

Compliance burden 'compromises internal audit' IIA fears 'time-consuming distraction'

Regulatory compliance pressures have affected the ability of chief audit executives to complete thorough audits, according to new research.

A study, *Evolving Roles of Internal Audit*, was commissioned by analysis software group ACL Services with the Institute of Internal Auditors.

It says the burden of compliance has hit companies hard and the results highlight the challenge posed by compliance regulations that require them to assess the effectiveness of internal controls on an ongoing basis.

Key findings show:

- One in five audit executives felt their department's independence was compromised by their involvement in compliance programmes
- Some 36% of organisations have adopted a continuous auditing approach across either all or within select business processes
- Around 39% plan to implement continuous auditing in the near future
- A shortage of skilled internal audit staff was identified as the most critical challenge to fulfilling the internal audit market (68%)
- Other challenges were the complexity of the IT environment (65%) and the lack of ownership for controls and related risks (62%)

IIA president Dave Richards said: 'Compliance can be a time-consuming distraction of internal auditing's focus from its day-to-day responsibilities. If this prevents the internal auditors from completing the audit plan, it leaves companies wide open to a vast array of other risks that should be assessed and monitored.'