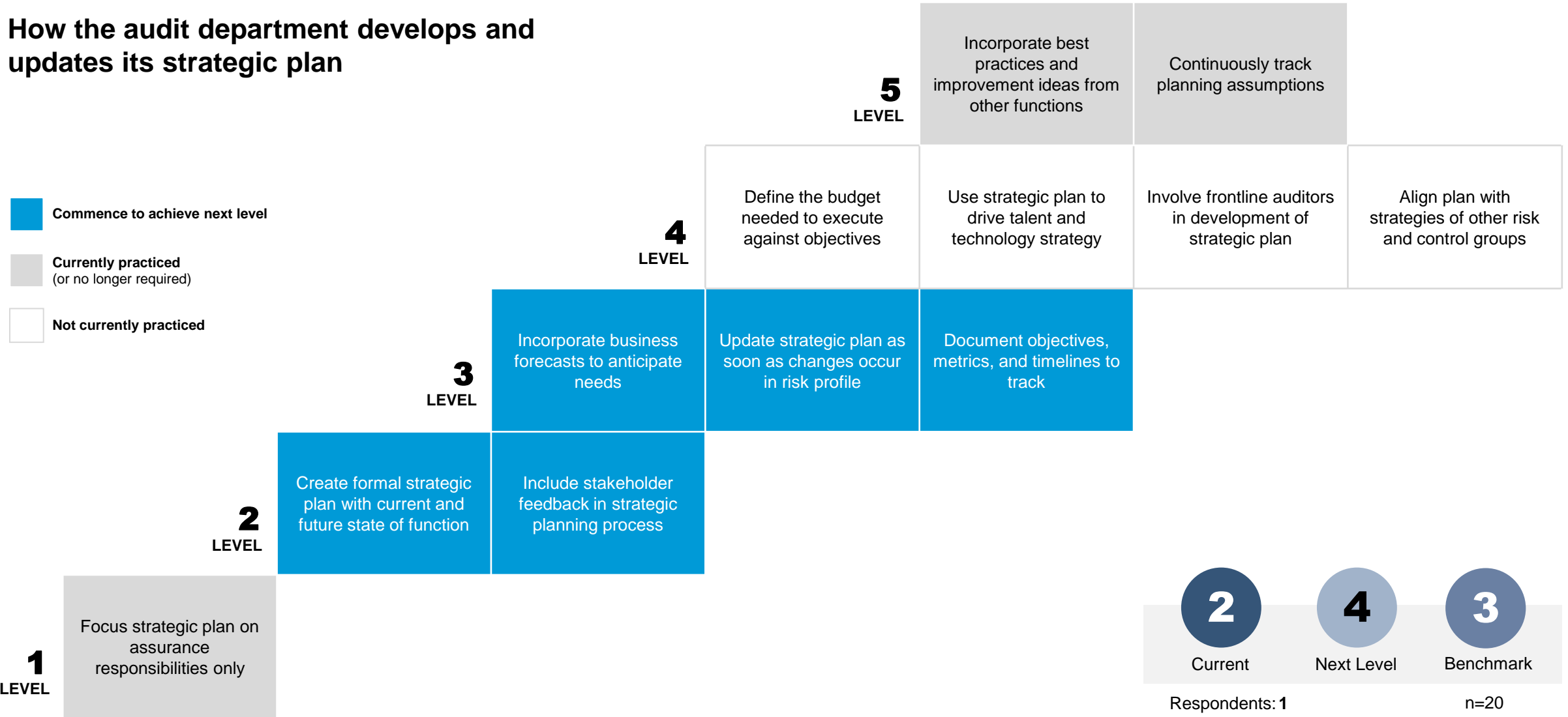
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# **Path to Maturity**

## **Next Steps for Increased Maturity**

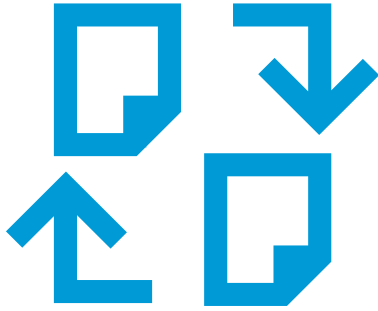
# High Priority: Develop Audit Department Strategy

How the audit department develops and updates its strategic plan



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# Develop Audit Department Strategy



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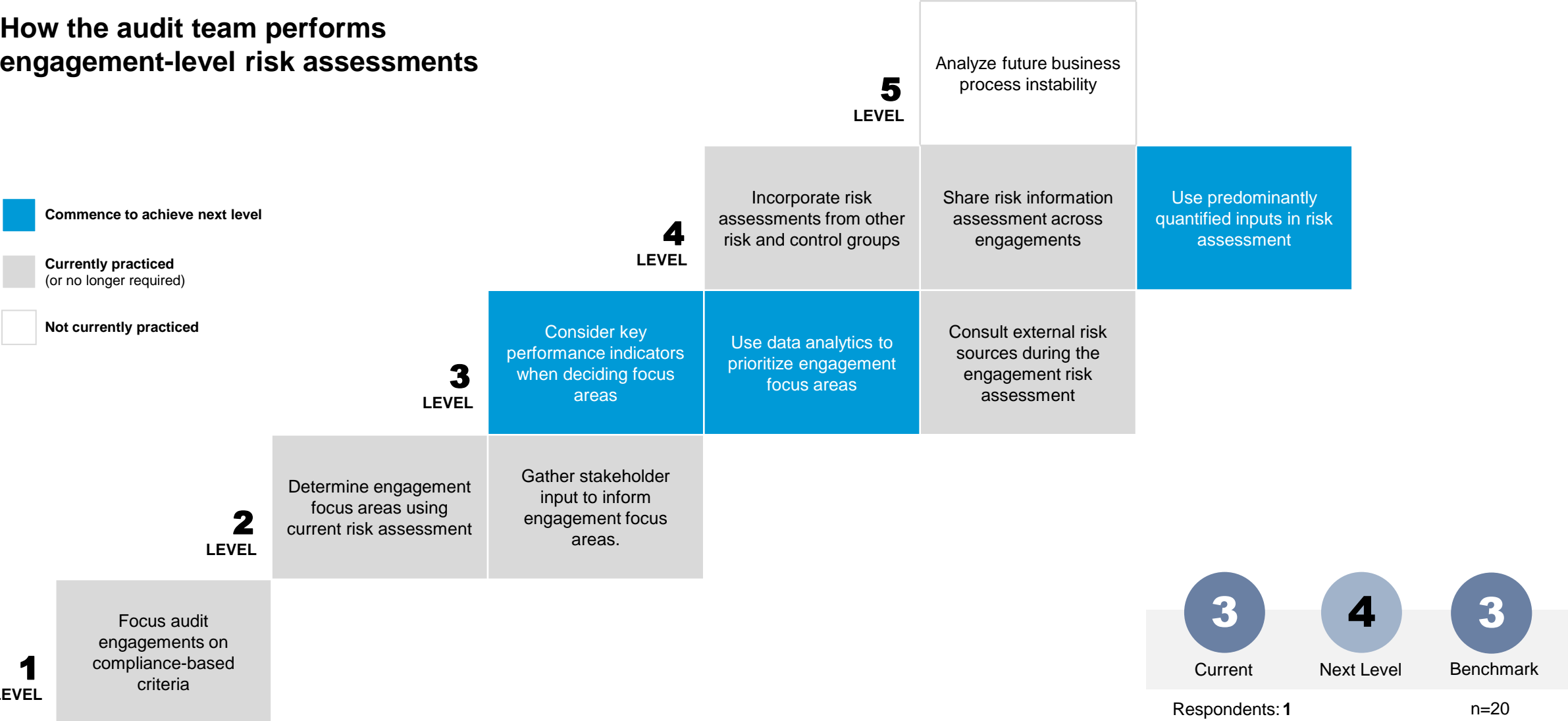
## Resources

- [Audit Budget and Efficiency Benchmark](#): Use online surveys to benchmark your departments staffing, spending, structure and activities against your peers.
- [Leadership Vision for 2022: Chief Audit Executive](#): Learn about the three major trends that are changing how CAEs run audit functions.
- [5 Challenges of Hybrid Auditing — and How to Solve Them](#): Learn the challenges of hybrid and remote audits and how to overcome them.
- [Ignition Guide to Strategic Planning for Audit](#): Utilize this guide to develop a strategic action plan for audit, from prioritizing action steps to developing a plan draft.
- [Audit Strategic Plan and Mission and Vision Statement Library](#): Guide your strategic planning and create documents for your audit department using this collection of strategic audit plans and vision statements.
- [Case Study: Strategy for Digital Innovation Initiatives \(Synchrony\)](#): Use this case to learn strategies to increase audit's use of and expertise on digital innovation.
- [Building an RPA Strategy for Audit](#): Use this guidance to build an effective strategy for implementing robotic process automation (RPA) in audit.
- [Co-Created Analytics Strategy \(Lockheed Martin\)](#): Get team buy-in for change by making them a part of the strategic planning process.



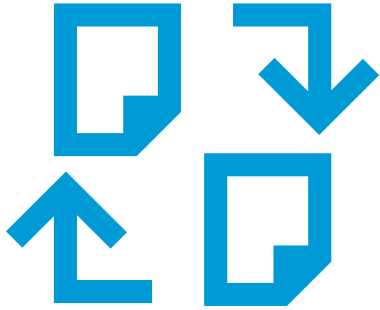
# High Priority: Conduct Engagement Risk Assessment

## How the audit team performs engagement-level risk assessments



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# Conduct Engagement Risk Assessment



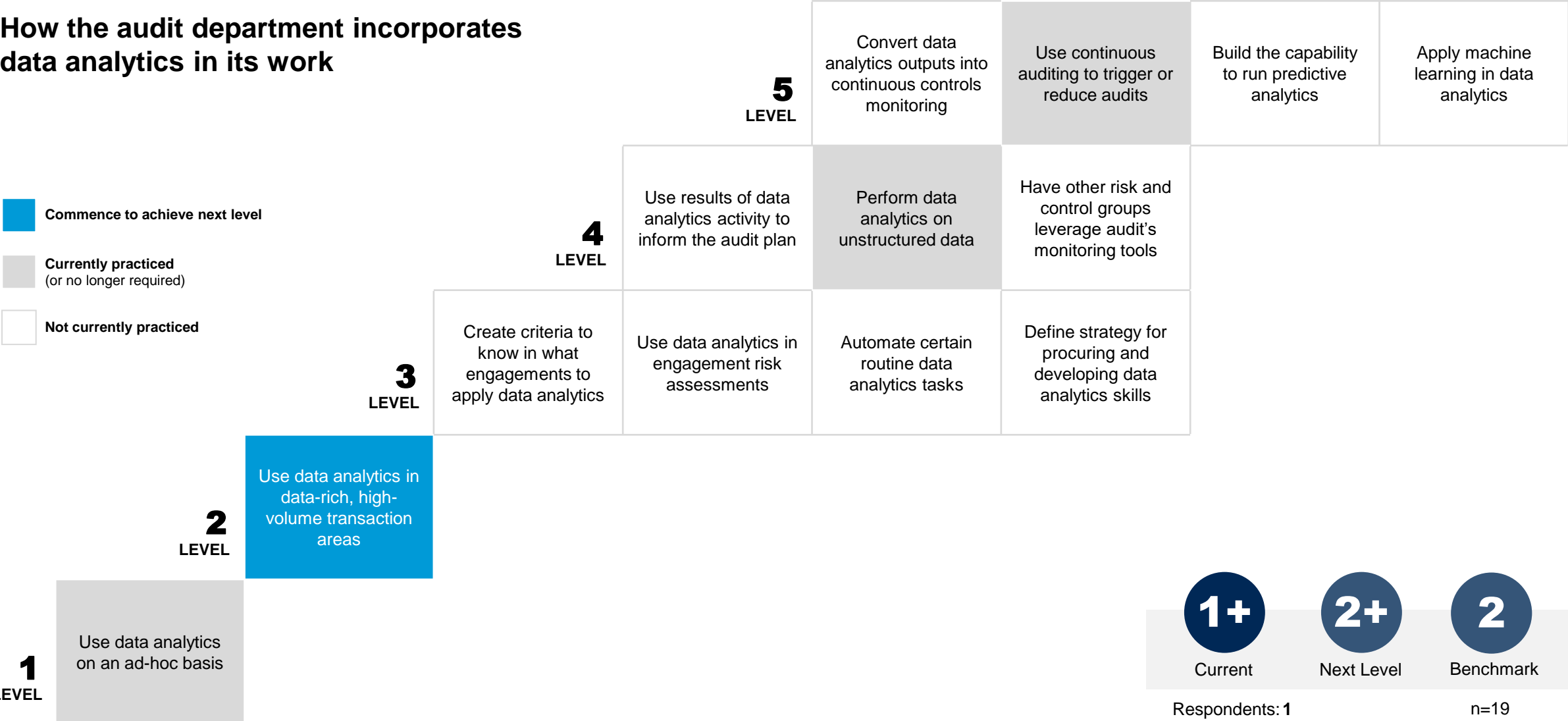
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## Resources

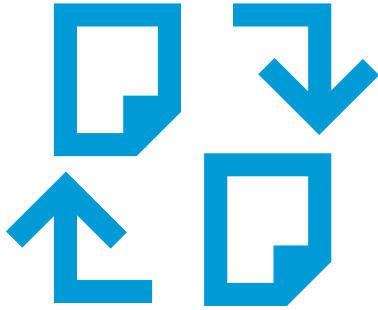
- [Second-Line Scoping Input \(Realogy\)](#): Use this case study to learn how Realogy ensured that engagements are fully risk targeted.
- [How to Strengthen Objectivity in Audit Through Promoting Awareness of Cognitive Biases](#): Use this guide to teach auditors how to identify and counteract biases when developing audit plans, conducting risk assessments and other procedures.
- [Tool: Risk Culture Assessment](#): Use this checklist to assess the organization's risk awareness and management during a risk culture audit.
- [Forward-Looking Assurance \(Nordstrom\)](#): Consider using instability of process as a risk assessment factor.
- [Risk Tolerance Based Audit Scoping \(McDonald's\)](#): See how McDonald's uses the risk tolerance of auditees to more effectively scope their audit engagements.

# High Priority: Integrate Data Analytics Capabilities

## How the audit department incorporates data analytics in its work



# Integrate Data Analytics Capabilities



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## Resources

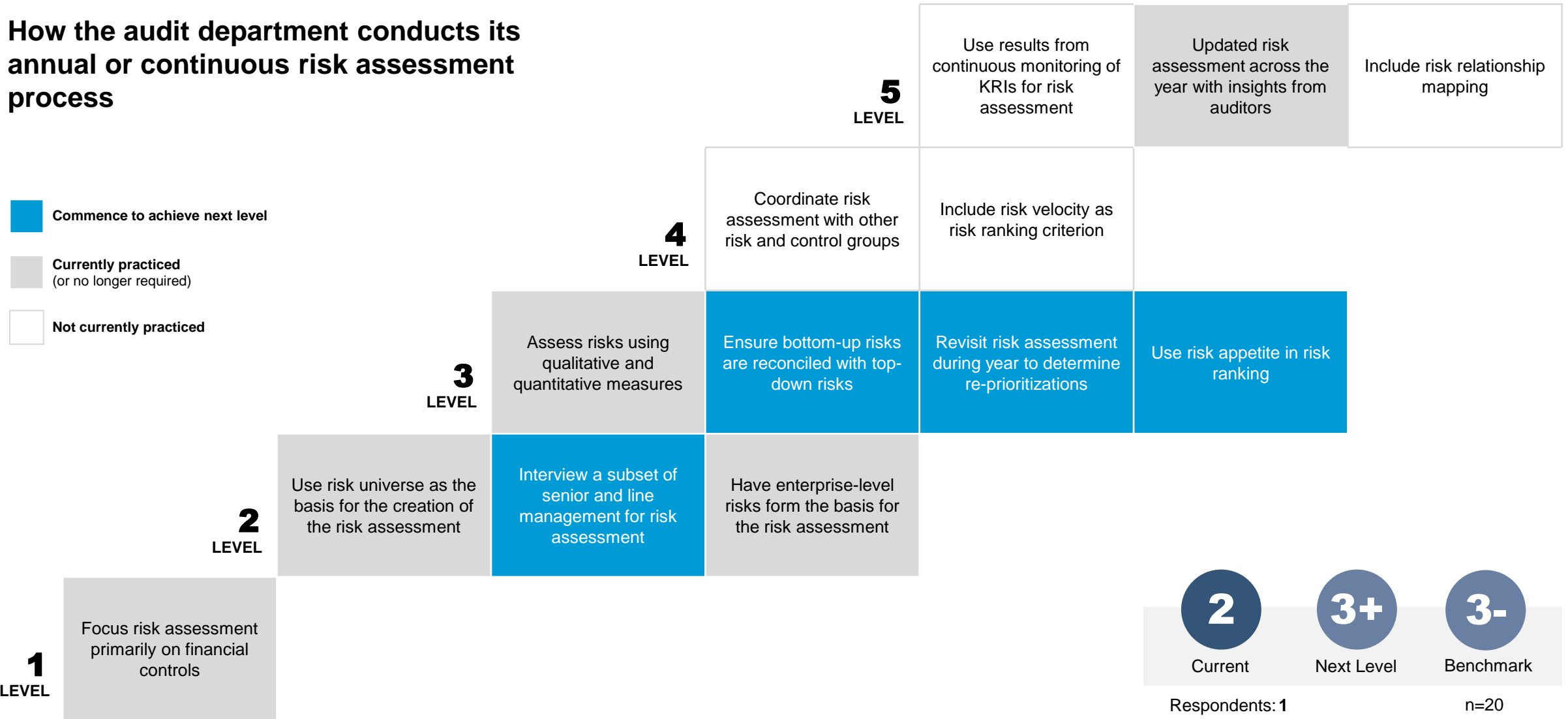
- [Communicating with Data Visualizations](#): Learn how to better leverage data analytics for communicating insights.
- [Solving the Skills Mismatch: Getting to Data-Driven Insights](#): See how leading audit departments better allocate current talent to maximize data-driven insights.
- [Ignition Guide to Increasing the Use of Data Analytics in Audit](#): Understand the potential uses of audit data analytics and how to embed data analytics in audit's methodology.
- [Advancing Audit's Use of Data Analytics](#): Learn how to embed data analytics in all audit department processes.
- [Structuring an Audit Data Analytics Program](#): Learn the most common audit structures for data analytics to inform the structure of resources in your audit department.
- [Peer-Based Analytics Learning \(ABB\)](#): Learn how to increase the adoption of data analytics among auditors.
- [Capability-Driven Data Use Expectations \(Bunge\)](#): Learn how to expand data-driven insights with tiered data use expectations that expand auditors' data responsibilities.
- [Auditor-Led Data Information Collection \(Swedbank\)](#): Learn how to utilize latent data literacy in auditors by assigning auditors to collect metadata that enables insightful use of data.
- [Scalable Data Toolkit Creation \(Lenovo\)](#): Learn how to derive higher ROI from data analytics by developing automated test scripts (toolkits) for auditors' use.
- [Continuous Rapid Response Audits \(USPS OIG\)](#): Learn how the USPS OIG enabled quick, targeted responses by triaging analytic outputs and deploying a team to highest-risk areas.

# **Appendix**

## **Additional Pathways, Detailed Data & Methodology**

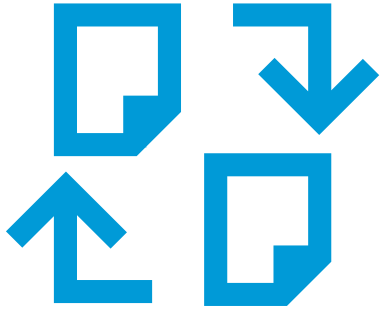
# Conduct Risk Assessment

## How the audit department conducts its annual or continuous risk assessment process



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# Conduct Risk Assessment



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## Resources

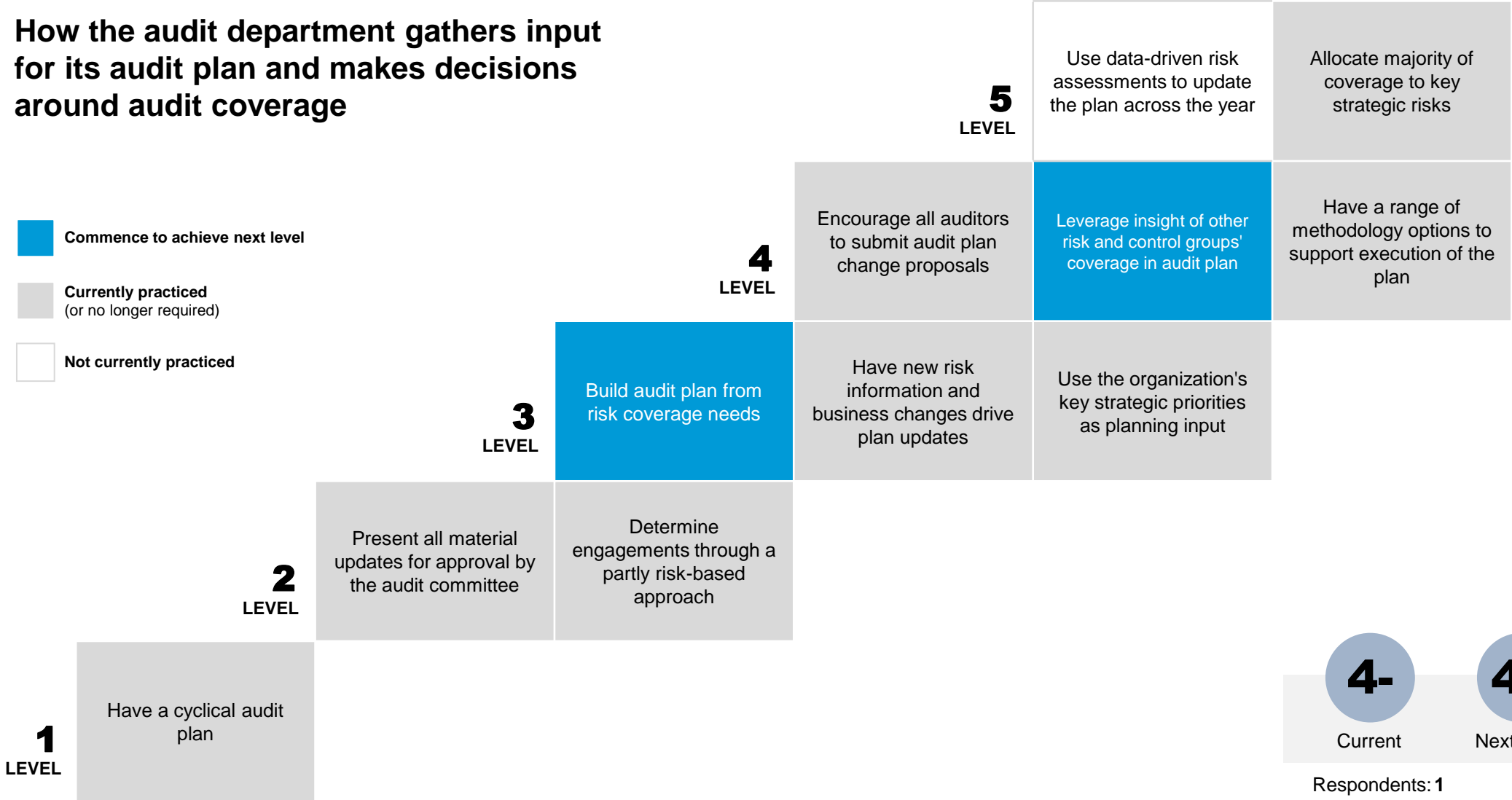
- [2023 Audit Plan Hot Spots](#): Use this list of top risks to get insight on risk trends and compare your coverage to peers.
- [Tool: Key Risk Indicator \(KRI\) Database](#): Use KRIs to track increasing risk exposure, which helps identify the right metrics as indicators for your organizations' key risk areas.
- [Risk Bow Tie Diagrams for Audit](#): Use these bow tie diagrams to help verify whether risk response plans adequately address a risk exposure's true root causes and consequences.
- [Best Practices for Risk Assessment and Audit Planning](#): Continuously refine your approach to risk assessment and audit planning with this guidance on developing best practice approaches.
- [How to Strengthen Objectivity in Audit Through Promoting Awareness of Cognitive Biases](#): Use this guide to teach auditors how to identify and counteract biases when developing audit plans, conducting risk assessments, and other procedures.
- [Case Study: Machine-Learning-Based Risk Detection \(RBC\)](#): Learn how RBC automated the risk assessment process with machine learning to support continuous monitoring of risks and facilitating dynamic planning.
- [Iterative Continuous Risk Assessment Development \(IPG\)](#): Develop a data-driven, real-time continuous risk assessment by hypothesizing, testing and refining key risk indicators (KRIs).
- [Case Study: Enablement-Focused Continuous Risk Monitoring \(The Kraft Heinz Co.\)](#): Use this case study to learn how to scale data analytics and enable continuous monitoring, resulting in a real-time view and analysis of risk.



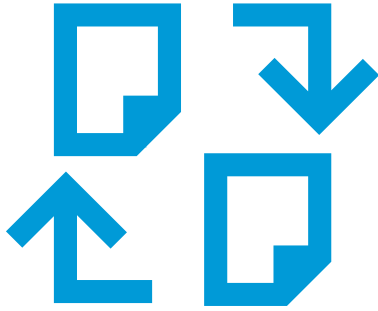
# Develop and Update the Audit Plan

How the audit department gathers input for its audit plan and makes decisions around audit coverage

- Commence to achieve next level
- Currently practiced (or no longer required)
- Not currently practiced



# Develop and Update the Audit Plan



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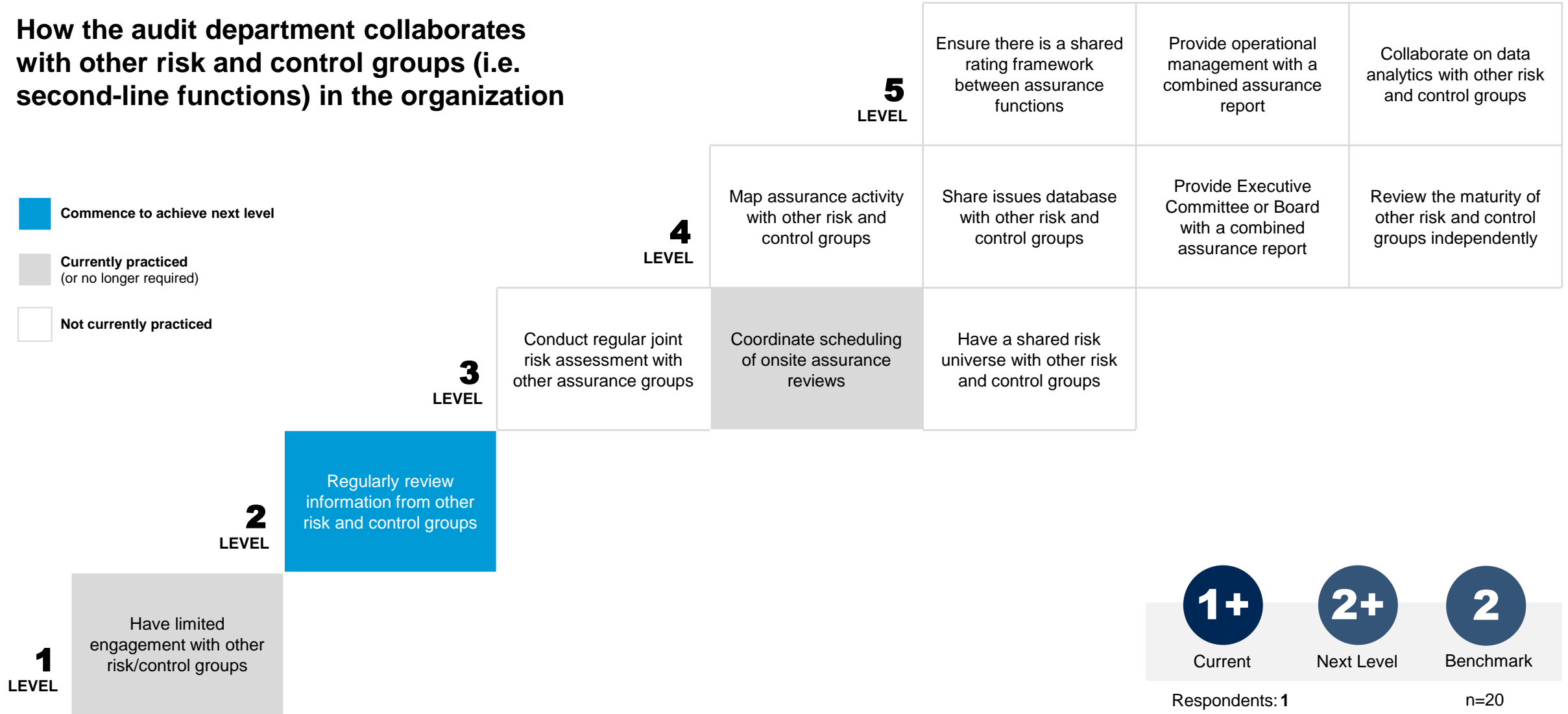
## Resources

- [Customizable Audit Plan \(Uber\)](#): Create a process to facilitate revisions to the audit plan by using priority-centric criteria to enable quick response.
- [How Much Is Enough: Calculating the Right Audit Coverage](#): Learn how to make principled trade-offs in your audit planning process to calculate the right breadth and depth of coverage.
- [Benchmark Report: Risk Assessment and Audit Planning](#): Compare planning process timelines and inputs to industry and revenue peers.
- [Living Audit Methodology \(Prudential Financial, Inc.\)](#): Learn how audit leaders at Prudential Financial frequently adjust the methodology toolkit of audit project options based on key risks.
- [Best Practices for Risk Assessment and Audit Planning](#): Continuously refine your approach to risk assessment and audit planning with this guidance on developing best practice approaches.
- [Data-Triggered Quarterly Plan \(USPS\)](#): Create audit plans on a quarterly basis by using real-time information from a set of risk data models with relevant key risk indicators (KRIs).
- [Case Study: Data-Centric Annual Planning](#): Learn how to use data as an explicit dimension in audit planning to maximize data-driven insights and overcome talent challenges.
- [Analytics-Focused Audit Planning \(NFU Mutual\)](#): See how NFU Mutual dedicated space within its audit plan to include engagements focused on data analytics, giving auditors a chance to learn them.

# Coordinate with Other Risk/Control Groups

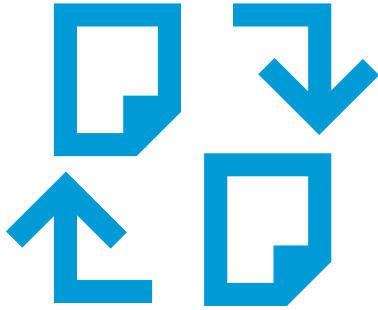
How the audit department collaborates with other risk and control groups (i.e. second-line functions) in the organization

- Commence to achieve next level
- Currently practiced (or no longer required)
- Not currently practiced



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# Coordinate with Other Risk/Control Groups



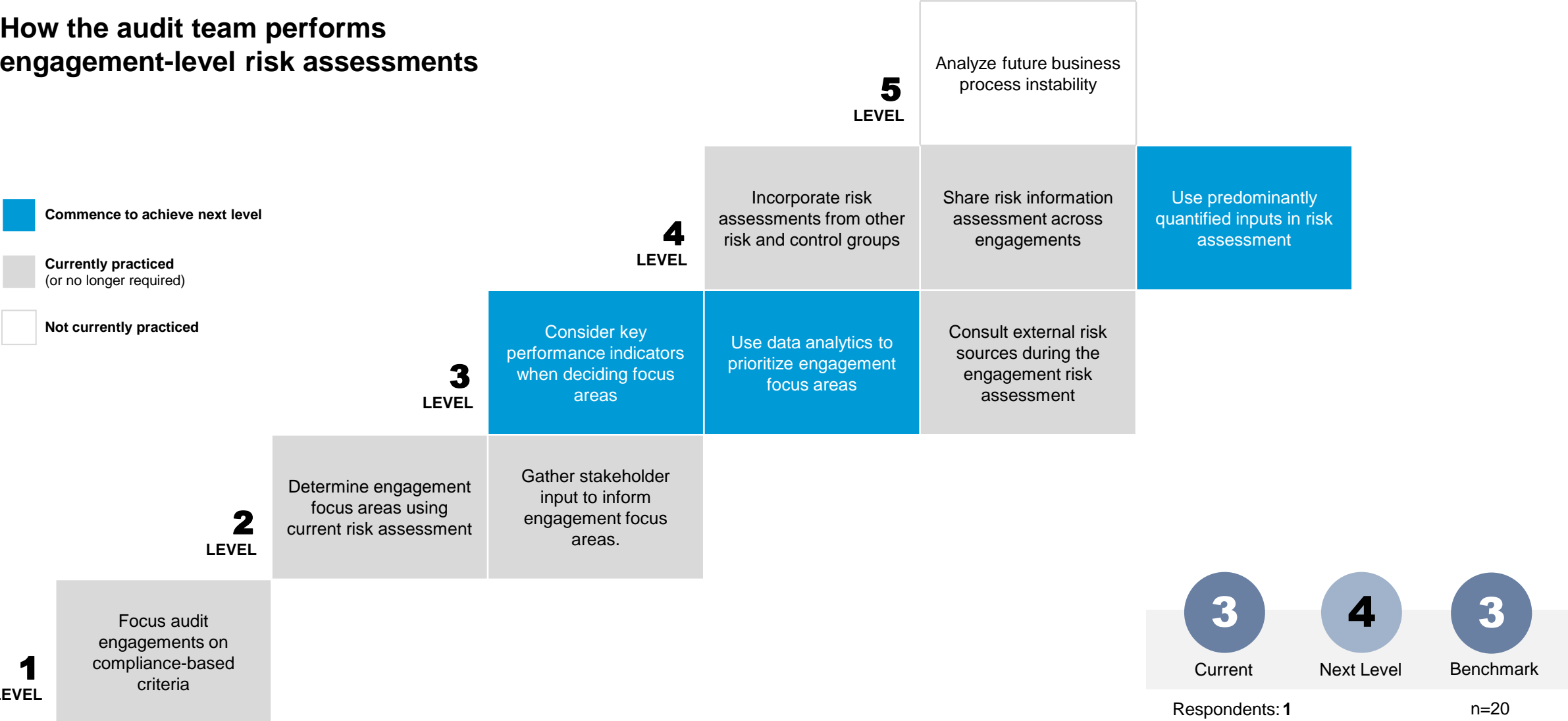
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## Resources

- [Implementing Aligned Assurance Part 2: Enabling Aligned Assurance Through Assurance Mapping](#): Learn the elements of an assurance map and how audit can realize the benefits of one.
- [Implementing Aligned Assurance Part 3: Aligned Assurance Reporting and Continuous Improvements](#): Learn how to coordinate reporting with other assurance providers.
- [Six Aligned Assurance Strategies for Audit Departments](#): Learn how audit can coordinate with other assurance functions to more efficiently and effectively cover risks.
- [Real-Time Assurance Alignment \(Majid Al Futtaim Ventures\)](#): Learn how to include assurance activities undertaken by the second line in audit planning.
- [Business Case for Aligned Assurance](#): Use this presentation to achieve buy-in for a more aligned approach among stakeholder groups.
- [Case Study: Risk-Differentiated Risk Governance \(Telia\)](#): See how Telia structures its risk governance approach to ensure management activities reflect organizational strategy and risk appetite.
- [Dynamic Risk Governance Is the New Risk Mandate](#): Learn how to use dynamic risk governance to evolve risk management beyond the three lines of defense model.
- [Use Dynamic Risk Governance to Align Risk Management to Strategy](#): Use this research to manage the upside and downside of risk and evolve of risk management and assurance.
- [Case Study: Collaborative Cybersecurity Audit Approach \(Ingersoll Rand\)](#): See how audit at Ingersoll Rand worked with the CISO on a cybersecurity audit plan that enhanced assurance over existing and emerging risks.

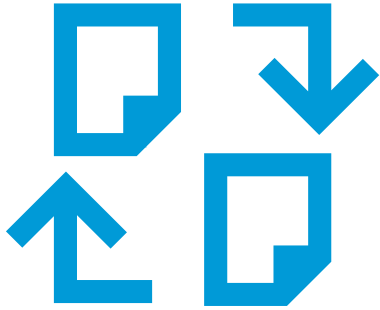
# Conduct Engagement Risk Assessment

## How the audit team performs engagement-level risk assessments



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# Conduct Engagement Risk Assessment



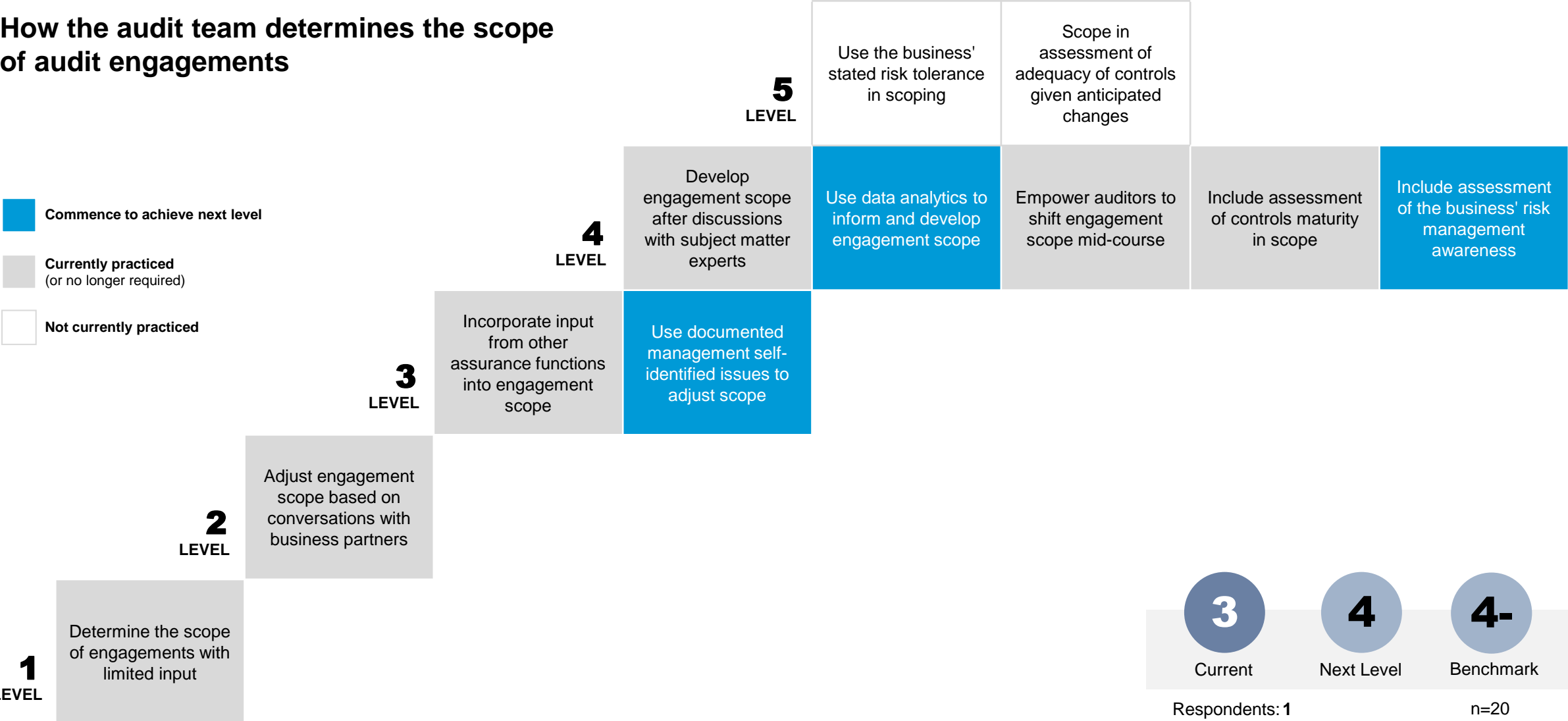
Note: Some documents may not be available as part of your current Gartner subscription.

## Resources

- [Second-Line Scoping Input \(Realogy\)](#): Use this case study to learn how Realogy ensured that engagements are fully risk targeted.
- [How to Strengthen Objectivity in Audit Through Promoting Awareness of Cognitive Biases](#): Use this guide to teach auditors how to identify and counteract biases when developing audit plans, conducting risk assessments and other procedures.
- [Tool: Risk Culture Assessment](#): Use this checklist to assess the organization's risk awareness and management during a risk culture audit.
- [Forward-Looking Assurance \(Nordstrom\)](#): Consider using instability of process as a risk assessment factor.
- [Risk Tolerance Based Audit Scoping \(McDonald's\)](#): See how McDonald's uses the risk tolerance of auditees to more effectively scope their audit engagements.

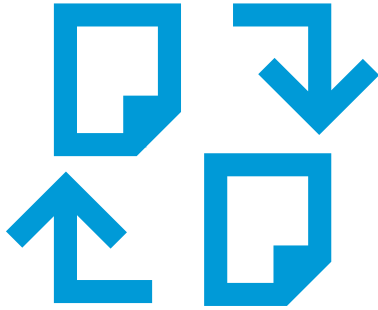
# Determine Audit Engagement Scope and Objectives

## How the audit team determines the scope of audit engagements





# Determine Audit Engagement Scope and Objectives



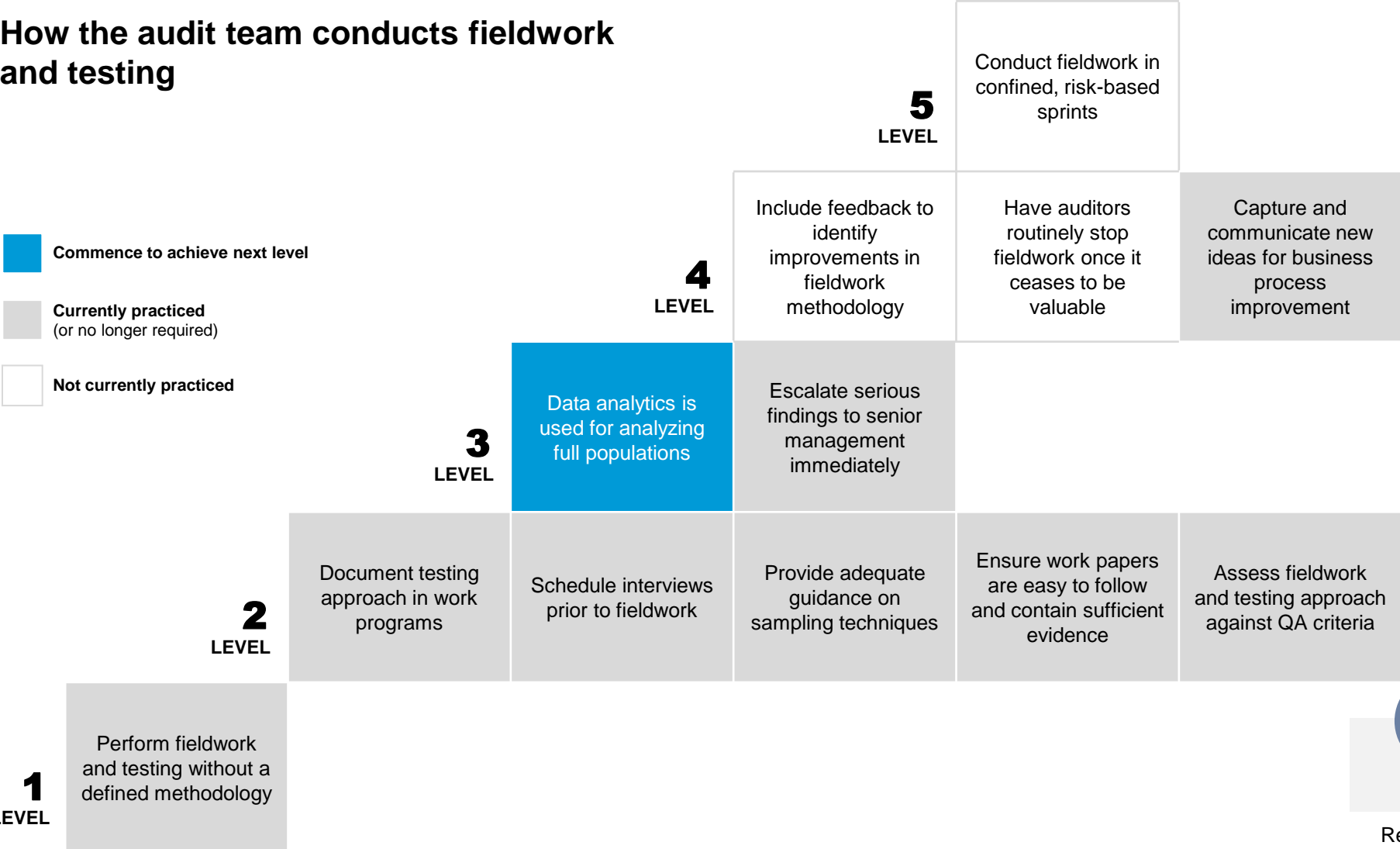
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## Resources

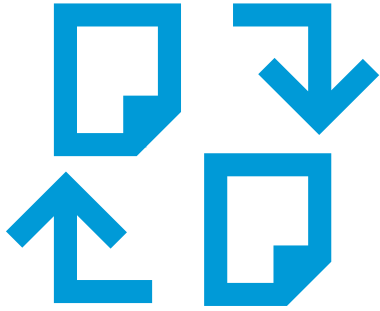
- [Brokered Audit Activities \(Acxiom\)](#): Learn how Acxiom acts on new risk information that may not warrant a full audit engagement by brokering activities with previous auditees and experts.
- [Second-Line Scoping Input \(Realogy\)](#): Use this case study to learn how Realogy ensured that engagements are fully risk targeted.
- [Case Study: Auditor-Educating Audit Services Guide \(Principal Financial\)](#): Use this case to help auditors build knowledge to better communicate with management.
- [Audit Types Library](#): Use this collection of client-donated audit type catalogs to benchmark or update those in your department.
- [Tool: Remote Audit Planning Checklist](#): Plan remote audits using this tool, including under emergency conditions like required remote work.
- [Set Shared "Success" Expectations \(Aviva\)](#): Learn how management defines success and align your audit engagement and expectations for action plans with relevant success criteria pre-engagement.
- [How Aligned Assurance Helps with Engagement Planning](#): Learn how to apply core aspects of the aligned assurance model to confirm audit's risk assessment and set the engagement's scope.
- [Guided Scope Prioritization \(Fannie Mae\)](#): Learn how Fannie Mae enables auditors to identify critical areas of review in engagements by leading them in a budget-oriented thought experiment.
- [Risk Management Maturity Ratings \(Principal Financial Group\)](#): Use a maturity spectrum to demonstrate to the business which controls and processes need improvement against objective evaluation criteria.

# Perform Fieldwork and Testing

## How the audit team conducts fieldwork and testing



# Perform Fieldwork and Testing



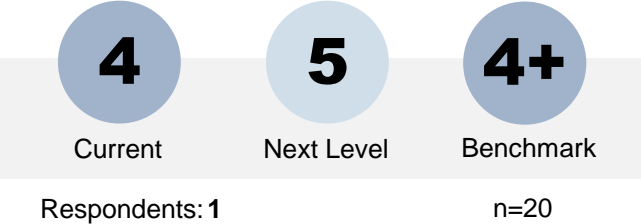
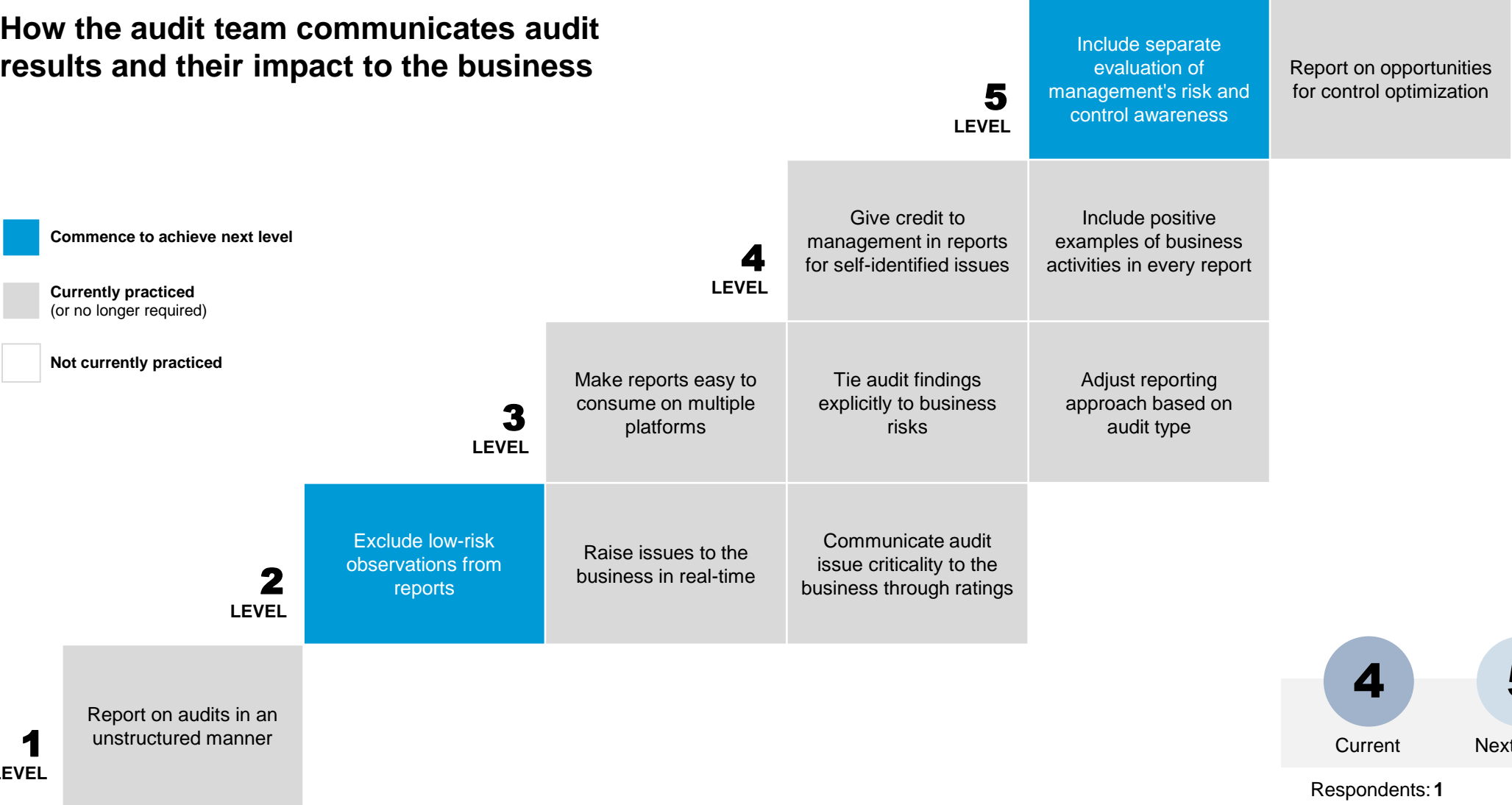
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## Resources

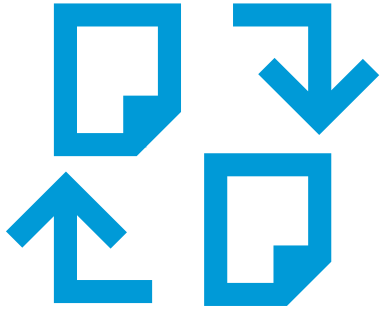
- [Agile Document Library](#): Use these peer agile auditing documents for practical guidance and as templates to guide their department's agile implementation.
- [Ignition Guide to Project Auditing](#): Use this guide to access to tools, templates and documents to establish, improve or benchmark your project auditing methodology.
- [Managing a Virtual Audit Interview Process](#): Create a process for conducting effective audit interviews virtually.
- [Toolkit: Remote Auditing Checklist and Communication Tools](#): Use this toolkit to help audit teams operate effectively while remote, including during emergencies with restricted travel and required remote work.
- [Trends in Remote Auditing](#): Learn about approaches and actions taken by audit leaders who rapidly adopted or expanded remote working practices during the COVID-19 pandemic.
- [How Audit Departments Can Improve Audit Engagement Agility](#): Learn to find areas where CAEs can target audit planning, engagement scoping and fieldwork to make their engagements more agile.
- [Applying Lean Six-Sigma in Audit Work](#): Understand which audit tasks or activities are resulting in waste or minimal value within the audit process by applying lean principles.
- [Data Analytics Examples Library](#): See how audit teams are using data analytics throughout audit engagements to assess risk and test hypotheses.

# Report on Audit Findings

## How the audit team communicates audit results and their impact to the business



# Report on Audit Findings



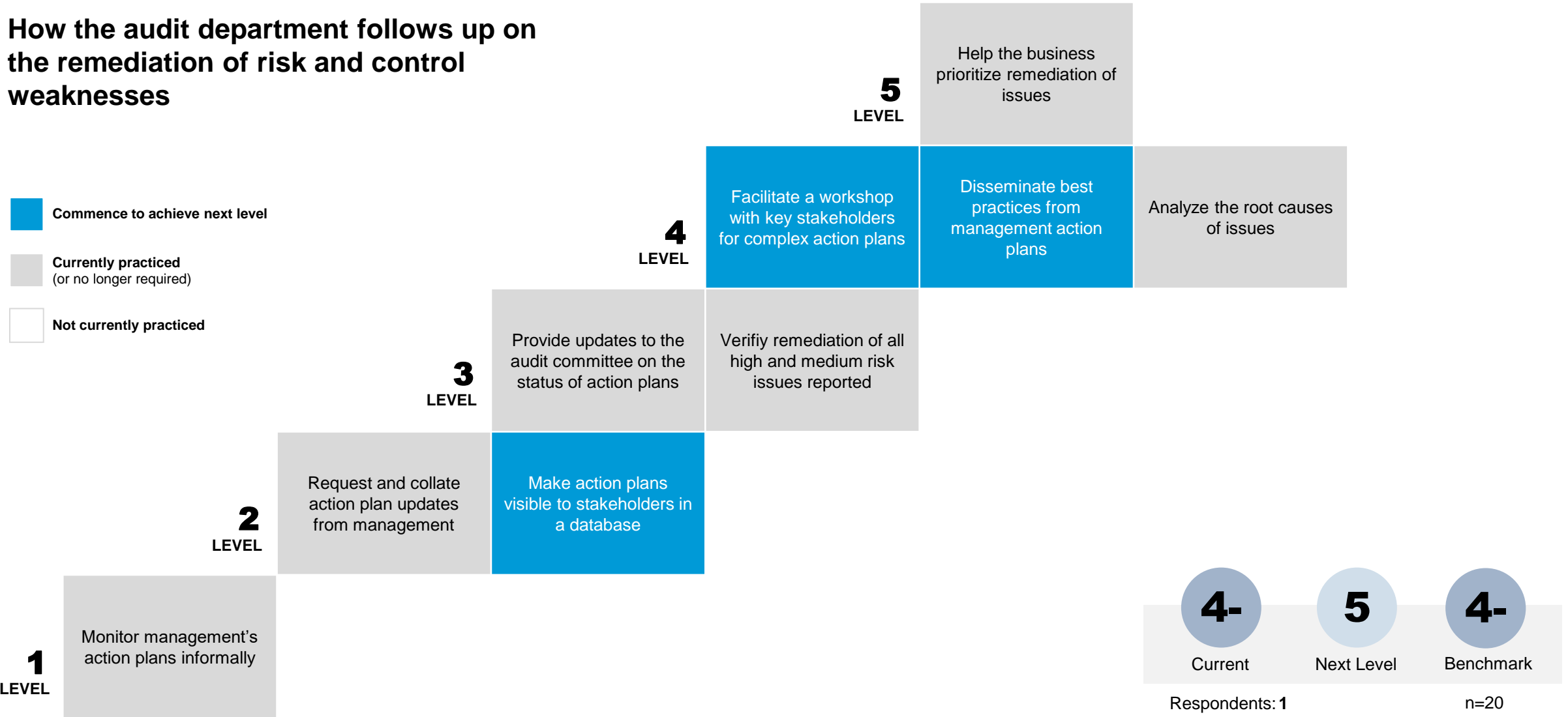
Note: Some documents may not be available as part of your current Gartner subscription.

## Resources

- [Improving Audit Reporting](#): Learn about best practices and tactics to help audit leaders and their teams deliver more effective reports.
- [10 Tips to Improve Audit Report Writing](#): Learn about common report-writing challenges and get teachable guidance to enable auditors to overcome them.
- [Communicating with Data Visualizations](#): Use this research to customize visualizations for audit audience's needs, create compelling content and increase the clarity of visualizations.
- [Audit Reporting: From Words to Action](#): Learn how to get business and audit on the same page by consistently producing high-quality reports that clarify the path to action.
- [3 Ways to Build Audit Reports that Drive Action](#): Drive management action on audit findings by creating reports that make it easy for your audience to see the steps they should take to address risks.
- [Overcoming Common Audit Data Visualization Mistakes](#): Learn to tailor your visualizations for various end users, rightsize the level of detail in graphics, and maintain a clear visual data storyline.
- [Assessing Culture in Each Audit Engagement](#): Learn how to link audit findings to root causes to show trending of issues over time.
- [Report Business Insights \(Diageo\)](#): Learn how to provide the business an "Insight Report" along with the audit report to highlight culture, people and process efficiency opportunities.
- [Case Study: Risk Management Maturity Ratings \(Principal Financial\)](#): Use this case study to contextualize audit ratings and guide the business' improvement efforts.

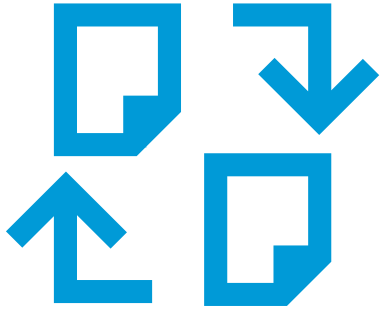
# Validate and Monitor Corrective Action Plans

How the audit department follows up on the remediation of risk and control weaknesses



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# Validate and Monitor Corrective Action Plans



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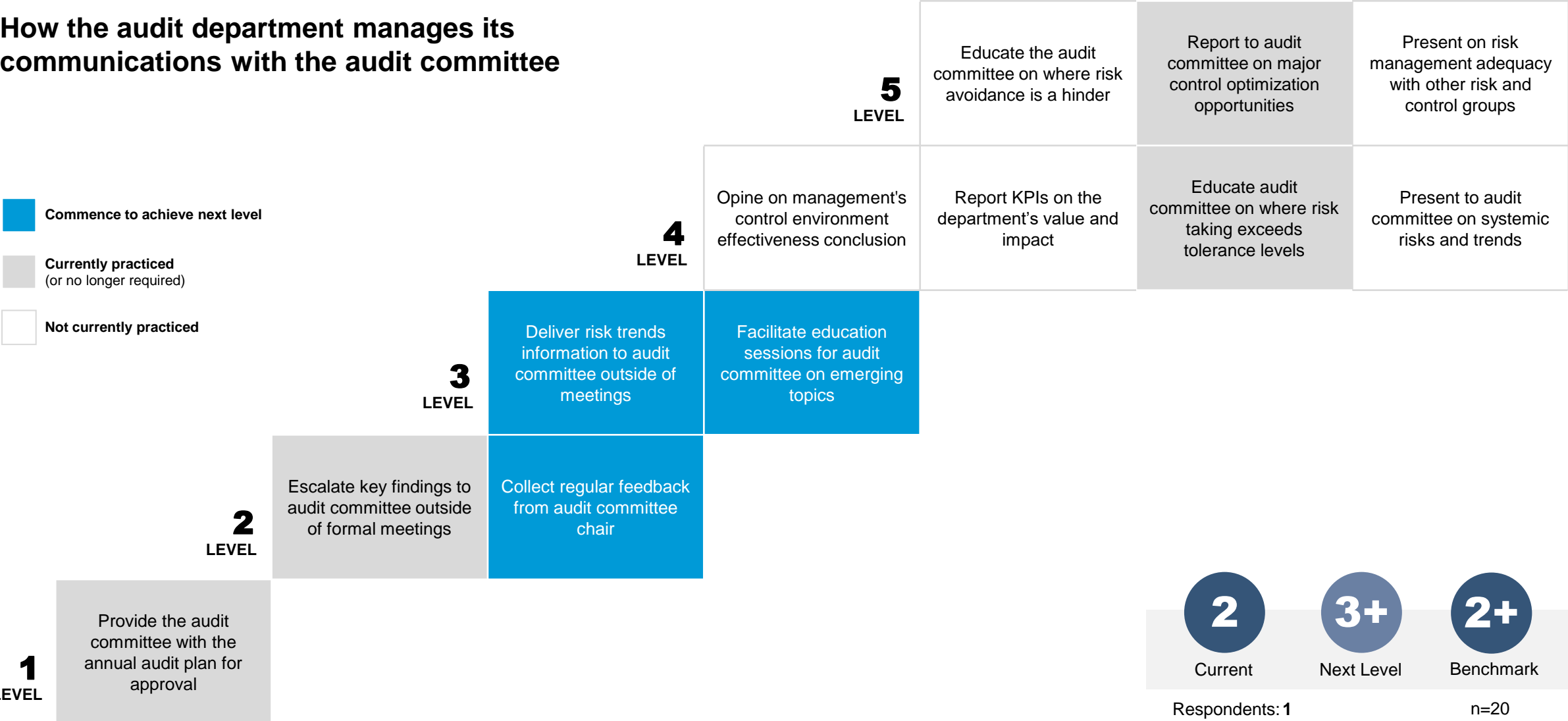
## Resources

- [Raising Risk Awareness in the First Line](#): Use this research to benchmark and upgrade activities to improve management's risk awareness, facilitate communication and enable issue remediation.
- [Set Shared "Success" Expectations \(Aviva\)](#): Pre-engagement, learn how management defines success and align your audit engagement and expectations for action plans with relevant success criteria.
- [Data in Visual Form Drives Management Action](#): Follow these principles of effective data visualization to drive management action and increase their responsiveness to audit's findings.
- [Universal Ratings Framework \(UBS\)](#): Help management focus resources on remediating the most critical control gaps by helping them defer action on less important findings.
- [Facilitate the Design of Management Solutions \(Philips\)](#): Facilitate constructive discussions with management and challenge their thinking to help them overcome obstacles and drive to effective remediation.
- [Case Study: Management Controls Self-Monitoring \(FedEx\)](#): See how FedEx provides controls self-monitoring tools to management, equipping them to monitor the control environment and take corrective action.



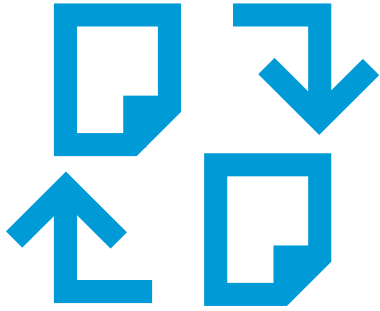
# Communicate with the Audit Committee

## How the audit department manages its communications with the audit committee



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# Communicate with the Audit Committee



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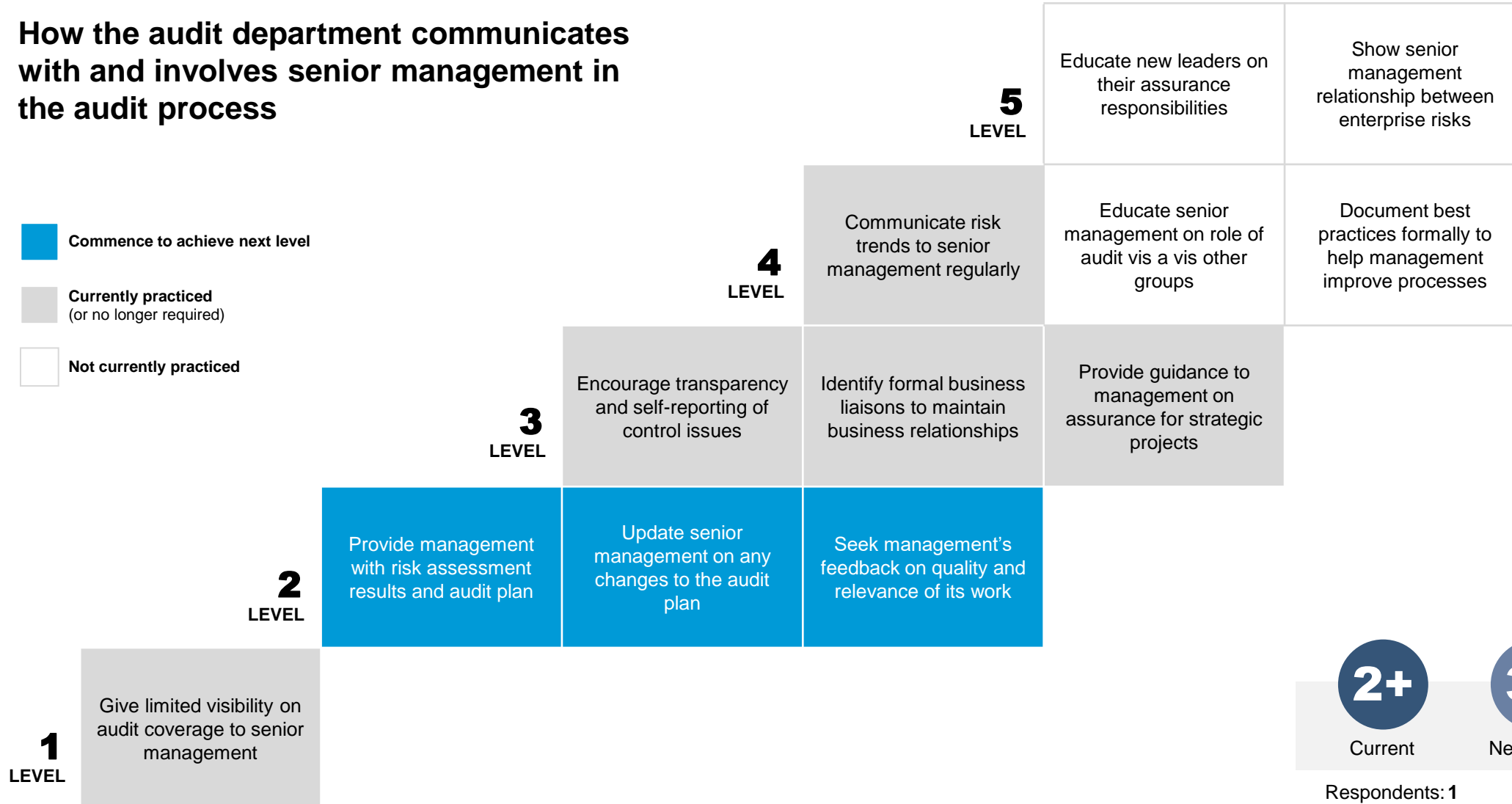
## Resources

- [Tool: Audit Committee Presentation Examples and Guidance](#): Use this collection of illustrative reporting examples, derived from presentations to audit committees, to improve audit committee reporting.
- [2023 Audit Plan Hot Spots](#): Use this list of top risks to get insight on risk trends and drivers and compare your coverage to peers.
- [Perspectives on Audit Committee Expectations for CAEs and Audit Departments in 2022](#): Review what CAEs and their audit committees are discussing regarding focus areas, risk coverage and expectations of the CAE.
- [Align Audit Work with Corporate Value Drivers](#): Learn how to show linkage of the audit plan to organizational value drivers and enterprise risks.
- [Communicating With Your Audit Committee During COVID-19: Peer Tactics](#): Learn how peers are keeping their audit committees informed during times of crisis.
- [Customizable Audit Plan \(Uber\)](#): See how Uber's CAE created a process to facilitate revisions to the audit plan by using priority-centric criteria to enable quick response.

# Communicate with Senior Management

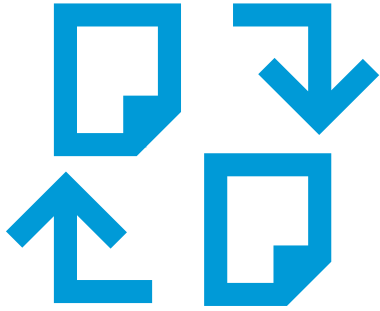
How the audit department communicates with and involves senior management in the audit process

- Commence to achieve next level
- Currently practiced (or no longer required)
- Not currently practiced



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# Communicate with Senior Management



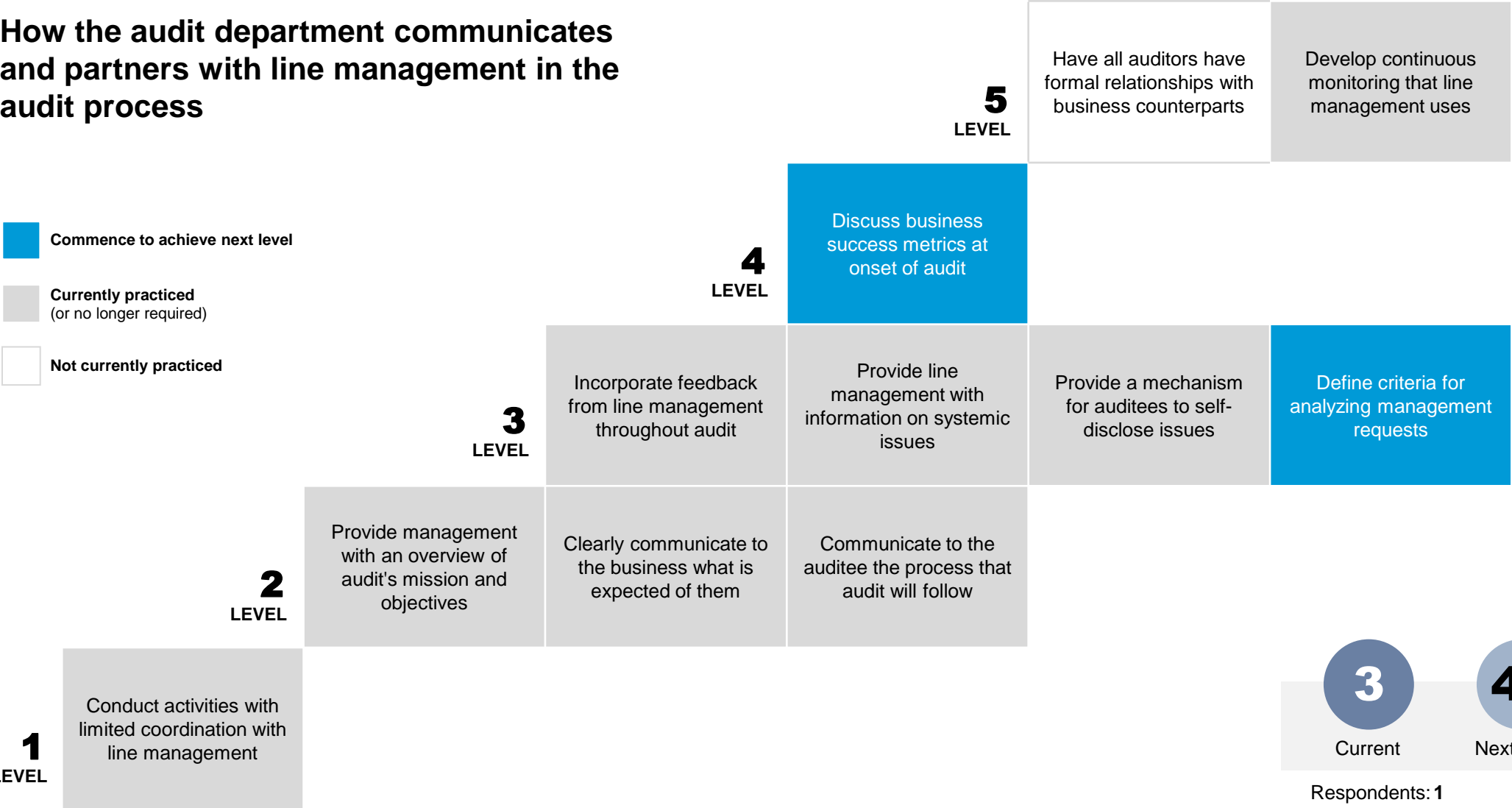
Note: Some documents may not be available as part of your current Gartner subscription.

## Resources

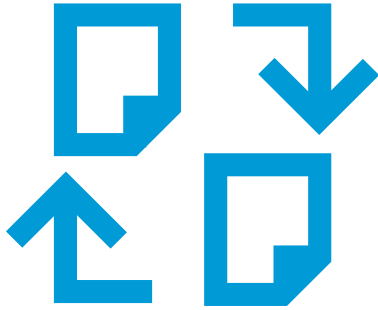
- [Defining, Measuring and Communicating the Value of Audit](#): Use this research based on interviews with 60+ audit leaders to learn how they communicate the value of internal audit to stakeholders.
- [Audit at the Speed of Business: The Business's Perspective on Involving Audit in Changing Areas](#): Learn from the business's perspective how audit can become more involved and provide support in changing areas of the business.
- [Report Business Insights \(Diageo\)](#): Deliver 'insight reports' to the business as part of every audit to provide feedback outside standard reporting.
- [Case Study: Management-Educating Audit Services Catalog \(Olympus\)](#): Learn how Olympus uses an audit services catalog to display audit's capabilities and overcome common management objections to involving audit.
- [Stakeholder Communication Examples Library](#): Use this downloadable collection of audit committee presentations and communications to improve and refine day-to-day interactions with stakeholders.
- [Audit Reporting Innovations](#): Learn to use technology to streamline reporting and ensure stakeholders have a clear picture of key findings and management actions in this webinar.

# Engage with Line Management

How the audit department communicates and partners with line management in the audit process



# Engage with Line Management



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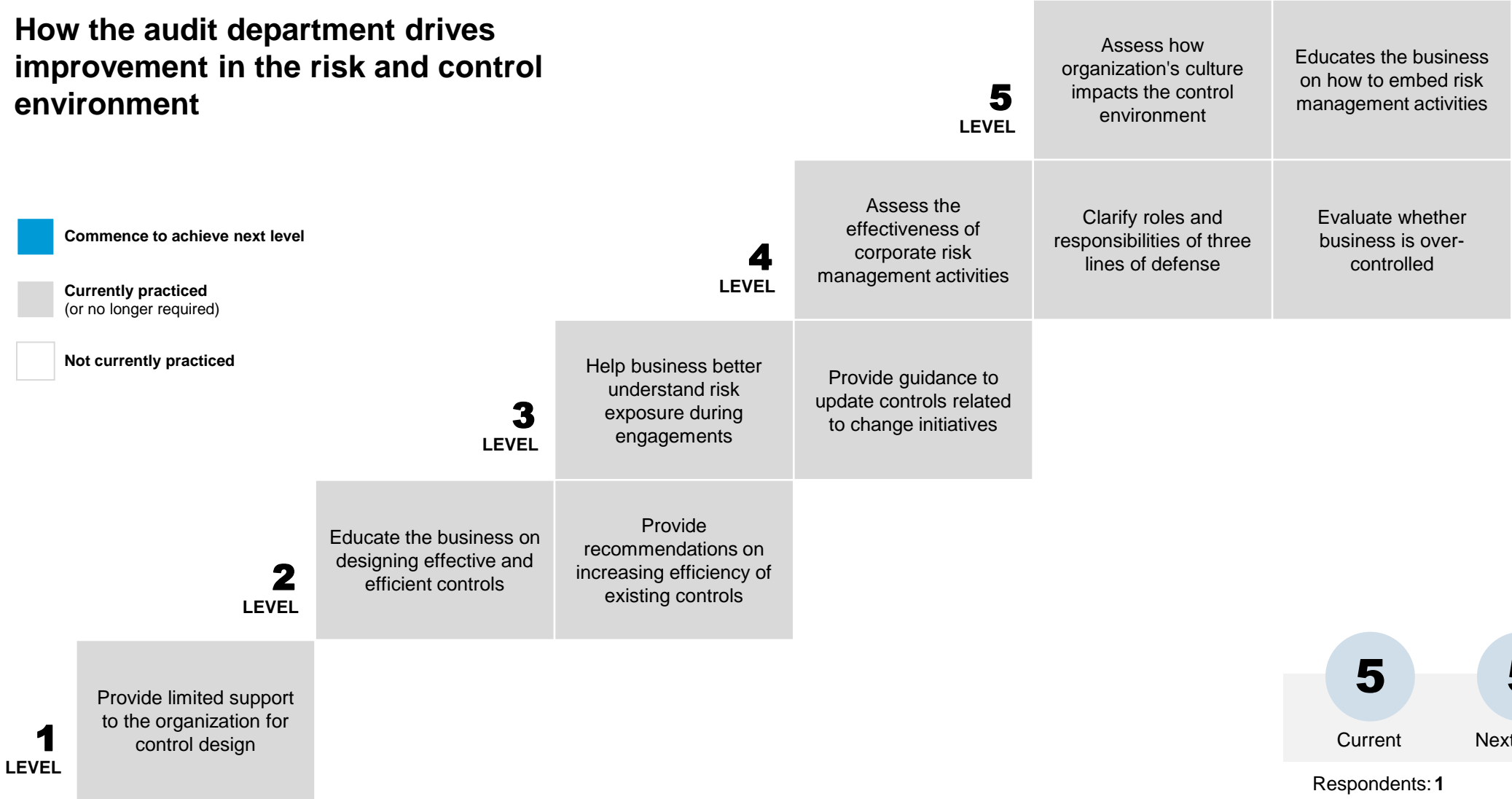
## Resources

- [Accelerating Effective Management Action](#): Use this study to learn the key drivers of successful relationships with the business.
- [Raising Risk Awareness in the First Line](#): Use this research to benchmark and upgrade department activities aimed at raising the first line's risk and control awareness.
- [Case Study: Management-Educating Audit Services Catalog \(Olympus\)](#): Leverage this audit services catalog to educate management on audit's capabilities to overcome common management objectives.
- [Case Study: Management Controls Self-Monitoring \(FedEx\)](#): See how FedEx provides controls self-monitoring tools to management, equipping them to monitor the control environment and take corrective action.
- [10 Tips to Improve Audit Report Writing](#): Improve your audit team's reports by using this guide to identifying common problems and learn how to fix them.
- [Case Study: Risk Management Maturity Ratings \(Principal Financial\)](#): Use this case study to contextualize audit ratings and guide the business' improvement efforts.
- [Facilitate the Design of Management Solutions \(Philips\)](#): See how Philips facilitates a solution-building workshop to support and challenge management in designing appropriate action plans.

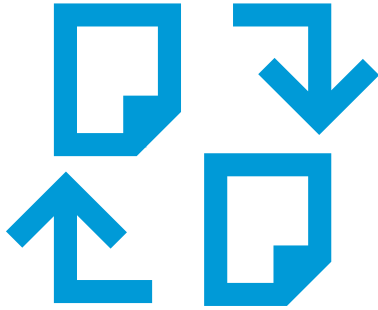
# Drive Improvement in Risk and Control Outcomes

## How the audit department drives improvement in the risk and control environment

- Commence to achieve next level
- Currently practiced (or no longer required)
- Not currently practiced



# Drive Improvement in Risk and Control Outcomes



Note: Some documents may not be available as part of your current Gartner subscription.

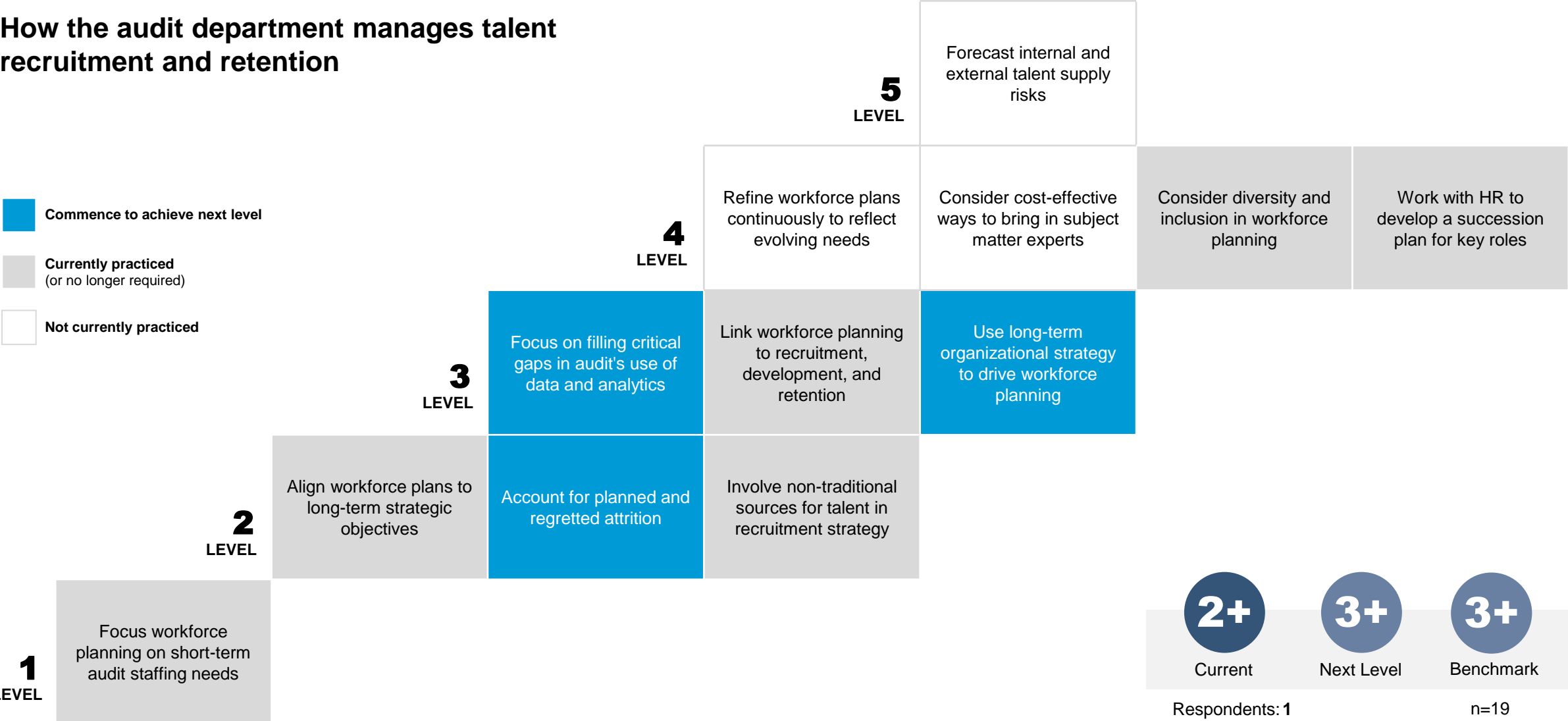
## Resources

- [Case Study: Risk Management Maturity Ratings \(Principal Financial\)](#): Use this case study to contextualize audit ratings and guide the business' improvement efforts.
- [Case Study: Management Controls Self-Monitoring \(FedEx\)](#): See how FedEx provides controls self-monitoring tools to management, equipping them to monitor the control environment and take corrective action.
- [Raising Risk Awareness in the First Line](#): Use this research to benchmark and upgrade department activities aimed at raising the first line's risk and control awareness.
- [Governance Accountability Reviews \(TVA\)](#): Use this case study to learn how TVA used streamlined reviews and rating scales to drive accountability.
- [Accelerating Effective Management Action](#): Use this study to learn the key drivers of successful relationships with the business.
- [Rightsized Risk Report Detail \(Power Co.\)](#): Increase risk and control effectiveness by filtering the number of risks and the level of detail presented to certain stakeholder groups.
- [Case Study: Data-Driven Control Gap Fast Track \(Enterprise Holdings\)](#): Learn how to use data analytics to identify urgent, potential control gaps likely to have a broad impact on the organization.
- [Case Study: Machine Learning-Based Risk Detection \(RBC\)](#): Use this case study to learn how RBC uses machine learning to support continuous risk monitoring.

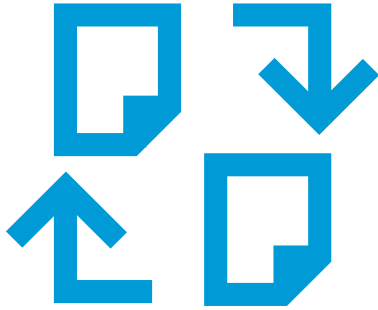


# Develop Audit Workforce Strategy

## How the audit department manages talent recruitment and retention



# Develop Audit Workforce Strategy



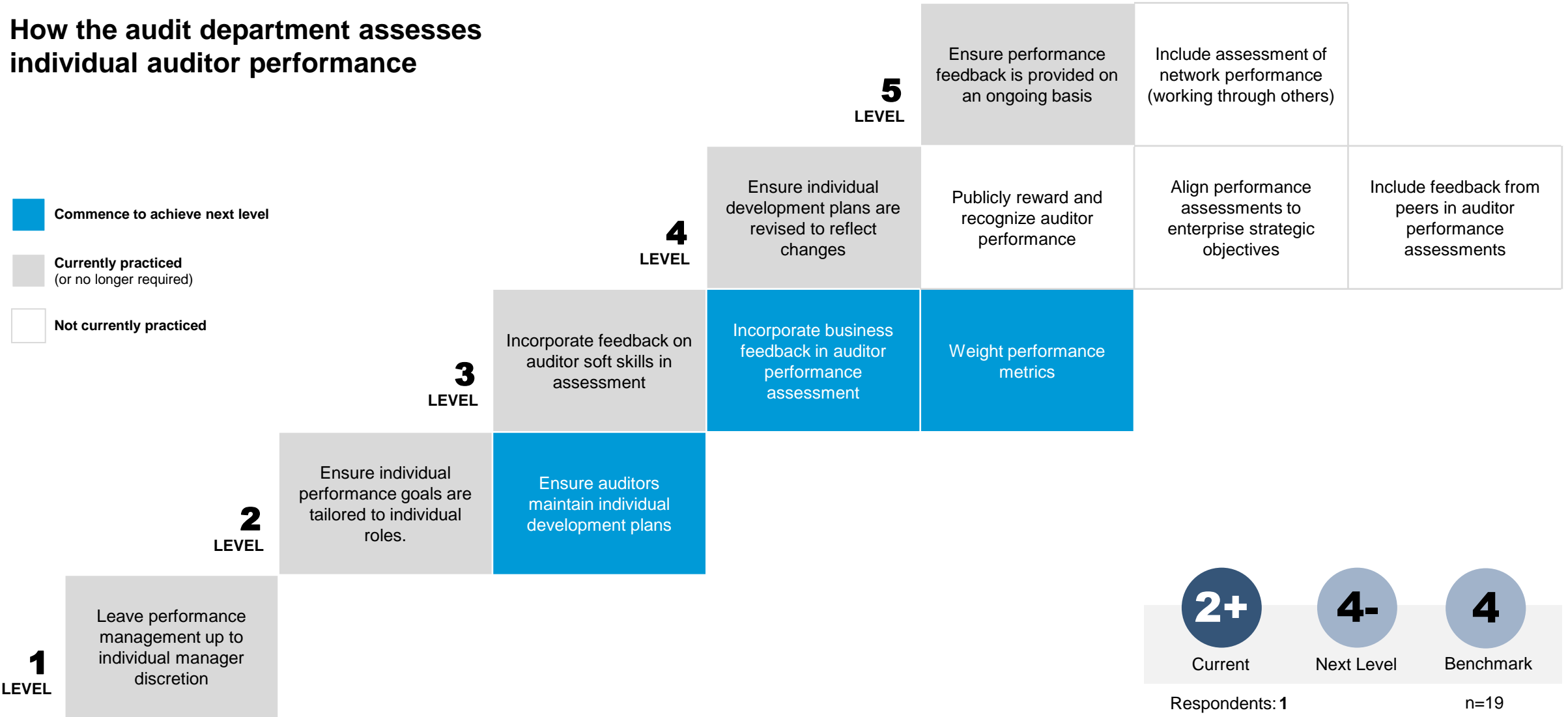
Note: Some documents may not be available as part of your current Gartner subscription.

## Resources

- [Internal Audit Interactive Benchmarking Tool](#): Use this tool to filter and customize audit staffing data to help inform department decisions.
- [How the Audit Environment Impacts Auditor Effectiveness](#): Learn how to create an effective audit environment and how it can be used to drive more impactful audits.
- [Overcome Auditor Talent Scarcity by Redesigning Workflows](#): Understand how audit leaders can reduce the talent gap they experience by reimagining work design as it relates to current processes.
- [Business Case for Hiring Analytics Talent in Audit](#): Use these resources to develop a proposal and convince sponsors to hire specialized, advanced analytic talent for the internal audit function.
- [Find Analytics Talent With the Skills to Become Successful Auditors](#): Teach candidates without an audit background core skills to become effective auditors, and learn how to confirm they can apply them during an audit.
- [Ignition Guide to Creating a Competency Model for Audit](#): Use this guide to create a competency model and align it with talent management processes.
- [Case Study: Dynamic Audit Resourcing Team \(Capital One\)](#): Use this case to learn how Capital One created unique work opportunities to attract and retain high-performing talent.

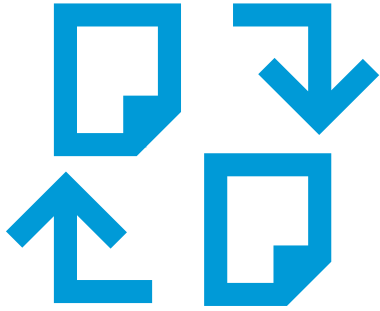
# Assess and Manage Auditor Performance

## How the audit department assesses individual auditor performance



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# Assess and Manage Auditor Performance



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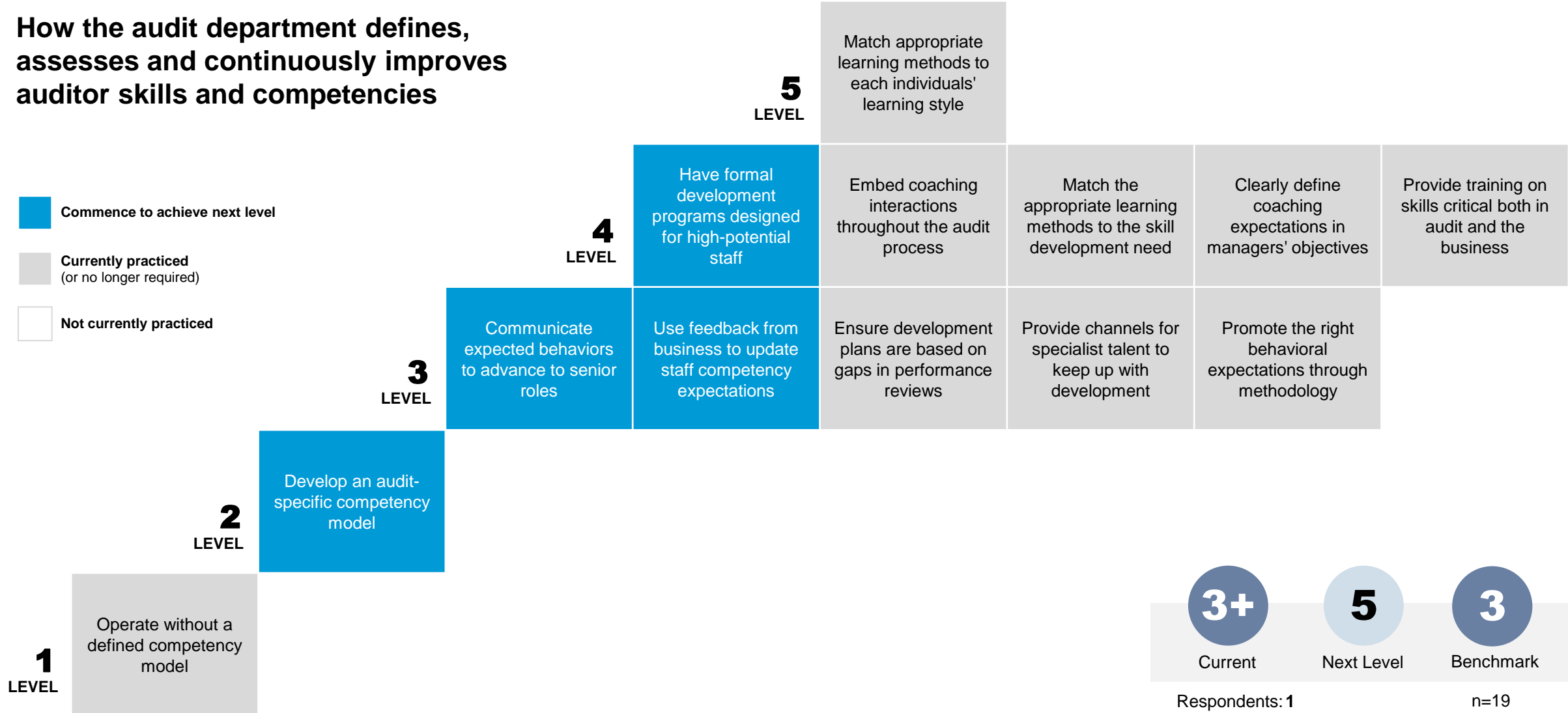
## Resources

- [Audit Skills Diagnostic](#): Use this online survey-based assessment to help you quickly identify your current audit department competency and skill levels.
- [Toolkit: Auditor Competency Framework and Guidebook](#): Use this list of training resources and the guidebook to guide auditor development and strengthen performance conversations.
- [Tips for Delivering Negative Feedback](#): Use these tips to constructively give negative feedback to direct reports.
- [Example Auditor Competency and Development Documents Library](#): Use this collection of competency models and auditor training tools to assess competencies for all levels and design training curricula.
- [Coaching Tips Compendium](#): Use this tool to provide coaching ideas and tips to audit managers to foster a constructive feedback environment in your department.
- [Tool: Audit Department Data Literacy Assessment](#): Use this example of a data literacy assessment to evaluate the strengths and weaknesses of your staff's data literacy skills.
- [Data Analytics Capability Survey \(Bunge\)](#): Administer this survey to help set realistic data use expectations and create departmentwide data analytics training.
- [How the Audit Environment Impacts Auditor Effectiveness](#): See the importance of setting norms and expectations and rewards and recognition through the effect they can have on auditor performance.

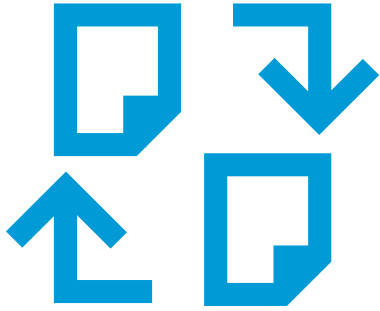
# Develop Auditor Skills and Competencies

How the audit department defines, assesses and continuously improves auditor skills and competencies

- Commence to achieve next level
- Currently practiced (or no longer required)
- Not currently practiced



# Develop Auditor Skills and Competencies



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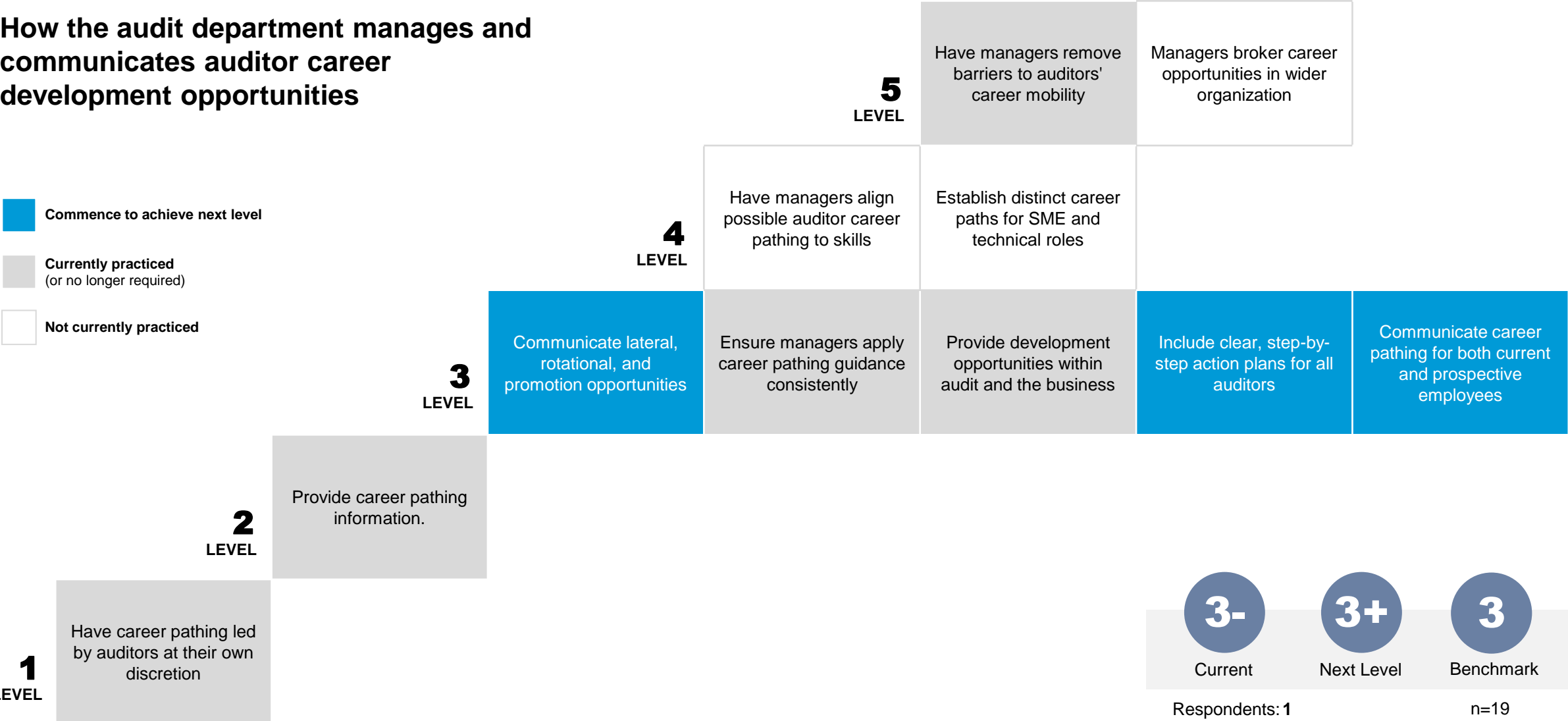
## Resources

- [Connector Managers Develop Better Audit Talent](#): Learn how to use connector managers to develop audit talent within your team.
- [Audit Skills Diagnostic](#): Gauge your department's competency levels to inform training and development decisions.
- [Case Study: Develop Auditors' Information Security Awareness \(ANZ\)](#): Learn the importance of equipping auditors with foundational technical knowledge and heightened security awareness through this case study of ANZ.
- [Resources to Upskill Audit Staff on Data Literacy](#): Use the resources listed to teach auditors how to both understand and speak about data and analytics.
- [Case Study: Replicable Advisory Toolkit \(Exelon\)](#): Use this toolkit to empower your auditors to successfully execute more advisory services.
- [Peer-Based Analytics Learning \(ABB\)](#): Build auditor data analytics skills through peer-led workshop sessions.
- [Data Analytics Diploma Program \(UBS\)](#): Set clear expectations for new skill development.

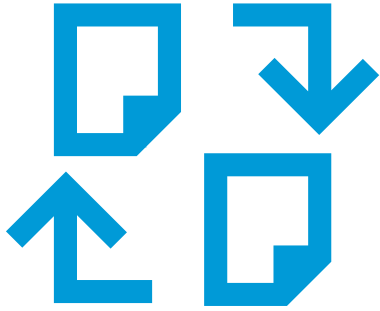
# Guide Auditor Development & Career Paths

## How the audit department manages and communicates auditor career development opportunities

- Commence to achieve next level
- Currently practiced (or no longer required)
- Not currently practiced



# Guide Auditor Development & Career Paths



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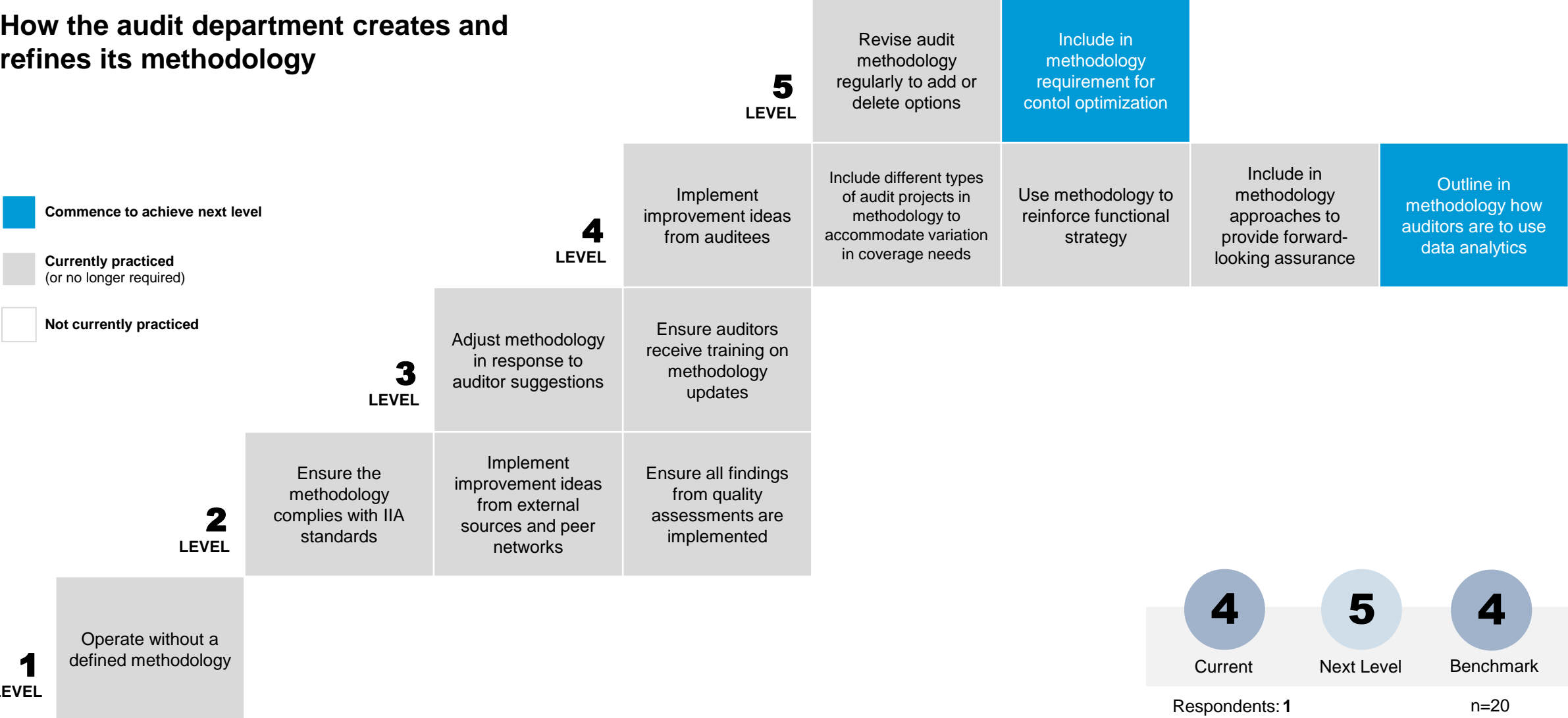
## Resources

- [Connector Managers Develop Better Audit Talent](#): Learn how to use connector managers to develop audit talent within your team.
- [Toolkit: Auditor Competency Framework and Guidebook](#): Use list of training resources and guidebook to guide auditor development and strengthen performance conversations.
- [Evolve With \(and Keep\) Your Auditors by Redefining Their Relationship With Management](#): Learn how to develop your audit team to build their skills and decrease attrition.
- [Tool: Audit Manager Guide to Conducting Career Conversations](#): Effectively structure career conversations using this guide to career conversations.
- [Coaching Tips Compendium](#): Use tips from this compendium to create development plans and provide constructive feedback to auditors.



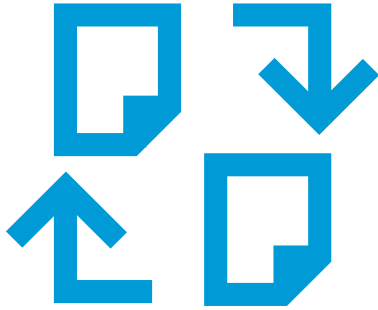
# Refine Audit Methodology

## How the audit department creates and refines its methodology



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# Refine Audit Methodology



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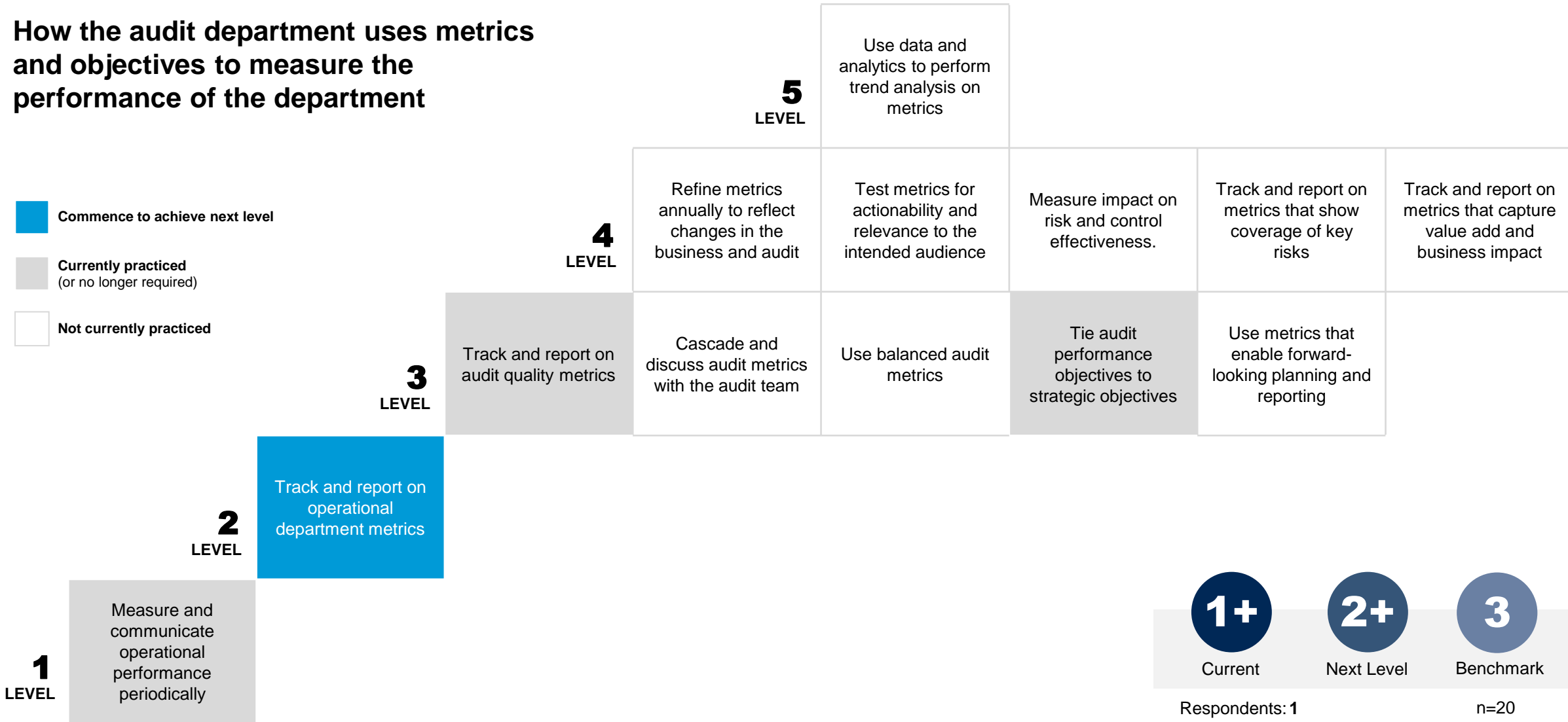
## Resources

- [Case Study: Replicable Advisory Toolkit \(Exelon\)](#): Use this framework to build a replicable advisory toolkit that enables auditors to execute more frequent advisory services.
- [Audit Types Library](#): Use this collection of client-donated audit type catalogs to benchmark or update those in your department.
- [Audit Project and Advisory Methodology Approaches Library](#): Use this library to benchmark and inform changes to audit department methodologies.
- [Data Analytics Manual \(Standard Bank\)](#): Incorporate expectations for use of analytics into your audit methodology.
- [Adopting Agile in Audit](#): Learn about decisions audit teams make before adopting agile, the implications of such decisions and successful examples of agile approaches in audit.
- [Audit Analytics Opt-Out Methodology \(ANZ\)](#): Set the default to reinforce the adoption of methodology changes and document noted barriers to change.
- [Ignition Guide to Project Auditing](#): Use this guide to access tools, templates and documents to establish, improve or benchmark your project auditing methodology.
- [Living Audit Methodology \(Prudential Financial, Inc.\)](#): Learn how Prudential Financial frequently adjusts the audit methodology toolkit based on key risks.
- [Brokered Audit Activities \(Acxiom\)](#): Learn how Acxiom uses brokered audit activities to strengthen a control over the environment without expending audit resources.
- [Applying Lean Six Sigma in Internal Audit](#): Understand which audit tasks or activities are resulting in waste or low value-add by applying lean principles.

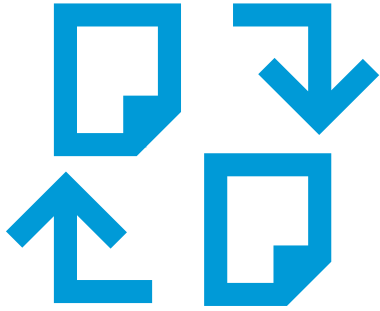
# Measure Department Performance

How the audit department uses metrics and objectives to measure the performance of the department

- Commence to achieve next level
- Currently practiced (or no longer required)
- Not currently practiced



# Measure Department Performance



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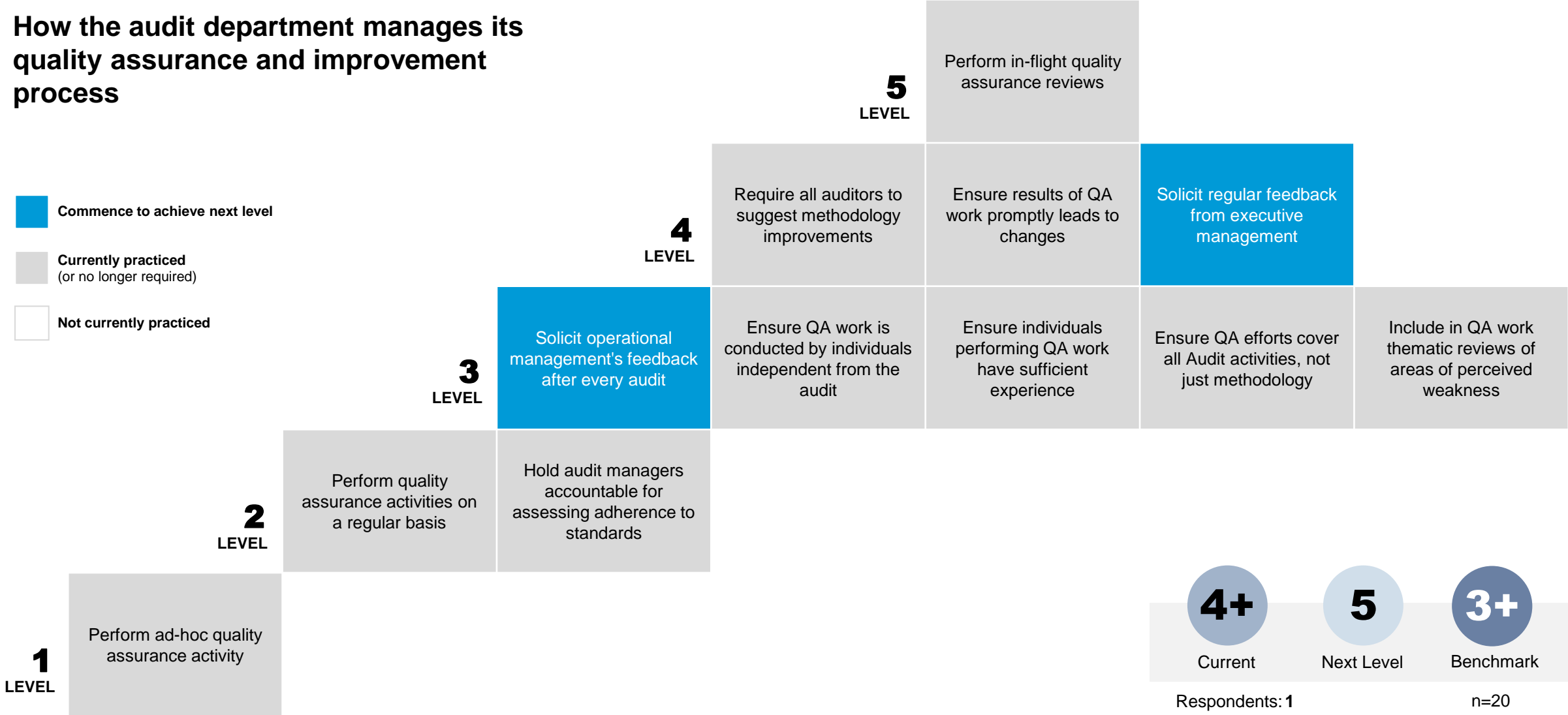
## Resources

- [Ignition Guide to Designing a Performance Framework for Internal Audit](#) : Get step-by-step guidance on developing a performance management framework for audit operations.
- [Defining, Measuring and Communicating the Value of Audit](#): Learn about tactics peers use to define and communicate the value of internal audit to stakeholders.
- [Developing a Balanced Performance Metrics Framework in Audit](#): Learn to develop performance metrics that align with departmental and organizational objectives and help measure the value of assurance work.
- [Trends in Audit Departments' Selection and Use of Performance Metrics](#): Follow these steps to develop and implement effective metrics to measure audit department performance.
- [Tool: Audit Department Key Performance Indicators](#): Reference this collection of KPIs to identify which metrics to use in evaluating audit department performance and activities.
- [Case Study: Strategy for Digital Innovation Initiatives \(Synchrony\)](#): Use this case study to learn how to set up real-time department monitoring.
- [Audit Project Management: Publicly-Displayed Audit Scoreboards \(Nordstrom\)](#): Use Agile principles to ensure auditors understand how audit work ties back to department metrics and business value.
- [Data Analytics and Advanced Technology Use Cases for Audit Internal Quality Assessment](#): Use these examples to see how your peers used automation and continuous monitoring to improve their internal quality assessments.

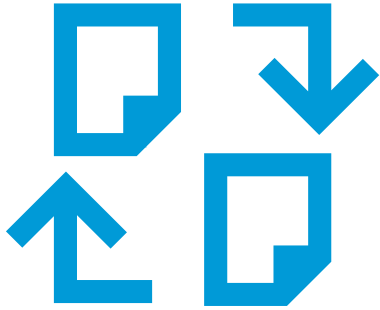
# Manage Audit Quality Assurance

How the audit department manages its quality assurance and improvement process

- Commence to achieve next level
- Currently practiced (or no longer required)
- Not currently practiced



# Manage Audit Quality Assurance



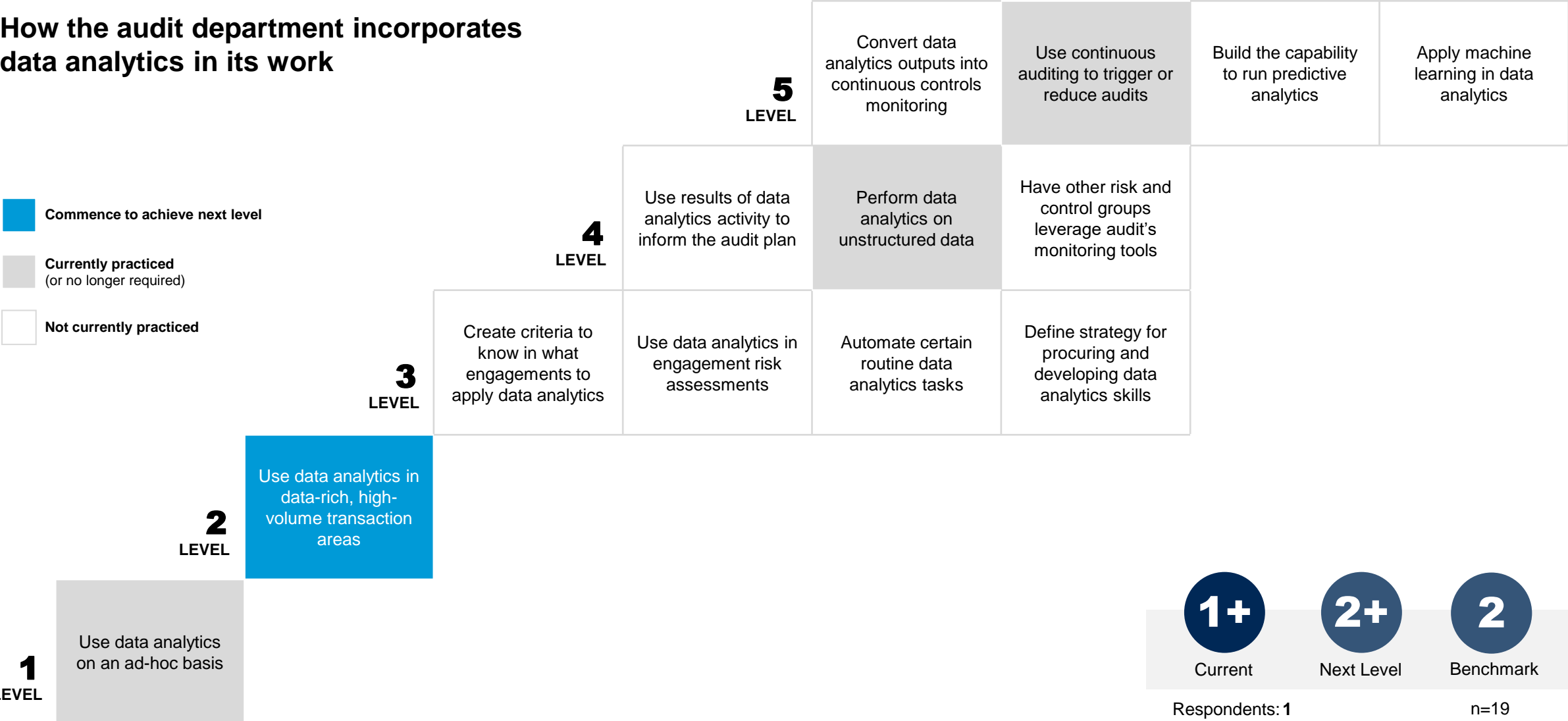
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## Resources

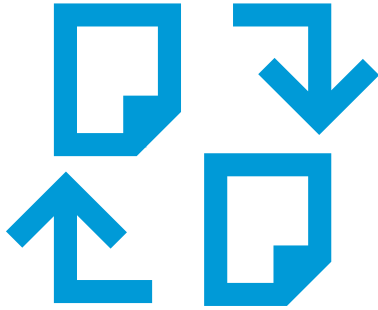
- [2021 Audit Quality Assessment Benchmarking Survey Findings](#): Use this report to benchmark your resource investments, methodology and effectiveness of your QAI programs.
- [Trends in Internal Audit Quality Assurance](#): Listen to this webinar replay to learn strategies for structuring and managing quality assurance programs within internal audit departments.
- [Toolkit: Audit Quality Assurance Tools \(Cognizant\)](#): Apply metrics created by Cognizant to measure and track audit department performance.
- [2021 Audit Department Internal Quality Assessment \(IQA\) Benchmarking](#): Use this benchmark report for insight into peer Internal quality assessment practices.
- [2021 Audit Department External Quality Assessment \(EQA\) Benchmarking](#): Use this benchmark report for insight into peer external quality assessment practices.
- [Data Analytics and Advanced Technology Use Cases for Audit Internal Quality Assessment](#): Use these examples to see how your peers used automation and continuous monitoring to improve their internal quality assessments.
- [Case Study: Coaching Checkpoints in Audit Engagements \(ANZ\)](#): See how ANZ embeds real-time coaching and feedback mechanisms by the QA team into audit engagements.

# Integrate Data Analytics Capabilities

## How the audit department incorporates data analytics in its work



# Integrate Data Analytics Capabilities



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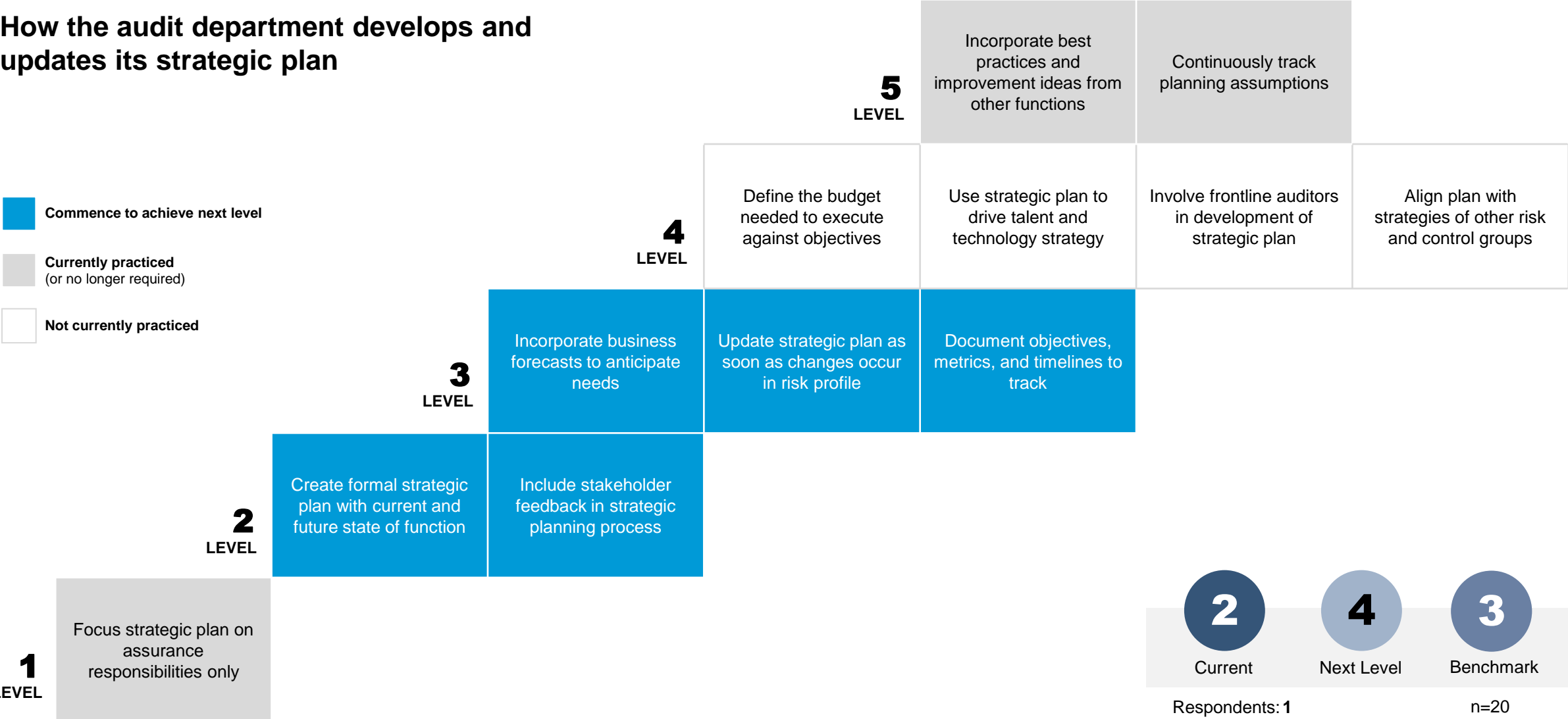
## Resources

- [Communicating with Data Visualizations](#): Learn how to better leverage data analytics for communicating insights.
- [Solving the Skills Mismatch: Getting to Data-Driven Insights](#): See how leading audit departments better allocate current talent to maximize data-driven insights.
- [Ignition Guide to Increasing the Use of Data Analytics in Audit](#): Understand the potential uses of audit data analytics and how to embed data analytics in audit's methodology.
- [Advancing Audit's Use of Data Analytics](#): Learn how to embed data analytics in all audit department processes.
- [Structuring an Audit Data Analytics Program](#): Learn the most common audit structures for data analytics to inform the structure of resources in your audit department.
- [Peer-Based Analytics Learning \(ABB\)](#): Learn how to increase the adoption of data analytics among auditors.
- [Capability-Driven Data Use Expectations \(Bunge\)](#): Learn how to expand data-driven insights with tiered data use expectations that expand auditors' data responsibilities.
- [Auditor-Led Data Information Collection \(Swedbank\)](#): Learn how to utilize latent data literacy in auditors by assigning auditors to collect metadata that enables insightful use of data.
- [Scalable Data Toolkit Creation \(Lenovo\)](#): Learn how to derive higher ROI from data analytics by developing automated test scripts (toolkits) for auditors' use.
- [Continuous Rapid Response Audits \(USPS OIG\)](#): Learn how the USPS OIG enabled quick, targeted responses by triaging analytic outputs and deploying a team to highest-risk areas.



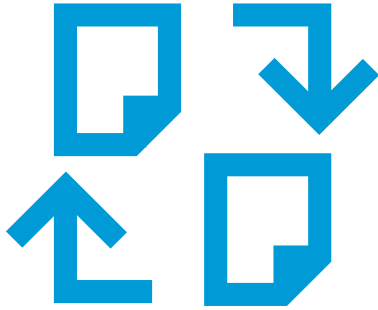
# Develop Audit Department Strategy

## How the audit department develops and updates its strategic plan



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# Develop Audit Department Strategy



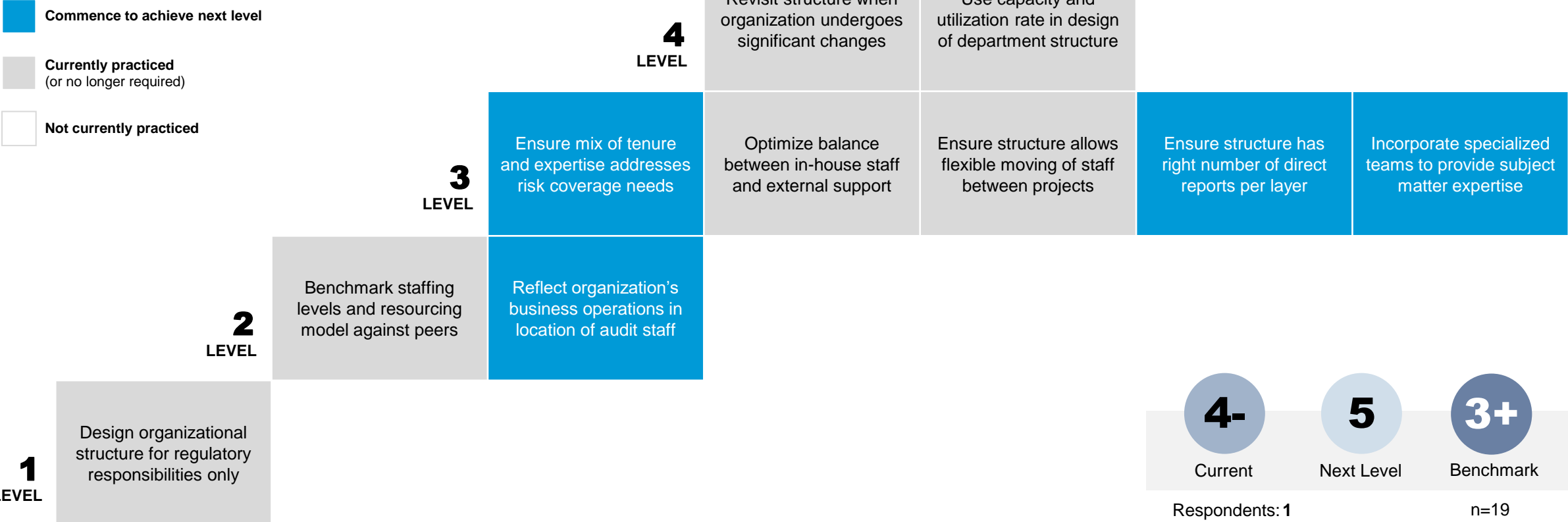
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## Resources

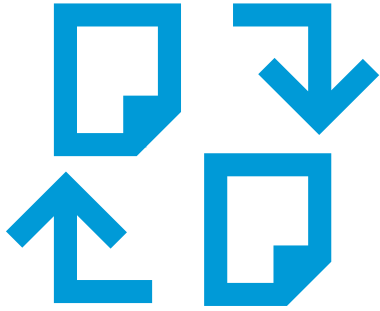
- [Audit Budget and Efficiency Benchmark](#): Use online surveys to benchmark your departments staffing, spending, structure and activities against your peers.
- [Leadership Vision for 2022: Chief Audit Executive](#): Learn about the three major trends that are changing how CAEs run audit functions.
- [5 Challenges of Hybrid Auditing — and How to Solve Them](#): Learn the challenges of hybrid and remote audits and how to overcome them.
- [Ignition Guide to Strategic Planning for Audit](#): Utilize this guide to develop a strategic action plan for audit, from prioritizing action steps to developing a plan draft.
- [Audit Strategic Plan and Mission and Vision Statement Library](#): Guide your strategic planning and create documents for your audit department using this collection of strategic audit plans and vision statements.
- [Case Study: Strategy for Digital Innovation Initiatives \(Synchrony\)](#): Use this case to learn strategies to increase audit's use of and expertise on digital innovation.
- [Building an RPA Strategy for Audit](#): Use this guidance to build an effective strategy for implementing robotic process automation (RPA) in audit.
- [Co-Created Analytics Strategy \(Lockheed Martin\)](#): Get team buy-in for change by making them a part of the strategic planning process.

# Design Audit Department Structure

How the audit department is organized in terms of staffing, location and expertise



# Design Audit Department Structure



Note: Some documents may not be available as part of your current Gartner subscription.

## Resources

- [Internal Audit Interactive Benchmarking Tool](#): Use this tool to filter and customize benchmark data to help inform department decisions.
- [Audit Budget & Efficiency Benchmark](#): Take this survey to benchmark your IA department's technology, staffing, spending, structure, planning and risk assessment processes against peers.
- [Organization Charts Library for Audit Departments With Fewer Than 20 Full-Time Employees](#): Review this collection of organizational charts for departments with fewer than 20 FTEs to benchmark your own organizational structure.
- [Organization Charts Library for Audit Departments With More Than 20 Full-Time Employees](#): Review this collection of organizational charts for departments with more than 20 FTEs to benchmark your own organizational structure.
- [Structuring a Data Analytics Program](#): Use this guide to determine how to structure and use data analytics within your department.
- [Case Study: Dynamic Audit Resourcing Team \(Capital One\)](#): Discover how Capital One leverages a team of general auditors rather than unscheduled hours to respond to urgent audit project needs.
- [Case Study: Modular Audit Staffing \(Aflac\)](#): Learn how Aflac adapted its department structure to standardize individual audit teams, making them uniform and interchangeable.

# Activities Ranked by Importance

Objective	Activity	Benchmark (Org = 20)	Overall (n = 1)
Conduct Audits	Conduct Engagement Risk Assessment	3.43	5.00
Conduct Audits	Report on Audit Findings	3.79	5.00
Manage the Department	Develop Audit Department Strategy	3.25	5.00
Engage Stakeholders	Drive Improvement in Risk and Control Outcomes	3.66	4.00
Develop and Manage Audit Talent	Develop Auditor Skills and Competencies	3.08	4.00
Allocate Assurance Coverage	Develop and Update the Audit Plan	3.84	3.00
Conduct Audits	Validate and Monitor Corrective Action Plans	3.55	3.00
Engage Stakeholders	Communicate with the Audit Committee	3.57	3.00
Engage Stakeholders	Communicate with Senior Management	3.77	3.00
Develop and Manage Audit Talent	Develop Audit Workforce Strategy	3.15	3.00
Develop and Manage Audit Talent	Assess and Manage Auditor Performance	3.25	3.00
Manage Audit Methodology and Operations	Integrate Data Analytics Capabilities	3.59	3.00

# Activities Ranked by Importance

Objective	Activity	Benchmark (Org = 20)	Overall (n = 1)
Manage the Department	Design Audit Department Structure	2.94	3.00
Allocate Assurance Coverage	Conduct Risk Assessment	3.74	2.00
Allocate Assurance Coverage	Coordinate with Other Risk/Control Groups	3.10	2.00
Conduct Audits	Determine Audit Engagement Scope and Objectives	3.53	2.00
Conduct Audits	Perform Fieldwork and Testing	3.47	2.00
Engage Stakeholders	Engage with Line Management	3.14	2.00
Develop and Manage Audit Talent	Guide Auditor Development & Career Paths	2.66	2.00
Manage Audit Methodology and Operations	Manage Audit Quality Assurance	3.25	2.00
Manage Audit Methodology and Operations	Refine Audit Methodology	3.21	1.00
Manage Audit Methodology and Operations	Measure Department Performance	3.20	1.00
Allocate Assurance Coverage	Manage SOX Compliance	1.44	N/A
Manage Audit Methodology and Operations	Manage Audit Technology	3.01	N/A

# Activities Ranked by Importance

Objective	Activity	Benchmark (Org = 20)	Overall (n = 1)
Manage the Department	Manage External Partners and Vendors	2.59	N/A

# Activities Ranked by Maturity

Objective	Activity	Benchmark (Org = 20)	Overall (n = 1)
Engage Stakeholders	Drive Improvement in Risk and Control Outcomes	3.78	5.00
Manage Audit Methodology and Operations	Manage Audit Quality Assurance	3.46	4.47
Manage Audit Methodology and Operations	Refine Audit Methodology	4.16	4.30
Conduct Audits	Report on Audit Findings	4.41	4.17
Manage the Department	Design Audit Department Structure	3.53	3.90
Allocate Assurance Coverage	Develop and Update the Audit Plan	4.11	3.83
Conduct Audits	Validate and Monitor Corrective Action Plans	3.82	3.83
Develop and Manage Audit Talent	Develop Auditor Skills and Competencies	3.31	3.40
Engage Stakeholders	Engage with Line Management	3.33	3.25
Conduct Audits	Determine Audit Engagement Scope and Objectives	3.92	3.10
Conduct Audits	Conduct Engagement Risk Assessment	3.32	3.00
Develop and Manage Audit Talent	Guide Auditor Development & Career Paths	3.02	2.90



# Activities Ranked by Maturity

Objective	Activity	Benchmark (Org = 20)	Overall (n = 1)
Conduct Audits	Perform Fieldwork and Testing	3.53	2.83
Develop and Manage Audit Talent	Assess and Manage Auditor Performance	4.05	2.58
Develop and Manage Audit Talent	Develop Audit Workforce Strategy	3.40	2.50
Engage Stakeholders	Communicate with Senior Management	3.47	2.33
Allocate Assurance Coverage	Conduct Risk Assessment	2.76	2.25
Engage Stakeholders	Communicate with the Audit Committee	2.47	2.08
Manage the Department	Develop Audit Department Strategy	3.07	2.00
Manage Audit Methodology and Operations	Integrate Data Analytics Capabilities	2.17	1.58
Manage Audit Methodology and Operations	Measure Department Performance	3.12	1.40
Allocate Assurance Coverage	Coordinate with Other Risk/Control Groups	2.20	1.33
Allocate Assurance Coverage	Manage SOX Compliance	1.18	N/A
Manage Audit Methodology and Operations	Manage Audit Technology	2.98	N/A

# Activities Ranked by Maturity

Objective	Activity	Benchmark (Org = 20)	Overall (n = 1)
Manage the Department	Manage External Partners and Vendors	3.32	N/A

# Activities Ranked by API

Objective	Activity	Benchmark (Org = 20)	Overall (n = 1)
Manage the Department	Develop Audit Department Strategy	6	15.00
Conduct Audits	Conduct Engagement Risk Assessment	7	10.00
Manage Audit Methodology and Operations	Integrate Data Analytics Capabilities	1	4.26
Conduct Audits	Report on Audit Findings	23	4.15
Engage Stakeholders	Communicate with the Audit Committee	2	2.76
Develop and Manage Audit Talent	Develop Auditor Skills and Competencies	15	2.40
Engage Stakeholders	Communicate with Senior Management	5	2.01
Develop and Manage Audit Talent	Develop Audit Workforce Strategy	16	1.50
Allocate Assurance Coverage	Coordinate with Other Risk/Control Groups	4	1.34
Develop and Manage Audit Talent	Assess and Manage Auditor Performance	24	1.26
Manage Audit Methodology and Operations	Measure Department Performance	9	- 0.40
Allocate Assurance Coverage	Conduct Risk Assessment	3	- 0.50

# Activities Ranked by API

Objective	Activity	Benchmark (Org = 20)	Overall (n = 1)
Conduct Audits	Perform Fieldwork and Testing	11	- 1.66
Develop and Manage Audit Talent	Guide Auditor Development & Career Paths	17	- 1.80
Conduct Audits	Determine Audit Engagement Scope and Objectives	20	- 2.20
Allocate Assurance Coverage	Develop and Update the Audit Plan	19	- 2.49
Conduct Audits	Validate and Monitor Corrective Action Plans	18	- 2.49
Engage Stakeholders	Engage with Line Management	13	- 2.50
Manage the Department	Design Audit Department Structure	21	- 2.70
Manage Audit Methodology and Operations	Refine Audit Methodology	25	- 3.30
Engage Stakeholders	Drive Improvement in Risk and Control Outcomes	12	- 4.00
Manage Audit Methodology and Operations	Manage Audit Quality Assurance	14	- 4.94
Allocate Assurance Coverage	Manage SOX Compliance	8	N/A
Manage Audit Methodology and Operations	Manage Audit Technology	10	N/A

# Activities Ranked by API

Objective	Activity	Benchmark (Org = 20)	Overall (n = 1)
Manage the Department	Manage External Partners and Vendors	22	N/A

# Maturity Level Definitions: Allocate Assurance Coverage (1 of 2)

Level 1	Level 2	Level 3	Level 4	Level 5
<b>Conduct Risk Assessment</b>				
The risk assessment is primarily focused on financial controls	The risk assessment is comprehensive and top-down	The risk assessment is both top-down and bottom-up	The risk assessment integrates the perspective of other risk and control groups	The risk assessment is updated continuously during the year, using a broad set of inputs
<b>Develop and Update the Audit Plan</b>				
Audit planning is cyclical, focused primarily on financial reporting and compliance risks. The audit plan does not change throughout the year.	Audit planning combines cyclical audits with some risk-based audit planning. The plan is primarily focused on financial or compliance risks. The plan is updated only in rare circumstances.	Audit planning is primarily risk-based. The plan covers primarily financial and compliance risks and certain operational and project risks. The audit plan is revisited at key points throughout the year (e.g., quarterly or every six months).	Audit planning is primarily risk-based and aligned to enterprise risks and strategy. The plan is updated regularly throughout the year and allocates more time to strategic and operational risks than financial and compliance risks.	Audit planning is risk-based and closely aligned with corporate strategy and enterprise risks. The audit plan is updated on a continuous basis, considers work done by other assurance providers, and aligns to the organization's risk tolerance.
<b>Coordinate with Other Risk/Control Groups</b>				
Audit does not share information or help coordinate assurance coverage between risk and control groups (e.g. ERM, Compliance, Legal, Information Security)	Audit shares information with other risk and control groups on an ad-hoc or as needed basis	Audit has an established process for sharing risk and control information with other risk and control groups, and attempts are made to streamline audit and assurance work	Audit has an established approach and criteria by which they assess the quality of other risk and controls groups for the purpose of determining the level of reliance audit can place on their work	Audit works on a consistent basis with other risk and control groups and provides holistic risk reporting

# Maturity Level Definitions: Allocate Assurance Coverage (2 of 2)

Level 1	Level 2	Level 3	Level 4	Level 5
<b>Manage SOX Compliance</b>				
Basic SOX compliance requirements are met	SOX controls are aligned to an established framework and management adheres to attestation requirements	SOX testing is risk based, controls are reviewed periodically to identify efficiencies, and process owners are held accountable for controls	SOX testing is assessed for efficiency and conducted in coordination with external audit procedures	Technology and automation is applied to SOX controls and controls testing

# Maturity Level Definitions: Conduct Audits (1 of 2)

Level 1	Level 2	Level 3	Level 4	Level 5
<b>Conduct Engagement Risk Assessment</b>				
Audit engagements focus on a standard set of elements regardless of the risk level	The engagement risk assessment includes stakeholder input to influence engagement focus areas	Data analytics, client KPIs, and external risk sources influence engagement focus areas	The risk assessment incorporates assessments from other risk and control groups	The risk assessment incorporates factors such as business process instability
<b>Determine Audit Engagement Scope and Objectives</b>				
Audit determines the scope of engagements on its own	Audit engagements are scoped through discussion with line management	Audit engagements are scoped leveraging other assurance functions and management self-identified issues	Audit engagement scoping leverage SMEs, data analytics and can change mid-way	Audit engagement scoping take into account risk tolerance and future business changes
<b>Perform Fieldwork and Testing</b>				
Audit performs fieldwork and testing in an ad-hoc manner	Audit's fieldwork and testing methodology provides adequate guidance and is assessed against quality assurance criteria	Audit's fieldwork and testing methodology is robust, including use of data analytics and escalation guidelines	Audit's fieldwork and testing methodology is flexible and continuously improving	Audit's fieldwork and testing methodology allows for iterative execution of audits to focus solely on key risks



# Maturity Level Definitions: Conduct Audits (2 of 2)

Level 1	Level 2	Level 3	Level 4	Level 5
<b>Report on Audit Findings</b>				
Audit reports are delivered to auditees in a timely manner upon completion of the audit	Audit reports are clear and include priorly agreed-upon management action plans	Audit reports are adapted to the audit project, risk-based and easy to consume	Audit reports are balanced, including positive findings and credit for self-identified issues	Audit reports include a risk awareness evaluation and opportunities for control optimization
<b>Validate and Monitor Corrective Action Plans</b>				
Audit monitors management's action plans informally	Audit collects status updates about management action plans and inputs the details into an issues database	Audit reviews the accuracy and timeliness of management's action plans that management inputs into an issues database	Audit disseminates management's action plans and educates management on effective remediation	Audit shares best practice action plans with management to ease the burden of remediation

# Maturity Level Definitions: Engage Stakeholders (1 of 2)

Level 1	Level 2	Level 3	Level 4	Level 5
<b>Communicate with the Audit Committee</b>				
Audit provides the Audit Committee with the annual audit plan for their approval	Audit has regularly scheduled meetings with the audit committee and collects performance feedback from the committee on an ongoing basis	Audit presents the audit committee with information on new, emerging risks and information outside formal meetings	Audit's presentations include insights on systemic risk trends and clearly articulated opinions of risk management	Audit's presentations to the audit committee include joint presentations with other risk and control groups and information on risk avoidance and control optimization
<b>Communicate with Senior Management</b>				
Audit provides senior management with limited visibility into audit planning activities and audit coverage requirements	Audit provides senior management with some visibility into audit planning activities and periodically updates senior management on shifts in audit coverage	Audit has formal business liaisons and provides management with guidance on assurance for strategic projects	Audit communicates risk trends and best practices to senior management	Audit engages with senior management to educate them on risk relationships and management's role in risk assurance
<b>Engage with Line Management</b>				
Audit conducts engagements with limited coordination with line management	Audit coordinates with line management to provide an overview of audit's role and process	Audit works closely with the business, incorporating feedback and providing opportunities for self-disclosure	Audit activities are based on success criteria developed jointly with the business	Audit's clients have ongoing interactions with audit and collaborates on data analytics

# Maturity Level Definitions: Engage Stakeholders (2 of 2)

Level 1	Level 2	Level 3	Level 4	Level 5
<b>Drive Improvement in Risk and Control Outcomes</b>				
Audit raises control issues in their reports	Audit regularly provides the business with recommendations to increase the efficiency of their controls	Audit provides the business with guidance on risks and supports improvement of controls related to change initiatives	Audit assesses broader risk management activities, including potential over-control of business areas	Audit assess culture's impact on risk and routinely improves the business' understanding of risks

# Maturity Level Definitions: Develop and Manage Audit Talent (1 of 2)

Level 1	Level 2	Level 3	Level 4	Level 5
<b>Develop Audit Workforce Strategy</b>				
Audit workforce planning identifies short-term audit staffing needs and results in headcount plans for the coming fiscal period	Audit workforce planning is aligned to long-term objectives and includes non-traditional sources of talent	Audit workforce planning is focused on critical audit talent segments and results in short- and long-term plans for employee recruitment, development, and retention.	Audit workforce planning is continuously updated and considers succession planning and diversity	Audit workforce planning incorporates forecasts of internal external talent supply risk
<b>Assess and Manage Auditor Performance</b>				
Performance management is left to individual managers to implement with their own staff	Auditor performance is assessed and managed using audit-specific performance criteria	Auditor performance metrics are weighted and include soft skills	Auditor performance management includes public recognition and peer feedback	Auditor performance management is ongoing and includes assessments of network performance
<b>Develop Auditor Skills and Competencies</b>				
Audit uses a non-audit specific competency framework	Audit has established required skills and behaviors in a competency model	Audit's competency model is regularly updated to reflect the direction of the function	Audit embeds coaching in day-to-day work and provides various skill learning methods	Audit's training is customized for the needs of individual auditors' learning styles

# Maturity Level Definitions: **Develop and Manage Audit Talent (2 of 2)**

Level 1	Level 2	Level 3	Level 4	Level 5
<b>Guide Auditor Development &amp; Career Paths</b>				
Career pathing is informal and led by individuals at their own discretion, guided by their own skills and interests	Career pathing information is available to auditors, but is accessed inconsistently	Career pathing guidance is consistently applied by managers and includes opportunities within audit as well the business	Career pathing guidance is customized for individual auditors and specialist roles	Audit managers remove barriers to organizational mobility and broker career opportunities

# Maturity Level Definitions: Manage Audit Methodology and Operations (1 of 2)

Level 1	Level 2	Level 3	Level 4	Level 5
<b>Refine Audit Methodology</b>				
Audit's methodology is undocumented	Audit has a documented methodology that is IIA compliant and is updated based on IQA and EQA results	Audit trains all auditors on methodology and adjusts methodology based on auditor suggestions	Audit's methodology contains different options for different types of audit projects, including forward-looking assurance	Audit's methodology includes control optimization and is revised regularly to add or delete audit project options
<b>Measure Department Performance</b>				
Audit performs ad-hoc performance measurement	Audit measures and communicates performance based on operational metrics	Audit department performance metrics capture quality and are tied to the organization's strategic objectives	Audit measures and communicates performance using metrics reflecting coverage of key risk and impact on improving control effectiveness	Audit measures and communicates performance with metrics that demonstrate value add and business impact
<b>Manage Audit Quality Assurance</b>				
The audit function has an informal quality assurance program	The audit function undertakes quality assurance activities on a regular basis	The audit function has a formalized quality assurance program conducted by independent individuals	The audit function collects feedback from senior management and auditors to make continuous improvements to its methodology	The audit function conducts quality assurance work as part of the execution of audit engagements

# Maturity Level Definitions: Manage Audit Methodology and Operations (2 of 2)

Level 1	Level 2	Level 3	Level 4	Level 5
<b>Integrate Data Analytics Capabilities</b>				
Data analytics is used ad hoc, without any formal policies or procedures. When used, it is limited to scoping individual engagements and/or conduct testing during fieldwork.	Data analytics is used sparingly, predominantly in data-rich, high-volume transaction areas	Data analytics is incorporated into the audit methodology. The department is able to automate routine analytics requests.	Data analytics is used throughout audit's activities and in collaboration with other risk and control groups	Audit uses advanced analytics techniques such as predictive analytics
<b>Manage Audit Technology</b>				
Audit uses technology on a limited, ad-hoc basis to support its workflow.	Audit uses key technology such as an audit management system	Audit makes use of technology used by the business and continuously evaluates new technologies	Audit leverages technology to coordinate with other risk and control groups.	Audit has adopted robotic process automation and supports the business' use of emerging technologies

# Maturity Level Definitions: Manage the Department

Level 1	Level 2	Level 3	Level 4	Level 5
<b>Develop Audit Department Strategy</b>				
Audit's strategic plan, if any, focuses on assurance responsibilities	Audit maintains a documented, long-term strategic plan that focuses on functional improvement priorities and aligns to business objectives	Audit's strategic plan includes forecasts and is updated as risk profile changes	Audit's strategic plan is aligned with the strategies of other risk and control groups	Audit's strategic plan includes tracking of its underlying assumptions and incorporates best practice from elsewhere in the organization
<b>Manage External Partners and Vendors</b>				
Audit's outsourced providers are informally evaluated and managed	Audit has a defined process for managing out/co-sourced providers	Audit has a robust process for managing out/co-sourced providers	Audit's process for managing out/co-sourced providers is updated based on business feedback	Audit's process for managing out/co-sourced providers incorporates an understanding of the risk exposure involved
<b>Design Audit Department Structure</b>				
Audit's organizational structure is designed for the completion of required audit responsibilities (e.g. regulatory compliance)	Audit's organizational structure is designed primarily to focus on required audit activities with some allowance for risk-based coverage.	Audit's organizational structure aligns with business priorities and organizational goals, and allows for a balanced staffing model	Audit's organizational structure reflects the organization's structure and is updated for business changes	Audit's organizational structure reflects the organization's top risks and promotes cross-training of auditors



# Methodology Details

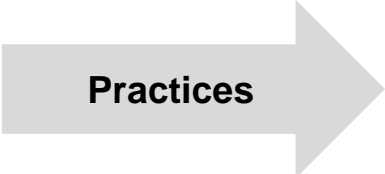
## Survey instrument

The diagnostic assesses an organization’s functional (e.g., HR, IT, Finance) performance along two dimensions: importance and maturity.

- First, participants are asked to rank the key activities that a function performs as to how important that activity is to the success of the organization’s business objectives.
- Second, participants are presented with statements that represent specific activities that the business function is expected to perform and indicate if the activity is being performed **at least 80% of the time**.

Based on an understanding of the activities that are performed, Gartner can determine the level of maturity for the function.

**The 5 Levels are founded in best practice research based on Gartner’s expertise and experience in the industry.**



**1**  
LEVEL

**Informal (typically ad hoc)**  
10<sup>th</sup> Percentile

**2**  
LEVEL

**Foundational**  
25<sup>th</sup> Percentile

**3**  
LEVEL

**Mainstream**  
50<sup>th</sup> Percentile

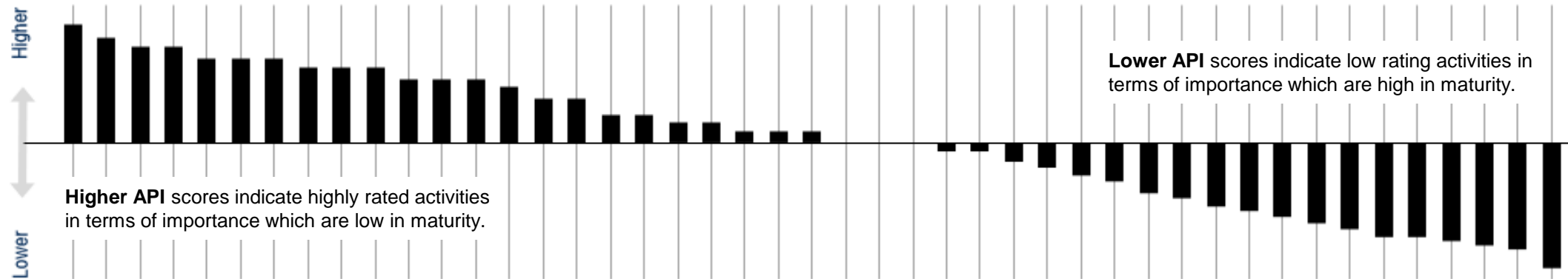
**4**  
LEVEL

**Leading**  
75<sup>th</sup> Percentile

**5**  
LEVEL

**Most advanced**  
90<sup>th</sup> Percentile

# Score Prioritization (API) Calculation



## Setting Priorities using the API Calculation

To understand priorities, Gartner calculates the Activity Priority Index (API), which is weighted by Importance. The API assumes that highly important activities that are low in maturity should be targeted first to increase functional performance.

The Activity Priority Index is calculated as follows:  
**API = (Importance – Maturity) x Importance**

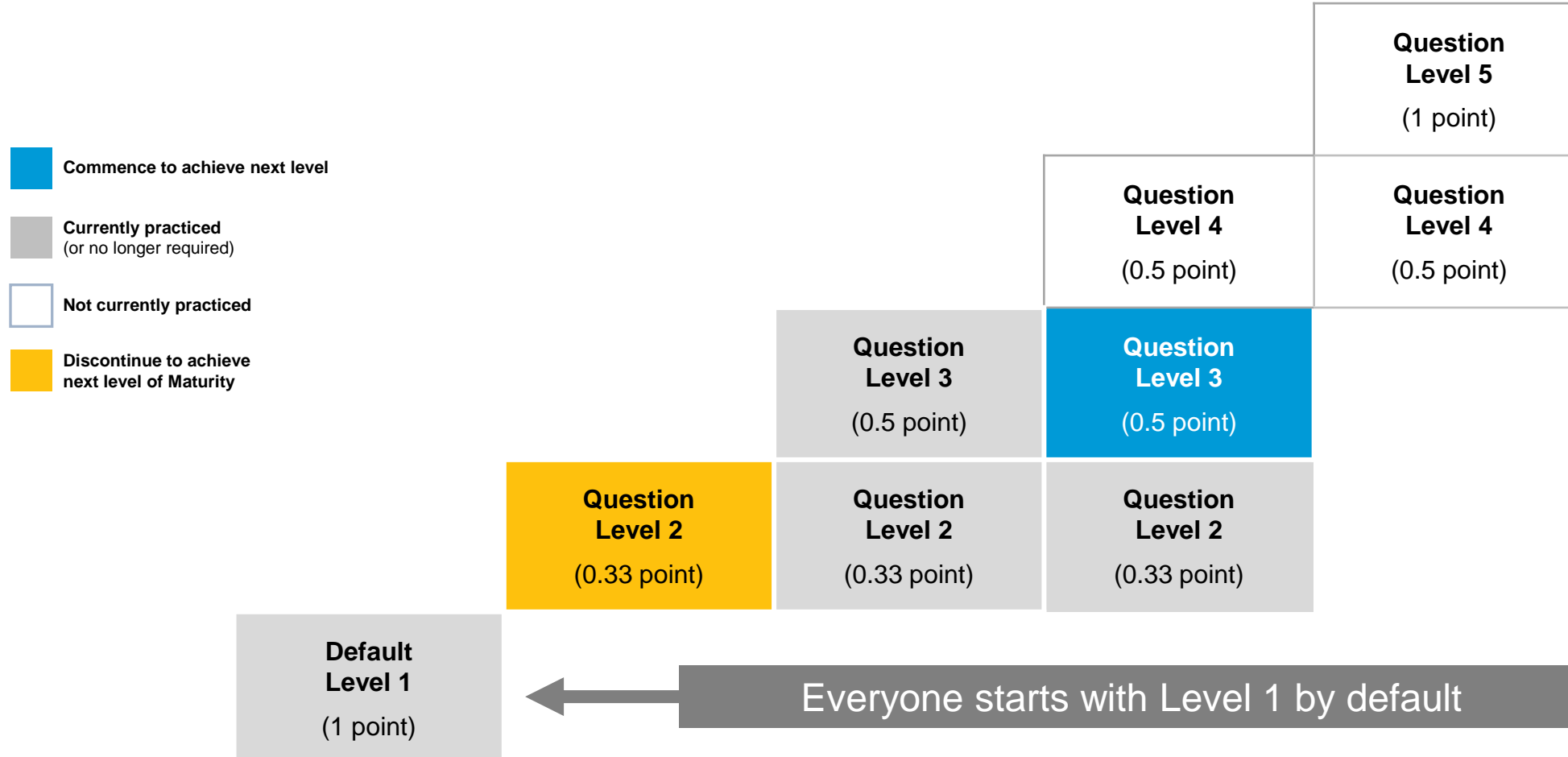
Importance	Rating
Not important to key objectives	1
Somewhat important to key objectives	2
Important to key objectives	3
Very important to key objectives	4
Most important to key objectives	5

The methodology first asks participants to rate an activity based on Importance:

If participants rate more than 1 activity as *Very important to key objectives*, then the tool highlights them and asks the participant to narrow to three activities that they consider as “Most important to key objectives”. These carry a rating of 5.

For precision, the maturity score is reflected as a decimal for this calculation.

# Score Maturity Calculation Methodology



# Methodology Notes

- Maturity scores follow a consensus methodology where the scoring is based on a majority, meaning that at least 51% of respondents must select Yes to be considered a Yes in the scoring calculation for the maturity level (50/50 does not count).
- The model is set to default to Level 1 – so the calculation is based on the organization having a starting base level of 1.
- Maturity levels are based on Gartner research and expertise in best practices.
- When available, a peer comparison will show how an organization's score compares relative to a peer group. The peer comparison score is an average of the peer group's maturity scores for the overall peer comparison as well as at each activity level. Peer groups can be changed within the tool by users to provide multiple peer group comparisons if desired.
- Participants can indicate that they don't have expertise regarding a specific activity by selecting "Unable to Assess" on the Importance page. This will remove the related maturity questions from the survey for the participant. It will also remove that participant from the calculation for that particular activity. Participants who "opt-out" of an activity are represented by "N/A", in the Responses Report.
- Additionally, participants can indicate that they do not know the answer to a specific question and can, instead, put "Don't Know" as their response. This will also remove that participant from the calculation of that specific activity's question. This is represented by "Don't Know" in the Responses Report.
- In some activities, the organization must stop doing an activity to advance to the next level. E.g., if the organization was tracking employee time and attendance via worksheets and then updated their process to an online time and attendance system ~ to advance to the next level of maturity, the organization would *stop* tracking via worksheet. This is represented by a yellow square in the path to maturity.

# Score Calculation

Based on the number of respondents answering "Yes", divided by the total number of respondents, excluding the respondents answering "Don't Know" (Don't Know does not count in the calculation)

Question	Maturity Level	Assigned Points	Resp. 1	Resp. 2	Resp. 3	Resp. 4	Resp. 5	Resp. 6	% Yes	Final Response*	Earned Points
Maturity Assessment	1	1.00						Default Position	100%	Yes	1.00
Maturity Assessment	2	0.33	Y	Y	Y	Y	Y	5	100%	Yes	0.33
Maturity Assessment	2	0.33	Y	N	Y	Y	Y	5	80%	Yes	0.33
Maturity Assessment	2	0.33	Y	N	Don't Know	N	Y	4	50%	No	0.00
Maturity Assessment	3	0.50	Y	Y	Don't Know	N	Y	4	75%	Yes	0.50
Maturity Assessment	3	0.50	Y	N	Don't Know	Don't Know	Y	3	67%	Yes	0.50
Maturity Assessment	4	0.50	Y	N	N	Don't Know	Y	4	50%	No	0.00
Maturity Assessment	4	0.50	N	N	N	N	N	5	0%	No	0.00
Maturity Assessment	5	1.00	N	N	N	N	N	5	0%	No	0.00
<b>Total</b>		<b>5.00</b>	<b>3.5 Leader Score</b>								<b>2.66 Team Score</b>
<b>Maturity Score</b>			<b>3+</b>						<b>2+</b>		

Each level is allocated 1 point. When a level has multiple questions, the 1 point is divided by the number of questions.

\* Final response is "Yes" if 51% or more respondents said "Yes" to a survey question

# Participants (completed survey)

First Name	Last Name	Level	Role
Matt	Lock	Other	Head of Audit

# How Gartner Can Help

## Gartner Resources and Membership Support

Reach out to your Gartner representative to:

- Discuss general support and design a long-term service plan based on your priorities for improvement
- Schedule a conversation with a member of the Gartner team to identify specific strategies and resources to address maturity gaps.

Contact the **Member Support Center** to set up a discussion with your Gartner representative.

**+1-866-913-6447** (US and International)

Available Monday – Friday, 7am – 7pm Eastern time