

# Internal Audit Benchmarks

## Evolving Risk Landscape Refocuses Healthcare Audit Priorities Part 2

By Rhyn Page, MHA, and Kendalyn Rising, MHA

*Protiviti and the Association of Healthcare Internal Auditors (AHIA) partner to conduct an annual study examining internal audit functions across a wide range of healthcare provider, payer and integrated delivery systems. The results of the study, with 79 organizations participating this year, are split into a two-part publication. The first, “[Evolving Risk Landscape Refocuses Healthcare Audit Priorities](#),” released in August 2025, reveals top internal audit plan priorities across those organizations.*

The second part of the study, further described below, provides internal audit department benchmarking data across the following key areas:

- A. Budgets
- B. Staffing
- C. Training/education
- D. Co-sourcing practices
- E. Assurance and advisory breakdowns
- F. Coordination
- G. Governance/structures
- H. Adherence to the Institute of Internal Auditors (IIA) and Sarbanes-Oxley (SOX) standards
- I. Emerging technology proficiency
- J. Approach to risk assessment and follow-ups
- K. Approach/involvement with fraud risk management and enterprise risk management (ERM)

### Key takeaways

- I. The top three audit areas by hour allocation have remained consistent across the past three years (2023–2025): operational, financial/accounting and IT audits. Notably, clinical audits moved up in priority, ranking eighth in both the 2023 and 2024 studies but rising to fifth in the 2025 study.
- II. Related to where organizations co-source most often, two of the top three areas from last year’s study remain unchanged (IT and financial audits). New in this year’s

top three is operational audits, shifting revenue cycle to number four.

- III. Smaller organizations are allocating more hours per project (250+ hours) in 2025 compared to 2024. In contrast, larger organizations have remained consistent in their hour allocations across both years.
- IV. Proficiency/maturity in the use of emerging technologies within internal audit have improved significantly since last year’s study, with advanced analytics showing the most notable progress.
- V. The percentage of organizations conducting risk assessments more frequently than once a year rose slightly from 36% in 2024 to 39% in 2025.
- VI. This year, 25% of organizations report not having an ERM program, up from 16% in 2024. Among those without a program, 45% cite lack of budget as the reason, compared to just 9% in the prior year.
- VII. Internal, audit departments predominantly report functionally to the Audit Committee, which remains the gold standard for independence and oversight.
- VIII. The departments outside of Internal Audit that report to the Audit Committee, when compared to the 2024 results, have shifted with notable decreases across Compliance, External Audit, and Information Security.
- IX. Less than half of organizations indicated that they have fully implemented the IIA’s new Global Internal Audit Standards™.



## Survey benchmarking results

### *Internal audit budgets and resourcing*

This section highlights how internal audit departments are resourced and structured, including budget and staffing comparisons, audit planning hours, staff development investments and co-sourcing trends with third-party firms.

**Exhibit 1: Annual internal audit department budget by organizational revenue**

Survey Respondents %		10%	20%	25%	28%	13%	3%	1%
Organizational Annual Revenue (billions)		<\$0.5	\$0.5–\$0.999	\$1–\$4.99	\$5–\$9.99	\$10–\$19.99	\$20+	Unsure
Annual Internal Audit Budget (millions)	\$3+				4%	10%	100%	
	\$2.5–\$2.999			10%	5%	40%		
	\$2–\$2.499				41%	30%		
	\$1.5–\$1.999		12%	5%				
	\$1.25–\$1.499		6%		9%			
	\$1–\$1.249	12%	6%	10%	23%			
	\$0.75–\$0.999	25%	19%	25%	9%			
	\$0.5–\$0.749	38%	13%	20%	5%	10%		
	\$0.25–\$0.499	12%	44%	15%	4%			
	< \$0.25	13%		15%				
	Unsure					10%		100%

**Exhibit 2: Hours budgeted to cover annual internal audit plan by organizational revenue**

Survey Respondents %		10%	20%	25%	28%	13%	3%	1%
Organizational Annual Revenue (billions)		<\$0.5	\$0.5–\$0.999	\$1–\$4.99	\$5–\$9.99	\$10–\$19.99	\$20+	Unsure
Annual Internal Audit Hours Budget	15,000+			5%	9%	30%	100%	100%
	10,000–14,999	25%		10%	32%	30%		
	7,500–9,999	13%	13%	15%	27%	20%		
	4,000–7,499	37%	25%	35%	18%	20%		
	2,000–3,999		38%	10%	14%			
	1,000–1,999	13%	18%	25%				
	<1,000	12%	6%					

Exhibit 3: Count of internal audit department staff size by organizational revenue

Survey Respondents %		10%	20%	25%	28%	13%	3%	1%
Organizational Annual Revenue (billions)		<\$0.5	\$0.5–\$0.999	\$1–\$4.99	\$5–\$9.99	\$10–\$19.99	\$20+	Unsure
Internal Audit Staff Size	20+					40%	100%	
	15–19			10%	5%	20%		100%
	10–14	25%	13%	10%	36%	30%		
	6–9	25%	37%	15%	27%	10%		
	3–5	13%	25%	40%	18%			
	1–2		25%	10%	5%			
	0 or fully outsourced	37%		15%	9%			

Exhibit 4: Organizational funded hours for training/education per internal audit staff member per year

Hours	In-House Trainings	External AHIA Trainings	Other External Trainings
21+	33%	30%	52%
11–20	18%	23%	23%
1–10	28%	27%	15%
0	21%	20%	10%

Exhibit 5: Audit areas where organizations co-source with a strategic partner/third-party vendor (multiple responses permitted)

Information Technology (IT) Audits	49%
Financial & Accounting Audits	38%
Operational Audits	37%
Revenue Cycle Audits	35%
Coding Audits	34%
Third Party/Joint Venture Audits	32%
Clinical Audits	29%
Compliance Audits	30%
Do Not Co-source Any Audits	9%
Unsure	4%

**Internal audit planning and coordination**

This section provides insights into assurance and advisory project breakdowns by project counts and hours assigned, along with hours allocated by category/area of coverage and the extent of internal audit collaboration across departments.

Exhibit 6: Count of assurance projects on an annual internal audit plan by organizational revenue

Survey Respondents %		10%	20%	25%	28%	13%	3%	1%
Organizational Annual Revenue (billions)		<\$0.5	\$0.5–\$0.999	\$1–\$4.99	\$5–\$9.99	\$10–\$19.99	\$20+	Unsure
Count of Assurance Projects	35+	25%	6%	10%	9%	30%		
	30–34		6%	5%			50%	100%
	25–29	13%	13%	10%	5%	20%		
	20–24		19%	15%	18%			
	15–19	25%	31%		23%	30%		
	10–14		19%	35%	27%	10%		
	<10	37%	6%	25%	18%	10%	50%	

Exhibit 7: Count of advisory projects on an annual internal audit plan by organizational revenue

Survey Respondents %		10%	20%	25%	28%	13%	3%	1%
Organizational Annual Revenue (billions)		<\$0.5	\$0.5–\$0.999	\$1–\$4.99	\$5–\$9.99	\$10–\$19.99	\$20+	Unsure
Count of Advisory Projects	35+		6%	5%			50%	
	30–34	13%	6%	10%	9%	20%		
	25–29	12%	13%	5%				
	20–24	12%	19%		9%			
	15–19	13%	31%	5%	14%	10%		
	10–14		6%			50%	50%	
	<10	50%	19%	75%	68%	20%		100%

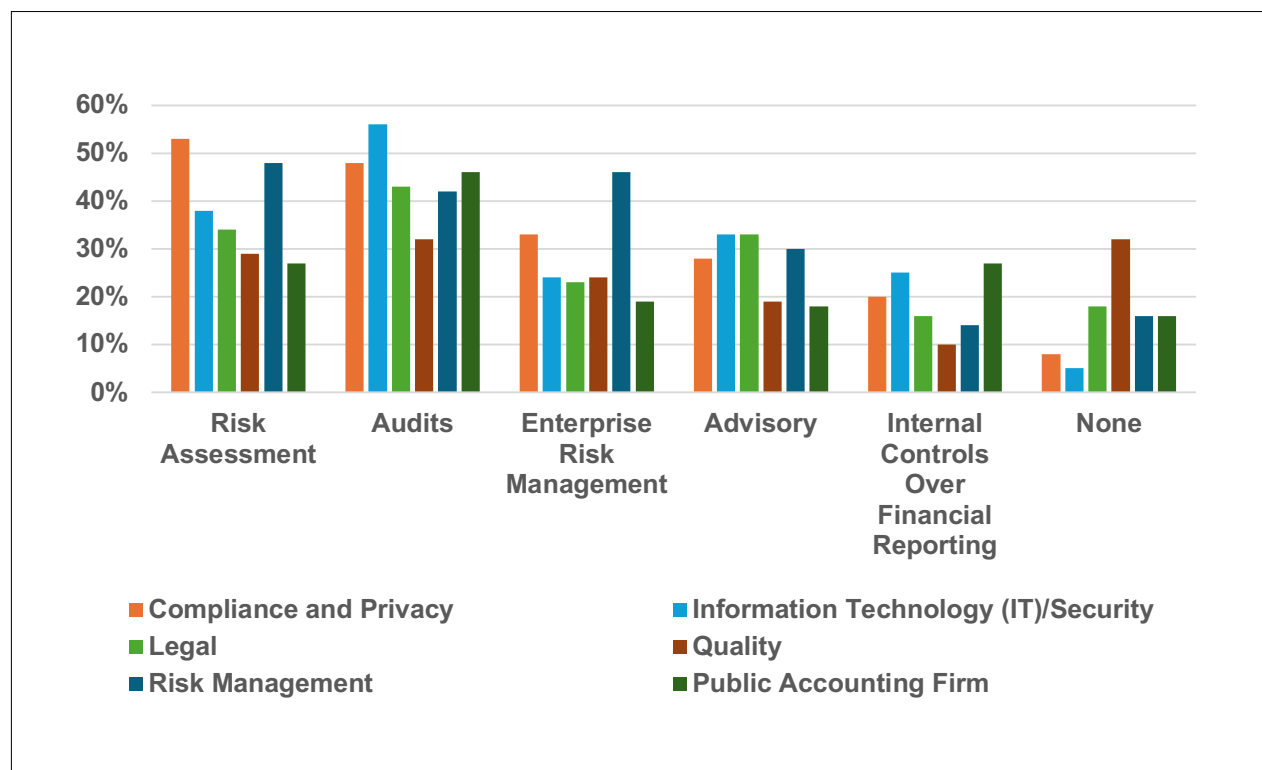
Exhibit 8: Average number of hours per assurance project on an annual internal audit plan by organizational revenue

Survey Respondents %		10%	20%	25%	28%	13%	3%	1%
Organizational Annual Revenue (billions)		<\$0.5	\$0.5–\$0.999	\$1–\$4.99	\$5–\$9.99	\$10–\$19.99	\$20+	Unsure
Hours per Assurance Project	400+			5%	23%	30%	50%	
	350–399	25%		15%	9%		50%	
	300–349		12%	30%	18%	20%		
	250–299	37%	19%	15%	32%	20%		100%
	200–249	13%	19%	15%		10%		
	100–199	13%	44%	15%	18%	20%		
	<100	12%	6%	5%				

Exhibit 9: Average number of hours per advisory project on an annual internal audit plan by organizational revenue

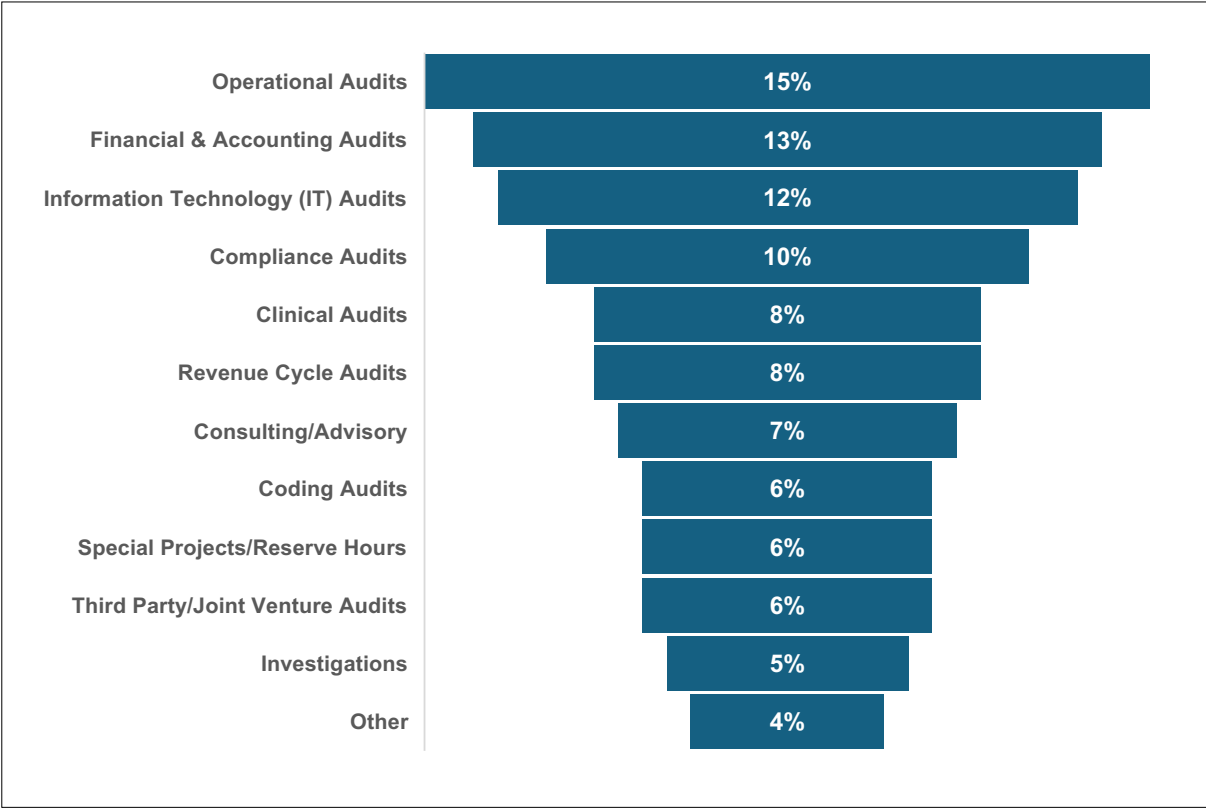
Survey Respondents %		10%	20%	25%	28%	13%	3%	1%
Organizational Annual Revenue (billions)		<\$0.5	\$0.5–\$0.999	\$1–\$4.99	\$5–\$9.99	\$10–\$19.99	\$20+	Unsure
Hours per Advisory Project	400+		6%		9%		50%	
	350–399	25%	6%	5%	9%			
	300–349	12%	6%	35%	13%	10%		
	250–299		25%	5%	23%			100%
	200–249	13%	19%	15%	19%	60%		
	100–199	38%	32%	25%	18%	30%	50%	
	<100	12%	6%	15%	9%			

Exhibit 10: Frequency in which internal audit coordinates with various departments during projects (multiple responses permitted)



*The IIA's new Global Internal Audit Standards have been fully implemented by 43% of survey respondents.*

Exhibit 11: Allocation of time budgeted by audit area



*Internal audit strategies and oversight*

This section explores governance and operational benchmarks, including reporting structures, audit committee oversight, adoption of the IIA's Global Internal Audit Standards, SOX compliance philosophy, risk assessment and follow-up frequencies, emerging technologies proficiency and internal audit's roles in fraud risk management and ERM.

Exhibit 12: Internal audit reporting lines (administratively vs. functionally)

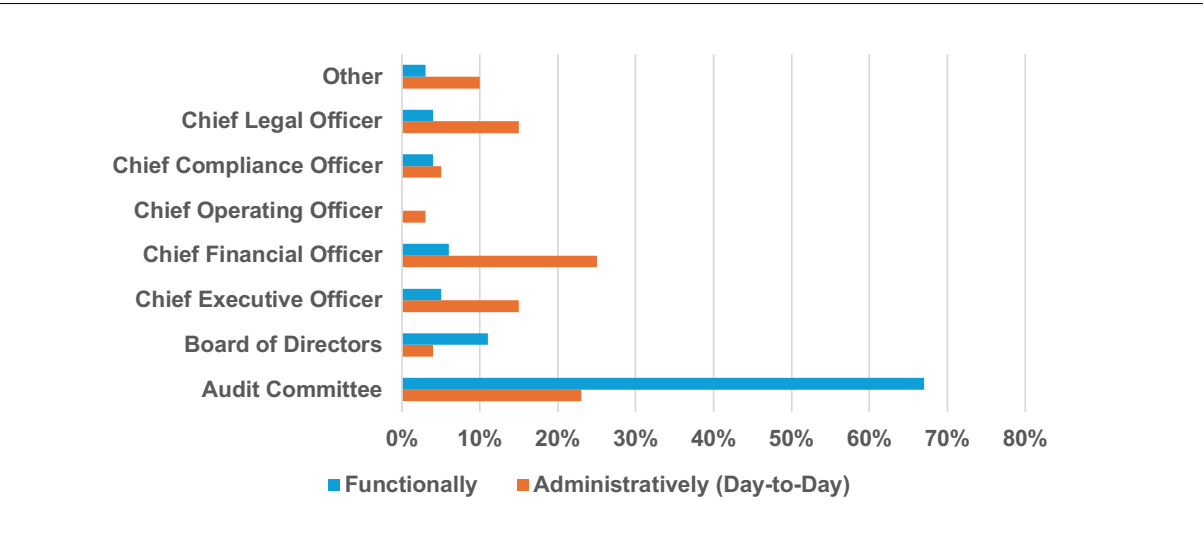
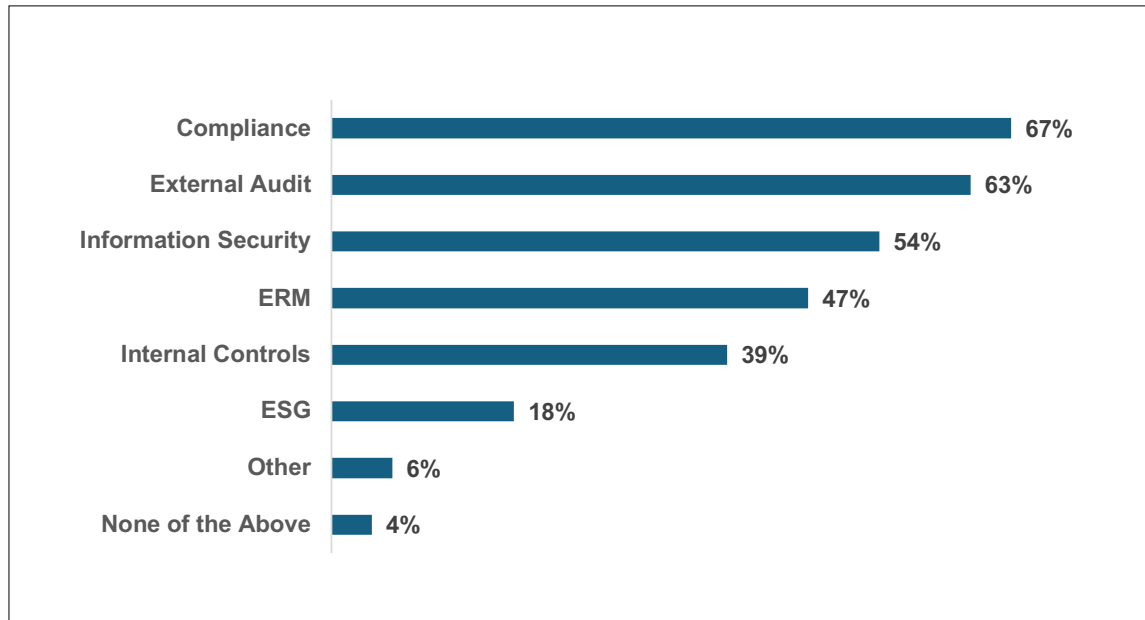
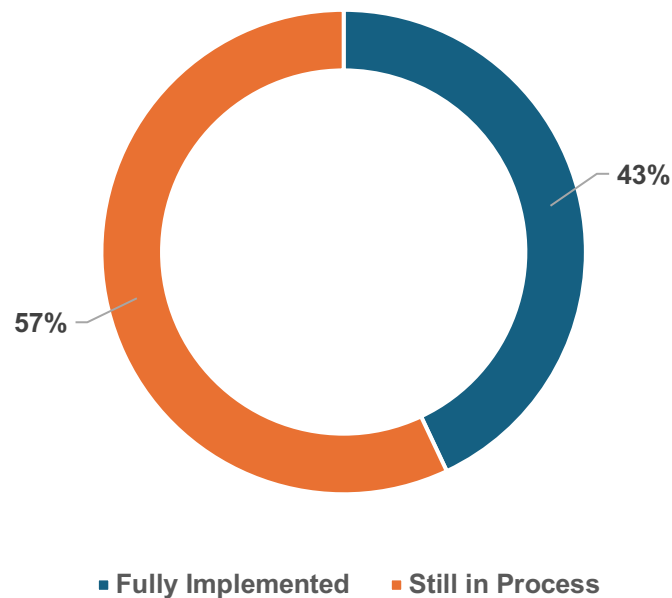


Exhibit 13: Other departments/functions that report to the Audit Committee  
(multiple responses permitted)



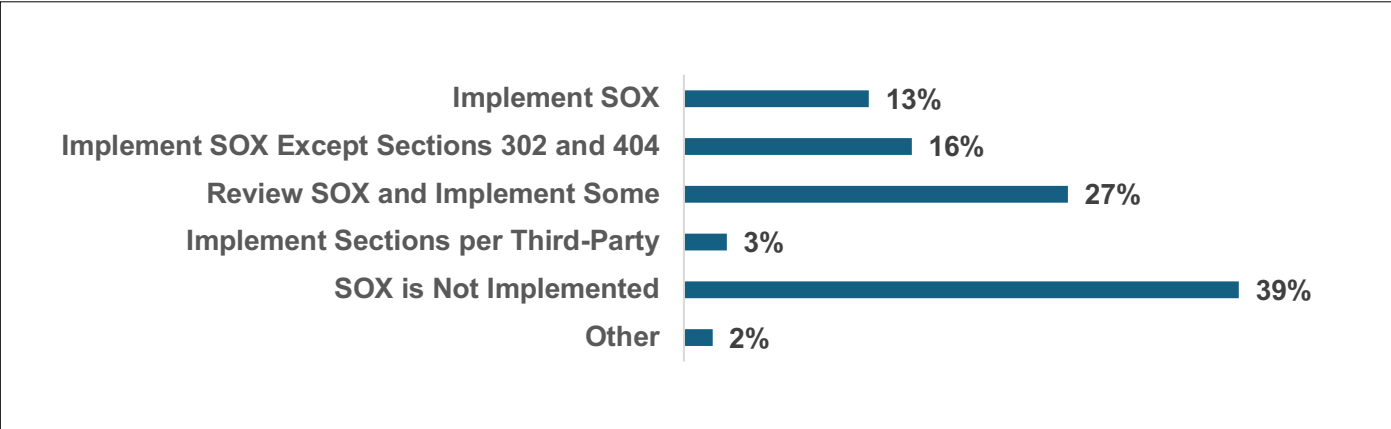
ESG: Environmental, social, and governance

Exhibit 14: Extent to which the IIA's new Global Internal Audit Standards have been implemented



*Only 4% of survey respondents do not have a formal follow-up process for outstanding action plans.*

Exhibit 15: Organization’s compliance philosophy with Sarbanes-Oxley Act (SOX)



What are [SOX Sections 302 and 404](#)?

In 2002, Congress enacted the Sarbanes-Oxley Act (SOX) into federal law to improve the financial reporting of Securities and Exchange Commission (SEC) issuers (all public companies). Section 302 requires the CEO and CFO to provide certain certifications about financial reporting based on internal control performance. Section 404 requires management to assess the effectiveness of internal controls over financial reporting to improve the accuracy of a company’s financial reporting.

Exhibit 16: Internal audit level of proficiency for emerging technologies

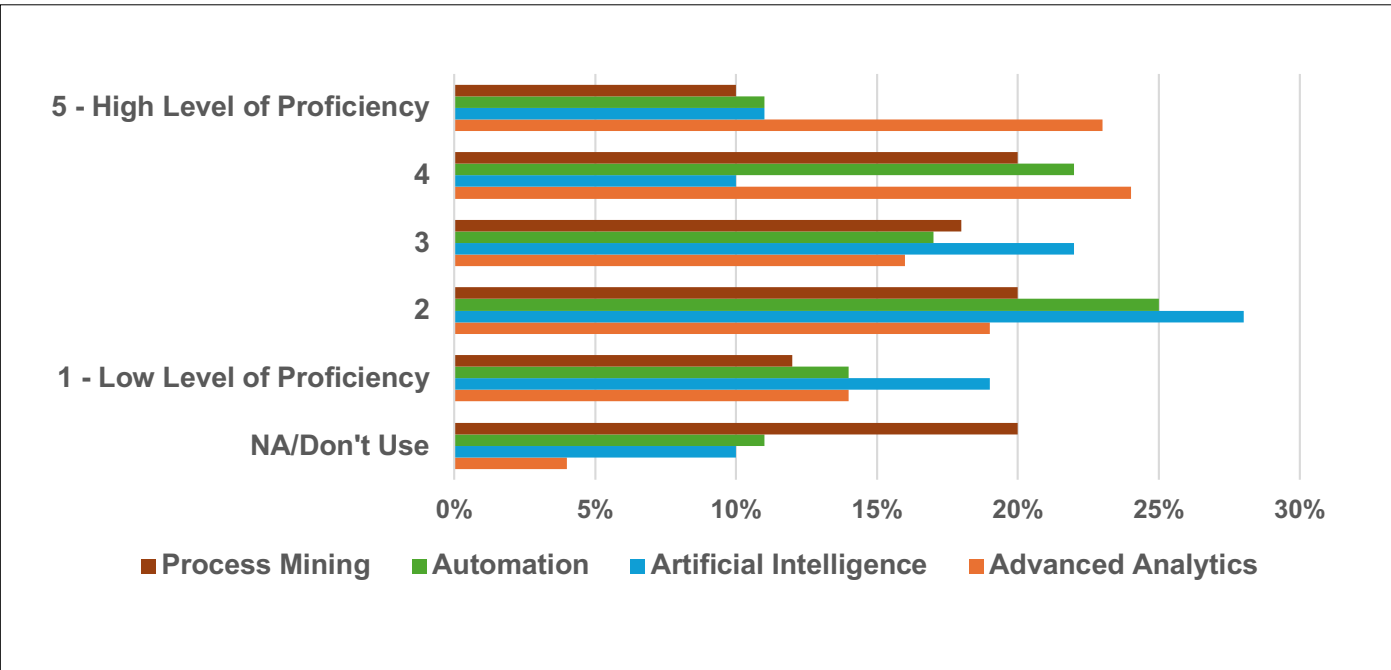




Exhibit 17: Frequency of risk assessment process

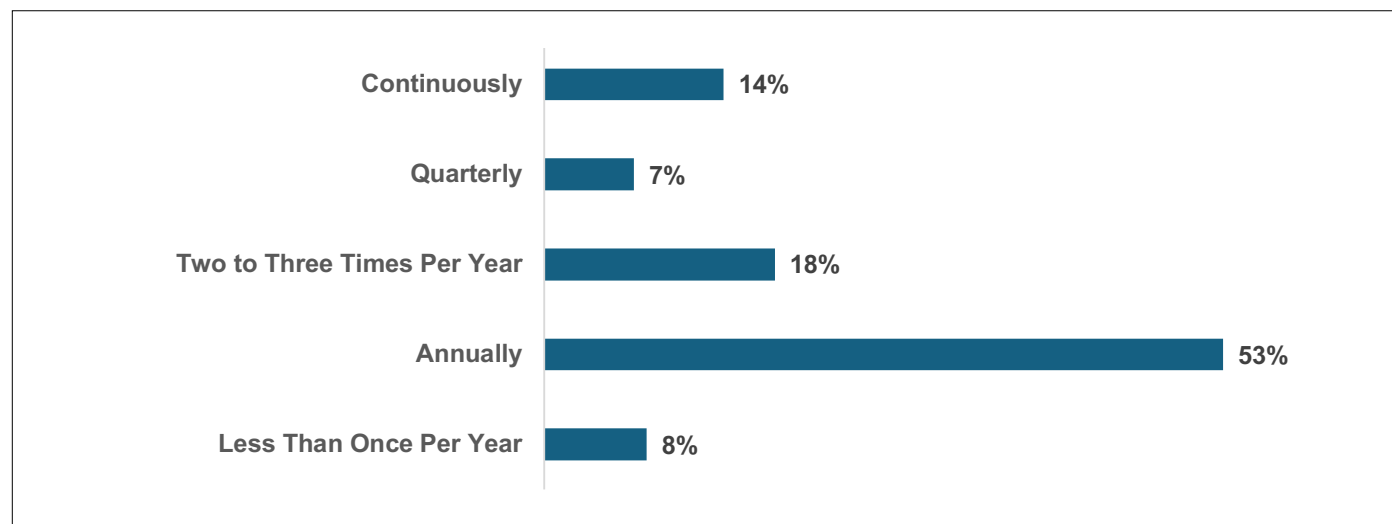


Exhibit 18: If continuously, how is risk assessment performed? (multiple responses permitted)

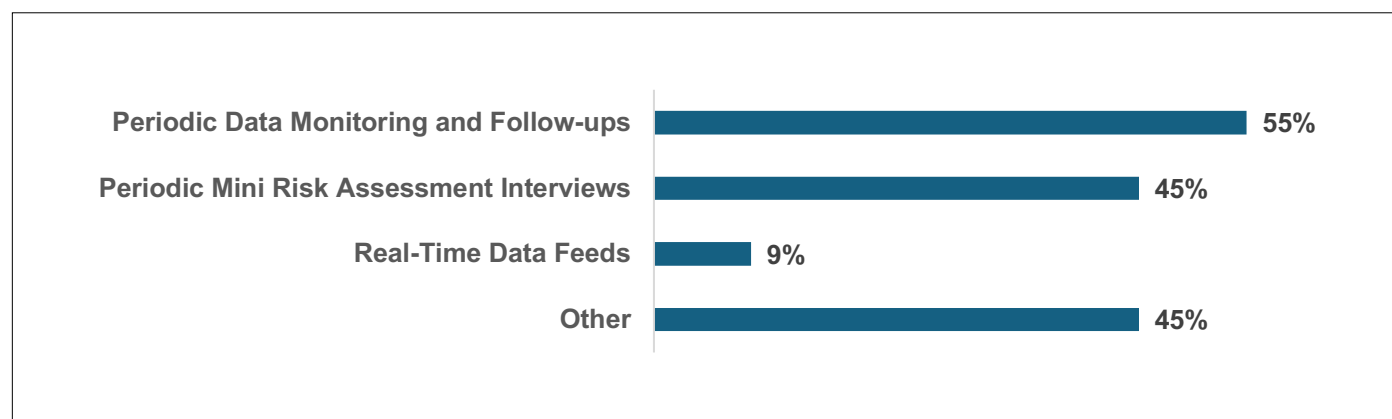


Exhibit 19: Frequency of following up on outstanding action plans

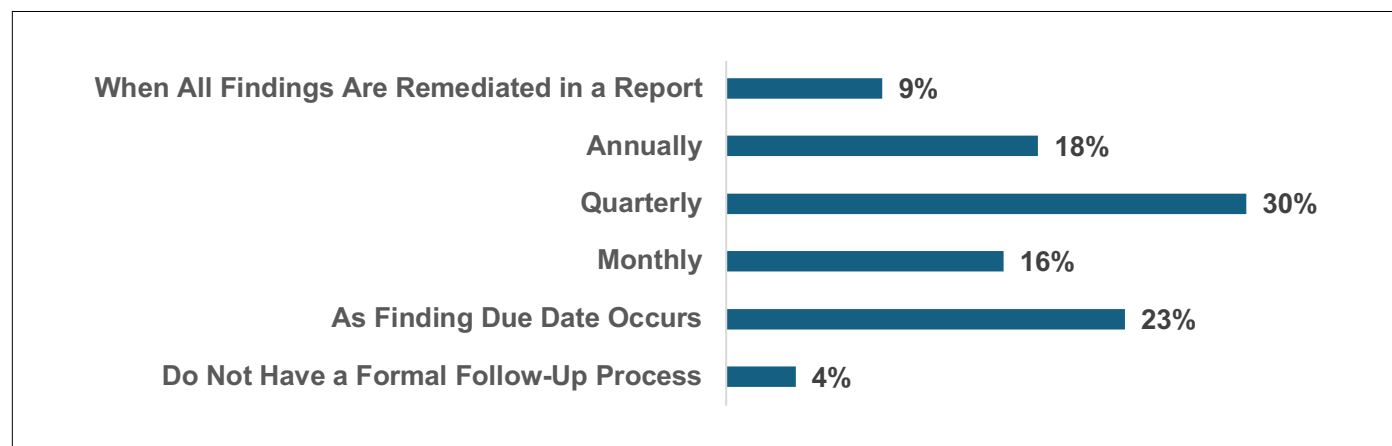


Exhibit 20: Role of internal audit as it relates to fraud risk management (multiple responses permitted)



Exhibit 21: Role of internal audit as it relates to enterprise risk management (ERM)

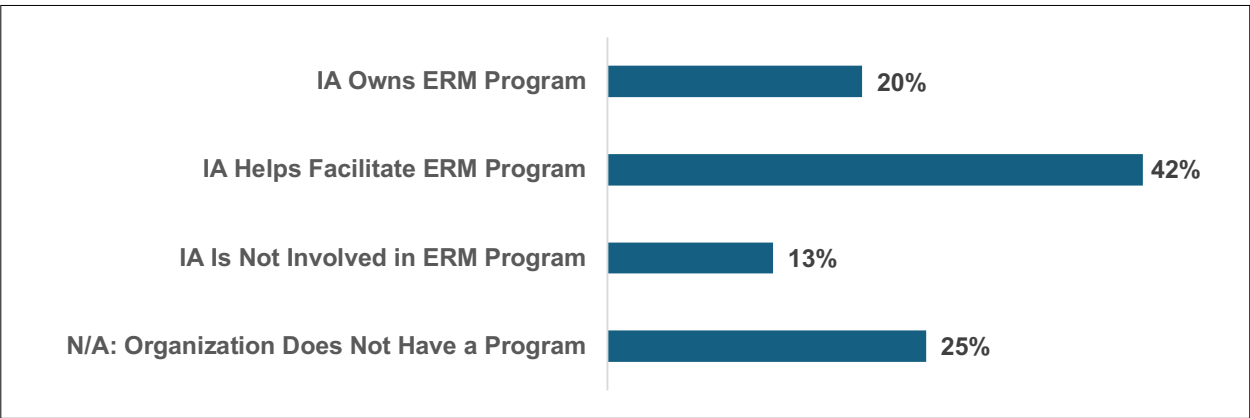
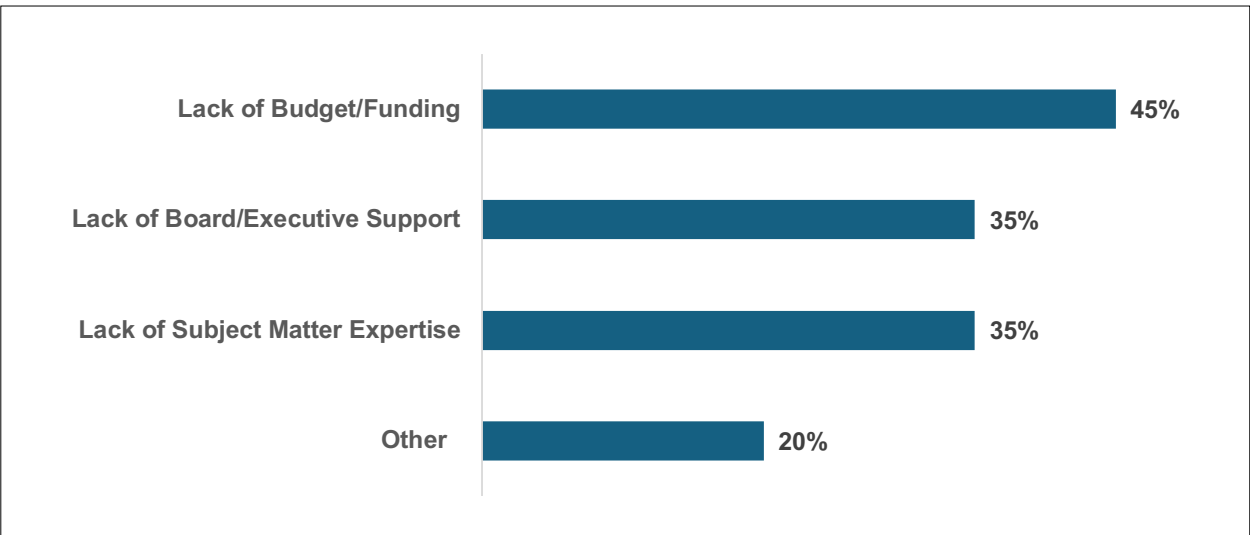
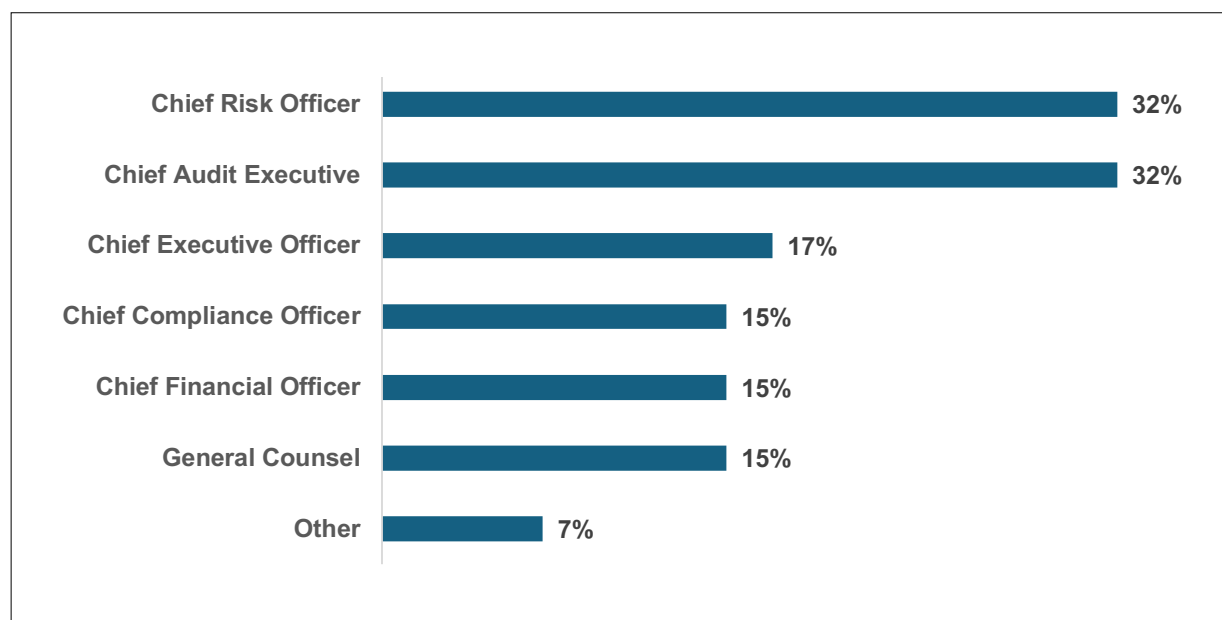


Exhibit 22: Reason why an ERM program does not exist in the organization (multiple responses permitted)



### Exhibit 23: Role with responsibility for leading the ERM process if one exists in the organization (multiple responses permitted)



### Closing remarks

Internal audit functions in healthcare are on the brink of transformative change, driven by growing demands for innovation and agility amid rising organizational complexity. Protiviti's inaugural AI Pulse Survey (conducted earlier in 2025 and separate from the AHIA survey) revealed that healthcare organizations are actively piloting and integrating AI, particularly in IT, operations and customer service. However, these organizations continue to face challenges related to integration, data accessibility and skills.

As digital transformation accelerates, early adopters in internal audit are well positioned to elevate audit quality, deliver deeper insights and enhance their strategic value.

Our future studies will increasingly spotlight the use of AI and emerging technologies, illustrating how internal audit functions are evolving to become more adaptive, forward-looking and committed to continuous innovation. **NP**

*The Association of Healthcare Internal Auditors (AHIA.org) is an international organization dedicated to the advancement of the healthcare internal auditing profession, which includes disciplines*

*such as operational, compliance, clinical/medical, financial and information technology. AHIA provides leadership and advocacy to advance the healthcare internal audit profession by facilitating relevant education, certification, resources and networking opportunities.*

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***Lack of budget/funding is the most common reason why an organization does not have an ERM program.***