

Becoming a Future-Ready Internal Audit Leader

A Benchmarking Study

Tom O'Reilly — Founder, Internal Audit Collective

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What makes a great internal audit leader?



WHY IS THIS IMPORTANT NOW?

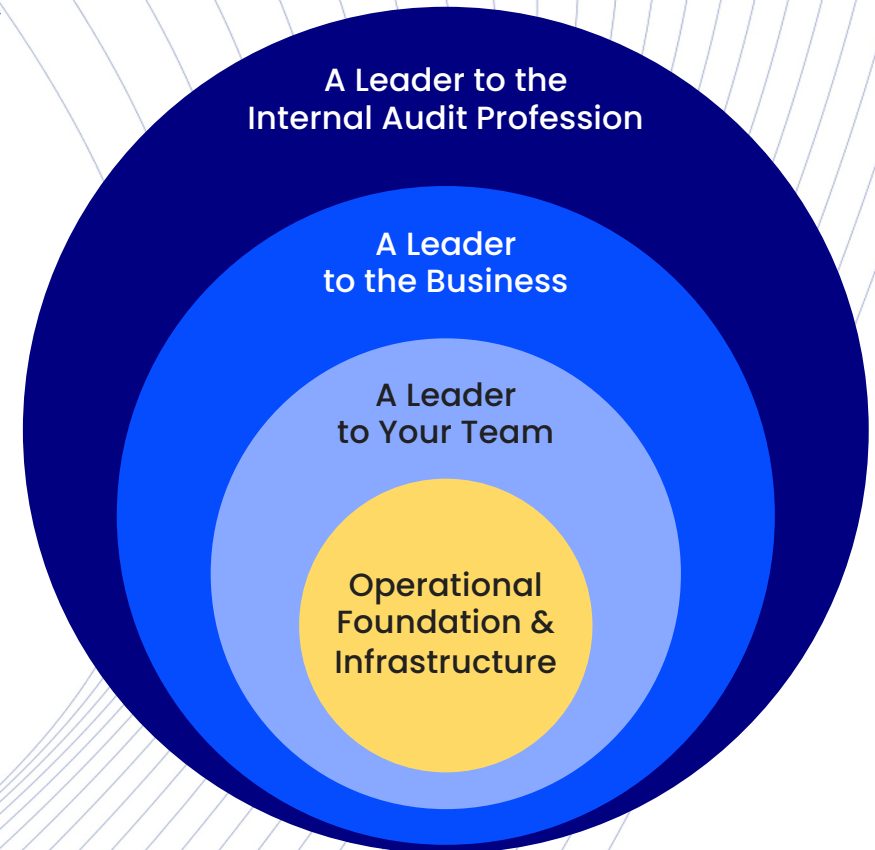
- AI will take over the lion's share of Internal Audit's Assurance work
- Internal Auditors will transition from Assurance to Advisory — or transition OUT

To do Advisory work well, you need to be a LEADER.

IDENTIFYING THE “TOP-TIER CAEs”

- 114 CAEs (all IAC members) answered 60 questions spanning 4 domains
- “Top-tier CAEs” self-assessed as 9 or 10 on a 1–10 scale across all 4
- Comparing top-tier CAE data with all other respondents’ data

Found **7 LEADERSHIP ACTIVITIES** of top-tier CAEs: Specific things they do that their peers don’t



What's preventing you from being a better leader?

Lack of understanding or awareness of IA's role, capabilities & value (~14)

Legacy perceptions, culture & historical baggage (~10)

Leadership positioning & organizational status (~6)

Access, visibility & inclusion in strategic conversations (~13)

Perception of IA as
“COMPLIANCE/POLICE”
vs. a strategic partner (~18)

Relationship building & leadership turnover (~6)

Capacity, resources & competing priorities (~7)

Trust & credibility with senior business leaders (~10)

Business/industry knowledge & operational understanding (~8)

Organizational maturity & silos (~5)

Q: What is the single biggest barrier to being recognized as a strategic leader by your organization's senior business leaders?

Today's Agenda: "Top-Tier" Leadership Activities

- 01 Talk more about "business" — with the business
- 02 Require direct reports to build and maintain business relationships
- 03 Perceived as further along in AI maturity than their organization
- 04 Adhere to "Operational Discipline" to achieve their goals
- 05 Coach people managers to manage to each individual's motivators
- 06 Proactively reward their people using multiple forms of recognition
- 07 Position themselves as Leaders and SMEs in the Internal Audit industry

FINDING 1

Top-tier CAEs have **more conversations about the business with the business** — and fewer conversations about Internal Audit.

Q: When meeting with business leaders, how frequently is each of the following types of information shared?			
Information Type — Shared "Often" or "Always"	Top-Tier CAEs	Everyone Else	Gap
Audit results, findings, remediation status	94%	79%	+15 pp
Upcoming audit plan and areas of focus	94%	82%	+12 pp
Perspectives on top risks	89%	66%	+23 pp
Perspectives on emerging/external risks	83%	55%	+28 pp
Business performance and operational effectiveness	83%	39%	+44 pp
Industry trends and benchmarking	44%	14%	+30 pp
IA's advisory capabilities / how to engage us	89%	36%	+53 pp

Top-tier CAEs = Q1.0 ≥ 9 (n=18) vs. everyone else (n=94).

What's the difference?

Average: Policing

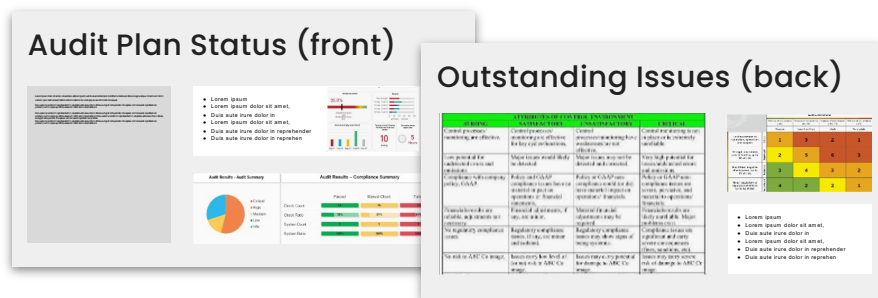


Great: Learning



HOW TO LEVEL UP

Prepare a meeting “placemat” covering audit issues and status updates — but spend the meeting asking questions and sharing information and insights



Get top-tier data and insights from external and internal resources

OTHER INTERNAL
AUDITORS

YOUR PEERS IN
THE INDUSTRY

SUBJECT MATTER
EXPERTS

INDUSTRY
ASSOCIATIONS

INTERNAL RESOURCES

IAC Article: [A CAE's First 90 Days](#)

WHAT GREAT LOOKS LIKE



Chad Factor
SVP, Global Audit
CBRE

Domain: Leader to the Business

"The senior business leaders must know that you understand their business operations and the impact on their objectives and success... they must trust that you will be a reasonable and effective partner that is not playing a 'gotcha game'."

FINDING 2

Top-tier CAEs require **all of their direct reports** to formally maintain more business relationships on a more frequent basis — **not just themselves.**

Domain: Leader to the Business

Q: Do your direct reports have assigned business relationships they are expected to manage independently — separate from your own business relationships?

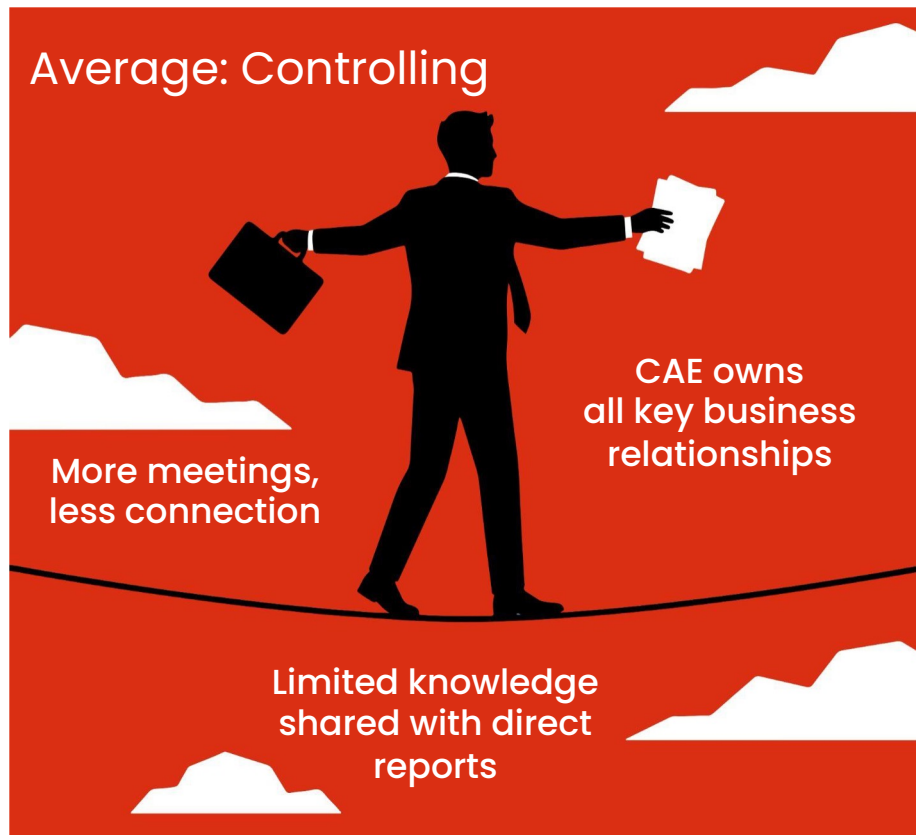
Response	Top-tier CAEs	Everyone Else
Each direct report has an assigned portfolio of business relationships they manage independently	50%	33%

Top-tier CAEs = Q1.0 ≥ 9 (n=18) vs. everyone else (n=94).

Other possible survey responses:

- NO — business relationship management is primarily my responsibility
- NO — but I bring direct reports into my business meetings regularly
- PARTIALLY — some direct reports have assigned relationships but not all

What's the difference?



WHAT GREAT LOOKS LIKE



Breda O'Neill
Internal Audit Director
Accenture

94-person Internal Audit team ☐ 24 people speaking directly to the business.
Formal effort to memorialize conversation notes into CRM + AI application ☐ AI identifies themes + talking points for next conversations.



Jim Wilson
VP Internal Audit
Vail Resorts

3-person Internal Audit team ☐ Each manages 8 relationships, meeting with 4 each month ☐ 6 meetings annually with all 24 stakeholders.
At meeting's end, they ask permission to come back and share feedback from other stakeholder meetings and get their take.

HOW TO LEVEL UP

1. Map which business relationships can be owned by a direct report.
2. Determine frequency.
3. Find a relevant business topic to start the conversation.
4. Meet, document, and share notes.
5. Ask to come back — with insights.

MORE BENEFITS

- Less reliance on Internal Audit risk assessment
- More targeted audit plan
- More impactful audit projects
- Full team can answer, “Why is this audit on the plan?”

FINDING: Top-tier CAEs generally spend 25–50% of their time meeting with the business (vs. overseeing IA work).

IAC Article: [How Simple Conversations Can Revolutionize Internal Audit](#)

FINDING 3

Top-tier CAEs' teams are using AI at intermediate levels — AND perceived as a step ahead of the rest of the business.

Domain: Operational Foundation & Infrastructure

Q: How would you rate your team's utilization of AI tools in audit work? (0=Not using, 1=Beginner, 2=Intermediate, 3=Advanced)

Data Point	Top-Tier CAEs	Everyone Else
AI utilization	1.8	1.4

Q: On a scale of 1-10, how would you rate your organization's perception of Internal Audit's ability of adopting AI?

AI perception rating	8.3	6.8
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Top-tier CAEs = Q3.0 ≥ 9 (n=10) vs. everyone else (n=102).

Clearest indicator that your team is achieving this ☑

Getting invited to present to leadership on AI use, adoption, or governance. Like when Kara Falco and her team presented to Casey's entire Finance organization.



WHAT GREAT LOOKS LIKE + HOW TO LEVEL UP



Alan Maran
Vice President
& CAE, Entegris

CAE ownership
and accountability:
Leading from the front



Joe Earl
Director of
Internal Audit,
Sutter Health

Proven, structured
approach to driving
team-wide AI adoption



Brianna Bazzy
Director, Internal
Audit, Okta

Shaping the emerging
role of the Internal Audit
“AI Operator”

IAC Articles: 1. [5-Step Approach for Upskilling Your Team in AI](#)
2. [AI Maturity Framework](#) 3. [Overcoming AI Adoption Challenges](#)

FINDING 4

Top-tier CAEs **establish and maintain operational discipline** to to achieve their goals and objectives.

Specifically, they use a **strategic plan** and track **business-focused KPIs**.

Q: Do you have a documented 3- to 5-year strategic plan for Internal Audit that is communicated to key stakeholders and actively tracked?

Data Point	Top-Tier CAEs	Everyone Else
Strategic plan documented, communicated to AC/business, and actively tracked	50%	25.5%

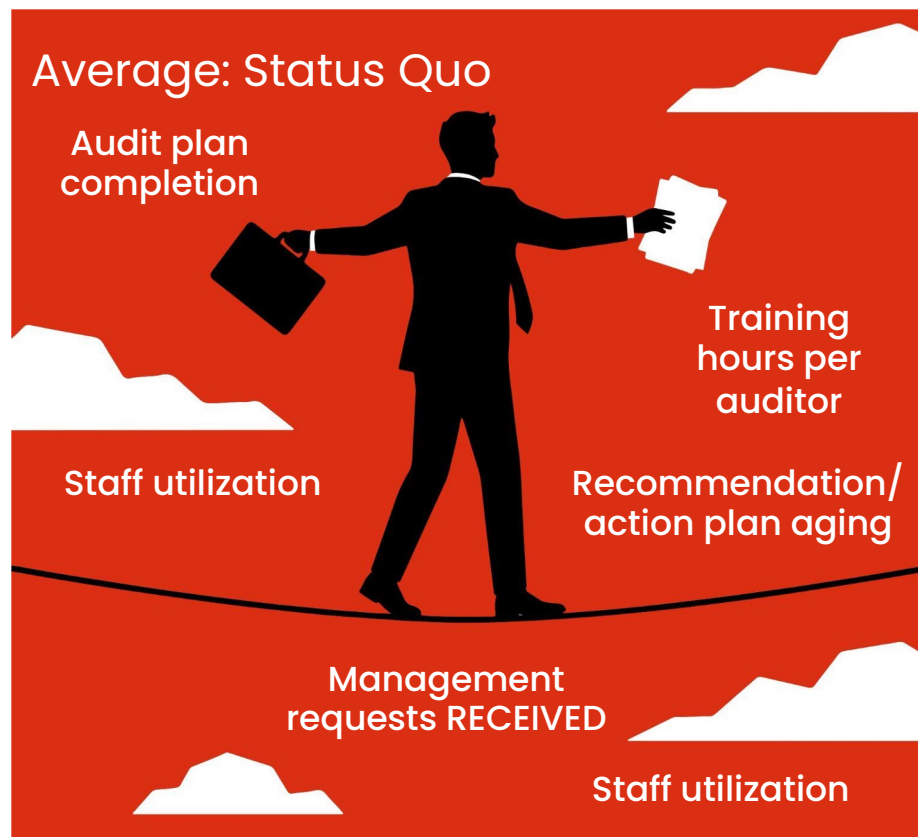
Q: Which of the following KPIs do you formally track?

Data Point	Top-Tier CAEs	Everyone Else
Average # of KPIs formally tracked	5.7	4.5

Top-tier CAEs = Q3.0 ≥ 9 (n=10) vs. everyone else (n=102).

FINDING: Top-tier CAEs track traditional IA KPIs... but they *also* track more business-relevant KPIs than their peers — i.e., what's happening in (or helping) the business.

What's the difference?



HOW TO LEVEL UP

1. Don't just write a strategic plan — build the broad, business-relevant KPI set that will tell you if it's working.
2. Include leading and lagging KPIs.
3. Review/manage the plan against those KPIs on a frequent cadence.
4. If you can't measure a stated priority, it's a gap to close — not a footnote.

LEADING vs. LAGGING KPIs

- LAGGING: # of management requests received/performed
- LEADING: # of meetings held with business leaders each quarter
- LEADING: # of meetings needed to secure a management request

IAC Article: [Creating a v1 of Internal Audit's Strategic Plan](#)

TOR Article: [Managing Leading & Lagging Indicators for Improved IA Performance](#)

FINDING 5

Top-tier CAEs require their managers to understand and manage to **individual team members' "motivators."**

Domain: Leader to Your Team

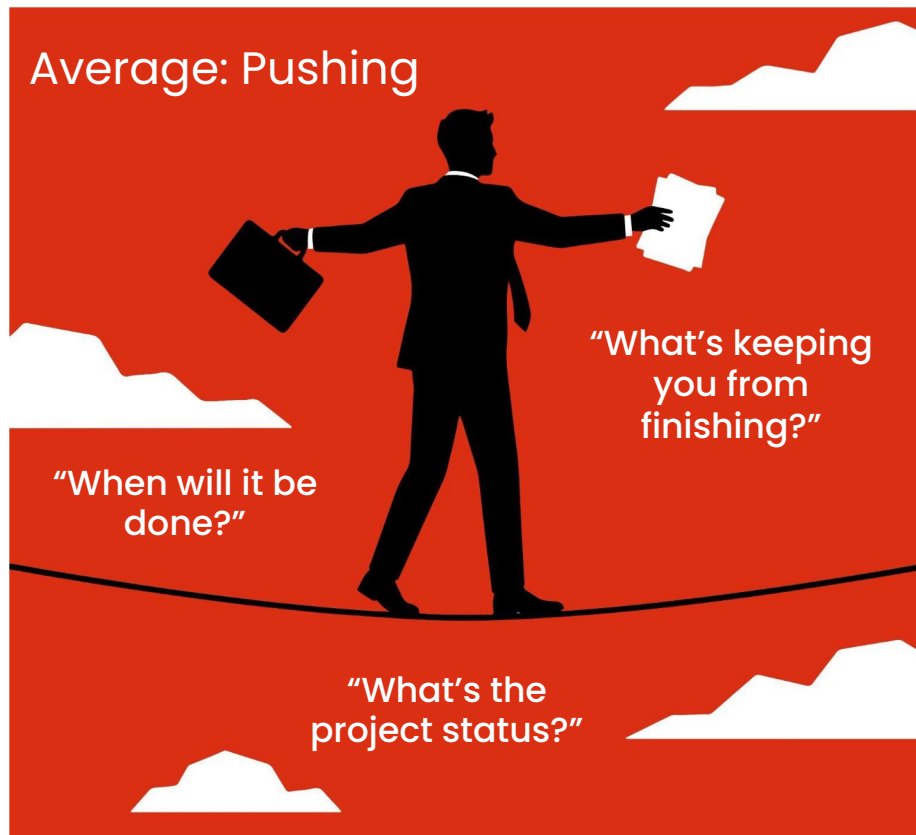
Q: Do you actively ensure that all people managers on your team — not just yourself — are expected to understand and tailor their approach to each person's individual motivators?

Data Point	Top-Tier CAEs	Everyone Else	Gap
Formal expectation that all people managers understand team motivators	58%	33%	25%

Top-tier CAEs = Q2.0 ≥ 9 (n=45) vs. everyone else (n=67).

What's the difference?

Average: Pushing



Great: Motivating



HOW TO LEVEL UP

1. 1:1s are not status updates. Understand how they're doing and why.
2. These motivators need to be a part of the leadership conversation.
3. Check it as you'd check any other expectation: Ask managers directly; don't just infer from morale surveys.

SEEK TO UNDERSTAND THE "WHY" DURING

- The interview process
- Onboarding
- During all conversations
(listen for it!)

These are all opportunities to (1) understand "what's in it for them?" and (2) tie those goals back to their work.

FINDING 6

Top-tier CAEs tend to use **multiple methods to recognize** their team members.

Possible survey responses:

- Public recognition (team or company-wide)
- Visible advocacy for promotions
- Formal recognition/awards program
- Spot bonuses or spontaneous rewards

Q: Which of the following recognition practices have you used with your team in the past 12 months?

Data Point	Top-Tier CAEs	Everyone Else	Gap
Average # of recognition methods used in past 12 months	2.4	1.9	0.5
% using 2 or more recognition methods	84%	66%	18%
% using 3 or more recognition methods	49%	28%	21%

Top tier = Q2.0 ≥ 9 (n=45) vs. everyone else (n=67).

What's the difference?

Average: Complacent



Great: Strategic & Specific



WHAT GREAT LOOKS LIKE + HOW TO LEVEL UP



Tom Sanglier
CAE
Leidos

Enabling rotation opportunities for team members seeking additional experience across the business ☒

6- to 9-month rotations to “swap” jobs with someone else in the business.

1. Don't rely on a single lever for recognition. The data pattern isn't about doing one thing well — it's about doing more than one thing.
2. Audit which methods your team uses.
3. Get creative about improving, tailoring to individual motivators.

IAC Article: [How to Build a World-Class Internal Audit Department with Non-Traditional Staffing](#)

FINDING 7

Top-tier CAEs **establish themselves as leaders** within their industry.

Q: How many peer CAEs are in your active professional network (i.e., people you can reach out to for advice/perspective)?

Data Point	Top-Tier CAEs	Everyone Else
Peer network size (est. midpoint)	6.7	5.6

Q: Which professional activities have you engaged in over the past 12 months? (active involvement in industry associations, mentoring outside your organization, speaking at industry events)

# of types of professional activities in the past 12 months	2.1	1.4
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Top tier = Q4.0 ≥ 8 (n=33) vs. everyone else (n=79).

Domain: Leader to the Profession

WHAT GREAT LOOKS LIKE



Puran Sampat
CAE
NCR Voyix



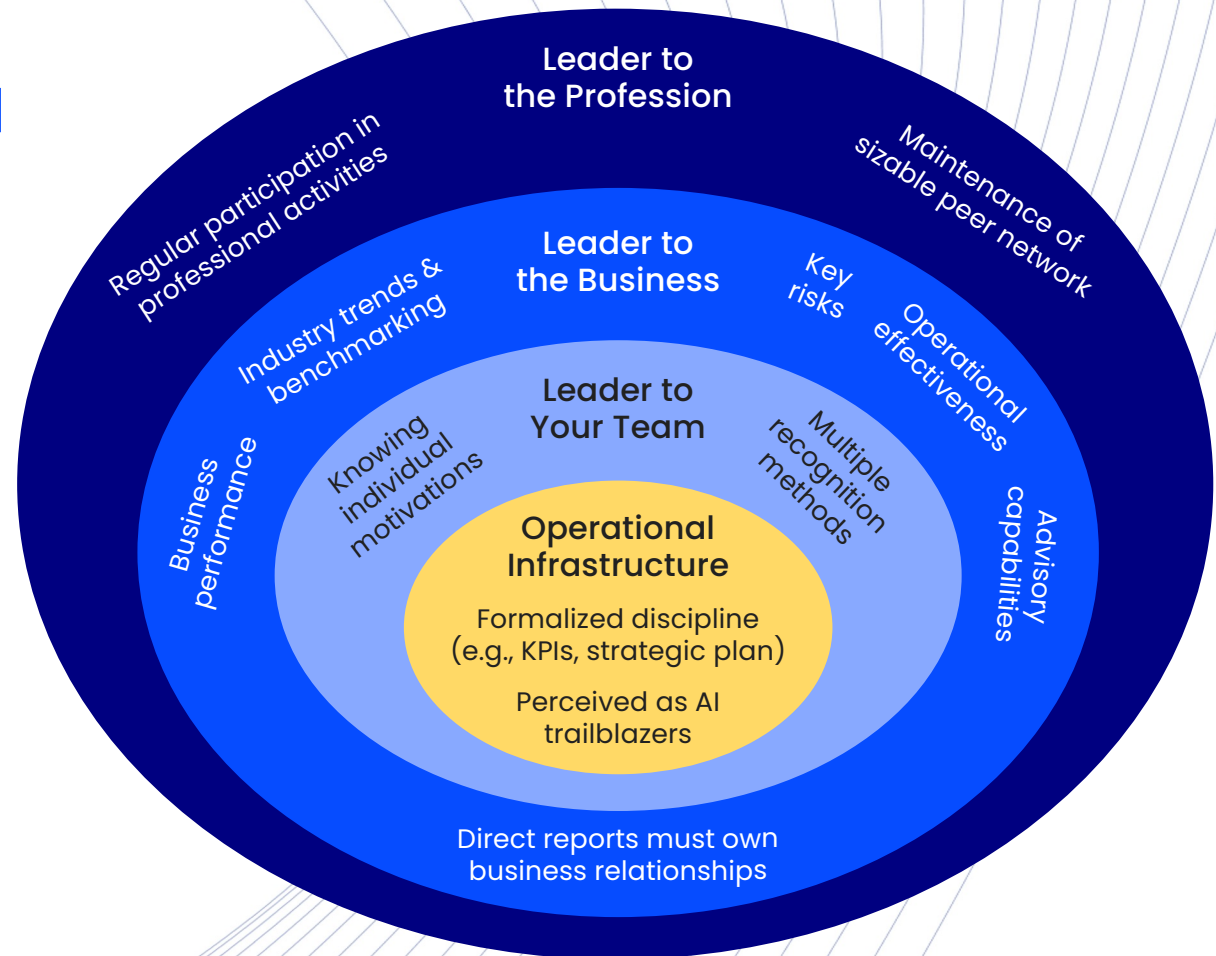
IAC Article: [A 10-Step Guide to Develop your Professional Network](#)

How will you become a better leader?

IMPLEMENTING TOP-TIER LEADERSHIP FROM THE INSIDE OUT

- Enhance operational and AI discipline
- Understand and recognize your team
- Delegate relationships to direct reports
- Deliver proactive business information and insight
- Increase advisory awareness
- Be seen as an industry leader

SUMMARY CALL-TO-ACTION



TOP-TIER LEADERSHIP FOR NON-CAEs

FINDING	CAE DIRECT	MANAGER	SENIOR	STAFF
 Regularly talk about the business WITH the business	Just start your own conversations.	Aggregate interesting facts across all of IA's work.	Ride along, take notes, and learn.	Do proactive research. Share it with your team.
 Require direct reports to own business relationships	Take the initiative to meet with more leaders.	Create a mid-level manager mastermind.	Network with your peers.	
 Get one step ahead of the biz on AI adoption	Take the lead on driving team-wide AI adoption.		Use AI in your day-to-day work. Share your enablers and lessons learned.	
 Formalize and enhance operational discipline	Share examples of IA strategic plans (what others do).	Offer to document strategic plan and gather data.	Volunteer to lead an initiative from the plan.	Volunteer to help drive an initiative from the plan.

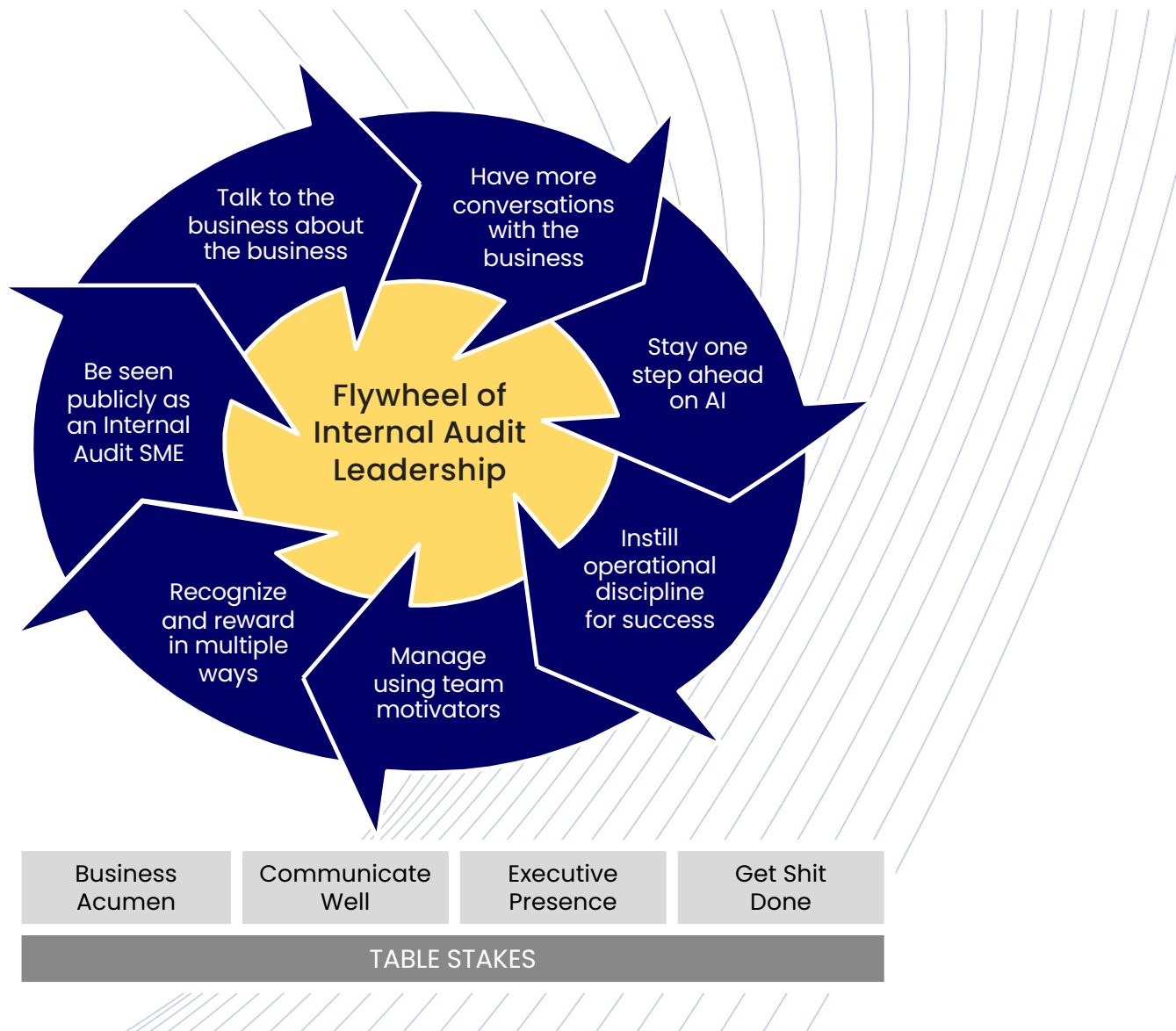
TOP-TIER LEADERSHIP FOR NON-CAEs

FINDING	CAE DIRECT	MANAGER	SENIOR	STAFF
 Understand individuals' motivators	Make more time for one-on-ones. Share with leaders.	Discuss with your staff and seniors often.	Be open, honest, and vulnerable. Share what you want to do.	
 Use multiple methods to recognize individuals	Pick a recognition method and do it.		Socialize leading practices and give credit.	Become known as someone who gives shoutouts.
 Establish yourself as a leader in the profession	"Take my spot next year."	Co-present with a peer at a chapter event.	Showcase your expertise to your team.	Pick one thing to become known for.

Ask for Forgiveness — Not Permission

THE FLYWHEEL GOES FASTER...

- More years of experience
- More feedback
- More attempts



Do not build fortresses to
protect yourself—isolation
is dangerous

• • • • •

Robert Greene
The 48 Laws of Power

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Join the Collective



No pitches. No spam. Just community.



Join an online, "managed" community for SOX and Internal Audit professionals

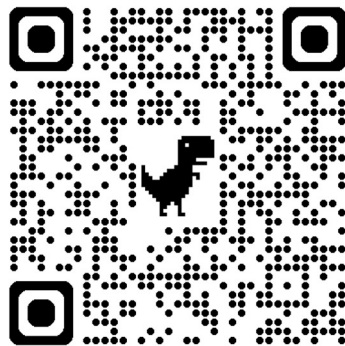


Membership site designed to help practitioners network, share, learn, and grow



Access an online resource to ask questions, get feedback, and exchange ideas with your peers

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