

From assurance to intelligence: the future of internal audit

Technology-enabled human judgment is reshaping internal audit's role as a source of forward-looking risk and decision intelligence.

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Executive summary

Today's approaches to internal auditing will not work tomorrow.

Here's the reality: Internal audit's traditional operating model will soon be insufficient to meet the organization's needs. While our profession has evolved over time from a primary focus on assurance toward greater advisory and broader business insights, most internal audit functions remain largely **hindsight-oriented**, validating performance and conformance of past events through periodic reviews and sample-based testing. In an enterprise shaped by rapid decision cycles, pervasive AI adoption and escalating complexity, compounded by an environment that remains highly volatile, unpredictable and even unreliable, this model is becoming misaligned with leadership needs.

In our view, there is a clear future-state mandate for internal audit: an evolution from a primary emphasis on retrospective assurance to a strategic role focused on delivering **risk and decision intelligence**. What do we mean by risk and decision intelligence? This refers to internal audit's ability to provide timely, relevant and high-quality risk context — grounded in independent judgment — **at or before the moment decisions are made**, rather than after the fact.



An important point: This evolution does not diminish internal audit's foundational responsibilities. Core assurance, independence and objectivity remain essential.¹ However, they must now be complemented **by earlier and ongoing engagement** in key strategic and other priority initiatives that strengthen risk and decision intelligence in fast-moving environments. This mandate reflects a progression from oversight and hindsight, through insight, toward foresight — a transition many CAEs understand must happen.

Another key point: This is not about predicting the future or assuming management's role in decision-making. Rather, it is about **equipping the organization's leaders with better risk information**, sooner, to help shape outcomes and improve decision quality.

Today, most internal audit functions operate in an uncomfortable middle ground. They are caught between rising expectations to move beyond hindsight-focused assurance, yet constrained by gaps in enabling capabilities — including skills, technology, data access and operating model design — that were developed for retrospective assurance rather than continuous, decision-adjacent engagement.

The challenge is no longer whether internal audit's core operating model should evolve, but rather **how clearly and deliberately it defines its future role** in alignment with where the organization is heading — not where it has been. As decision cycles accelerate and stakes rise, internal audit's ability to deliver relevant risk context at the speed of business increasingly defines its relevance and value.

In this paper, we define our vision for the future of internal audit. It serves as the first chapter in a broader series that will explore how internal audit can evolve its capabilities, organizational structure and operating model, talent approach, and stakeholder and strategic alignment to deliver on this mandate. The purpose here is to clarify where internal audit must go — and why — so leaders can align around a shared future-state vision before turning to execution.

¹ Assurance, independence and objectivity are among the core principles of The Institute of Internal Auditors' **Global Internal Audit Standards** (www.theiia.org/en/standards/2024-standards/global-internal-audit-standards/). In a series of articles (www.protiviti.com/us-en/blogs/understanding-global-internal-audit-standards), Protiviti assesses the impacts of these updates to the Standards, provides practical guidance for adopting the changes required for compliance and considers the opportunities for internal audit to move beyond conformance, with a particular emphasis on quality.

An internal audit future that won't wait

Internal audit's evolution has carried the profession from hindsight-focused assurance toward broader insight — though that progress has been uneven across the organization. It's now time to move toward a future state defined by **risk and decision intelligence**. Achieving this future state requires a fundamental transformation of the internal audit operating model.

In our 2025 white paper, *The next phase: AI and human collaboration powering internal audit transformation*, we noted that internal audit's growth and evolution depend on positioning technology enablement as an imperative, one that is complemented by an internal audit team possessing the right talent and skills and empowered to focus on delivering strategic insights and partnering effectively with leaders across the business and in other assurance functions.²

The good news is that in just a short period of time, many internal audit groups have advanced beyond the initial AI- and technology-enablement phase we introduced. Now, **the profession is starting to orient toward a more profound structural disruption**, calling for a broader internal audit transition from a primary focus on providing assurance to one concentrated on delivering risk and decision intelligence. And as noted in [recent research from the Internal Audit Foundation](#), given the accelerating risk velocity driven by digital disruption (including but not limited to AI), this transformation won't wait.³ That said, it's important to note that this is an evolution of emphasis, not a replacement of internal audit's core mandate.

² *The next phase: AI and human collaboration powering internal audit transformation*, Protiviti, June 2025: www.protiviti.com/sites/default/files/2025-07/next-phase-internal-audit-ai-human-collaboration-whitepaper-protiviti-global.pdf.

³ *2026 Risk in Focus: Hot topics for internal auditors*, Internal Audit Foundation: www.theiia.org/globalassets/site/foundation/latest-research-and-products/risk-in-focus/2026/2026-na-report-en-riskinfocus.pdf.



So, what do we mean by this future state? We define **risk and decision intelligence** as internal audit's ability to provide timely, relevant and high-quality risk context — grounded in independent judgment — at or before the moment decisions are made, rather than after the fact. Unlike traditional assurance, which explains outcomes once they are already fixed, risk and decision intelligence **improves decisions while outcomes are still variable, not after they're fixed**. Its value lies not in prediction or forecasting, but in enabling leaders to recognize tradeoffs, uncertainties and risk implications earlier, when insight can still influence direction.

Of note, this definition aligns with [commentary from The IIA](#) that emphasizes internal audit's expanding role in delivering decision-relevant risk insights and supporting strategic decision-making.⁴

How this disruption plays out — along with how internal audit's value proposition to the organization transitions — will depend on several factors, not least of which is the CAE's

vision and the speed and efficacy of their response. While internal audit functions will evolve at different paces and with varying degrees of initial success, a widening gap between legacy and even current-state thinking and the scale of the required transformation makes it **imperative for CAEs to start their transformation now**, regardless of the ultimate pace of change. Forward-looking internal audit leaders grasp both the significance and imperative of this transition.

We've established that internal audit's mandate and operating model must change. Now, let's take a look at the shifts that define the road ahead, followed by what this mandate requires for different areas of the internal audit function in terms of methodology, technology, talent, and stakeholder alignment and engagement.

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⁴ "Voice of the CEO: AI and Internal Audit: 5 Global Trends," Anthony Pugliese, *Internal Auditor*, June 30, 2025: <https://internalauditor.theiia.org/en/articles/2025/june/voice-of-the-ceo-ai-and-internal-audit-5-global-trends/>.

Disruptions that define the road ahead

For most internal audit functions, the transformation needed is significant, with most facets of how internal audit is organized and operates requiring a rethink to align with and support the future-ready state.

This is not to suggest that internal audit functions need to start from scratch. However, this is a necessary evolution to keep pace with ongoing change and orient internal audit toward where the operations and expectations of the broader business landscape are heading.

Internal audit functions will need to plan for and execute this transformation agenda in the midst of a turbulent and highly dynamic environment, **requiring shifts in focus and adjustments to audit plans**. Running the internal audit function while simultaneously transforming it is no small feat and will likely mean a multiyear journey, even if time is of the essence.

Among the necessary mindset changes, which likely need to be addressed as a collective:

- **Standard controls testing is on the path to obsolescence.** Intelligent automation capabilities are advancing at an incredible pace, and integration (through enterprise and proprietary deployments) is materially changing where and how time is spent. As these advancements converge, internal audit's traditional "look back" control testing role will likely become a thing of the past.
- **Technology enablement is an imperative.** Expectations for breadth, depth, timeliness and quality of internal audit coverage across the organization are increasing as technology (including AI) becomes more deeply embedded in enterprise systems and processes. Traditional audit approaches, roles and skillsets are becoming insufficient to meet these

expectations at scale and maximize the value of these technologies. Further, shifts and evolutions to the Three Lines Model are expected in the coming years, as AI enables ongoing monitoring, alerting and validation/testing in near real time, at the point at which a transaction or process activity is occurring. This will shift the focus and responsibilities across each of the three lines and will require a change in scope, approach and focus from internal audit.

- **Talent strategies and structures will change.** As more internal audit activities and processes are automated, internal audit roles and organizational charts require redesign. While new technology skills are needed, intelligent automation elevates the value of distinctly human work — judgment, skepticism, and the ability to build trust and communicate with credibility. This is not uniquely an internal audit challenge; it's one that all functional leaders face. Traditional training, as well as learning and

development practices (including those leaning heavily on experiential learning), will no longer be sufficient.

- **Strategic alignment and stakeholder engagement are intensifying.** Boards, audit committees and C-suite leaders are placing greater emphasis on timely risk and decision intelligence as organizations confront faster decision cycles and a greater number of complex and frequently shifting risk profiles. As a result, expectations of internal audit's value — and what it should inform — are shifting from traditional, backward-looking coverage to forward-looking risk and decision intelligence. Further, there is an increasing need and expectation for internal audit to be leaning into emerging “hard to audit” areas, providing advisory input (in real time) and timely insight to support decision-making.

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AI and technology enablement: Embrace a structural shift

The vision for technology enablement must go beyond AI adoption. In our view, as AI advances beyond a tool layer to functioning as an integrated and structural component of audit teams, the discussion must shift from *"How do we use AI?"* to *"How does technology transform internal audit's organizational structure, staffing model, and ability to deliver valuable insights to support risk and decision intelligence?"* This is a [perspective shared by The IIA](#), which positions AI as reshaping how audit work is structured and prioritized rather than merely automating existing activities.⁵

This conversation has major implications on assurance approaches (including but not limited to enterprisewide AI governance), supporting tools and talent models, yet few internal audit groups can envision what their near-future, technology-enabled state looks like. **The CAE needs to develop a clear blueprint of this future operating model** (at least as best as it can currently be defined) before scaling adoption and integration of enabling technologies, with a particular emphasis on AI.

This is not to say exploration and experimentation should be discouraged. In fact, we advise the opposite — both represent excellent mechanisms to increase awareness and capability and prove out value. The point here is there needs to be a clear view of the destination the internal audit function is looking to reach through its technology enablement efforts, so that there is **alignment around the vision and direction** (both within the team and among key stakeholders), as well as focus associated with the team's efforts.

⁵ *Transforming Audit Through AI — Global Best Practices (2025)*, The Institute of Internal Auditors: www.theiia.org/en/content/articles/global-best-practices/2025/transforming-audit-through-ai/.



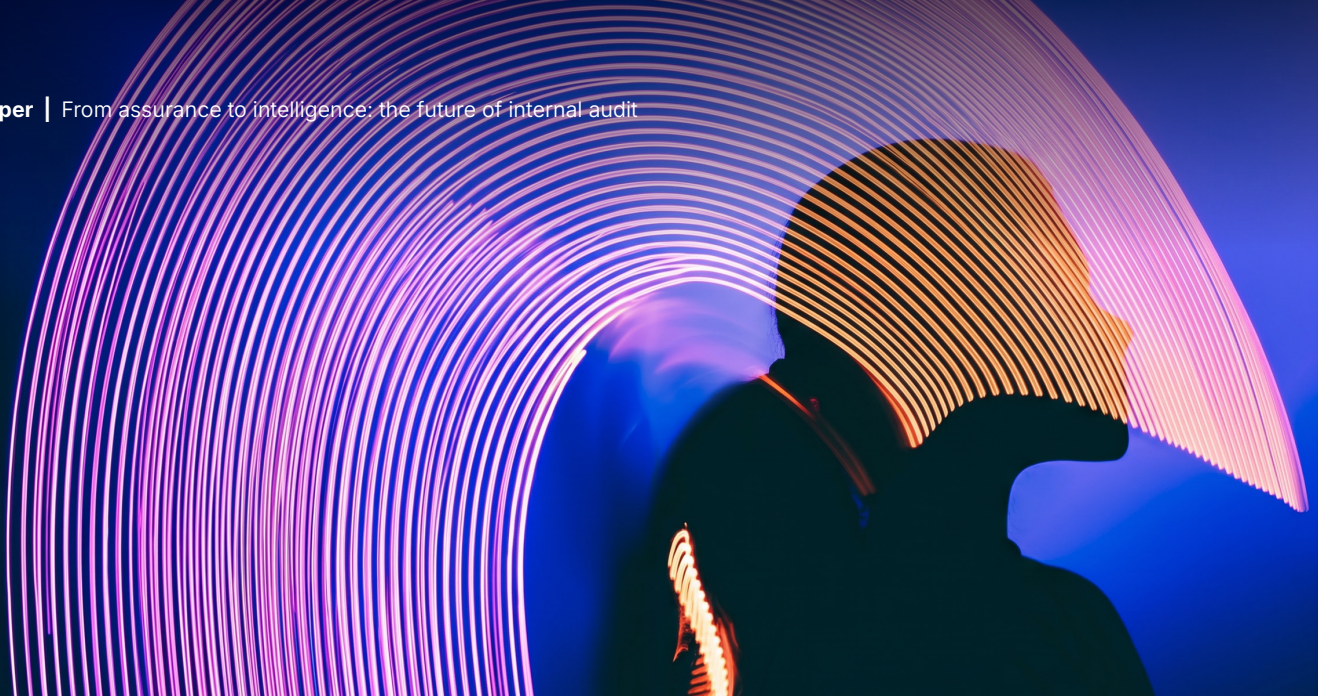
Consider these developments and signals as the future internal audit blueprint comes into focus:

- **AI- and agent-enabled capabilities will reshape how internal audit work is performed.** AI technologies continue to evolve at a staggering pace, enabling new levels of automated and autonomous activities in areas including controls evaluation and testing, evidence gathering, validation, reporting, and virtually every aspect of the internal audit lifecycle.
- **Technology-driven efficiency gains will redefine internal audit's capacity and focus.** Internal audit functions that are prioritizing technology enablement are already seeing meaningful improvements in both productivity and depth of insight, allowing for increased levels of coverage and assurance along with unlocked capacity being redirected to provide advisory support.
- **Real-time risk monitoring will challenge traditional notions of assurance delivery.** As internal audit gains access to more continuous, real-time risk signals, the function's role is shifting from reporting on historical findings to delivering forward-looking risk and decision intelligence. [The IIA has noted](#) that AI and other forms of digital disruption underscore the need for earlier and more continuous forms of assurance and insight.⁶ This role will continue to morph as the broader assurance construct within organizations also shifts.
- **Expanded data coverage will prompt a reassessment of assurance standards.** Advances in automation, AI and analytics

are making full population (and high-frequency, if not yet truly "real time") reviews increasingly feasible and often expected, introducing new considerations around how internal audit defines and demonstrates reasonable assurance and evaluates control deficiencies. Also influencing these considerations will be the evolving organizational assurance construct.

- **Technology strategy choices will shape internal audit's long-term capabilities.** Thoughtful consideration around whether to build versus rent or buy will have lasting implications. These are difficult decisions in a technology landscape that is evolving and shifting so rapidly. On the one hand, AI has changed the software development game, significantly lowering the barriers to entry around bringing commercial-grade software online. In addition, in-house-developed solutions offer a level of fit-for-purpose and customization that off-the-shelf software will find hard to match. On the other hand, vendor solutions are increasingly being infused with AI, system integrations and other connectors and bring proven delivery at the enterprise level.
- **Leadership posture will influence how quickly technology benefits are realized.** CAEs at the forefront of technology enablement endorse experimentation. They provide the time, space and incentives to do so, encourage failure and iteration, celebrate successes and other learnings, and support technology collaborations with business partners.

⁶ 2026 Risk in Focus: Hot topics for internal auditors, Internal Audit Foundation: www.theiia.org/globalassets/site/foundation/latest-research-and-products/risk-in-focus/2026/2026-na-report-en-riskinfocus.pdf.



Talent transformed: Human judgment remains the differentiator

The future vision for internal audit calls for a transformation of the current talent model. This extends far beyond technological skills to encompass comprehensive reworkings of job roles and skill profiles, skills-sourcing priorities, learning and development, onboarding programs, and team structures. The enterprise's and internal audit's increasing use of AI also raises deeper questions about developmental pathways for audit team members and the viability of traditional organizational charts.⁷

Here's where the shift is showing up:

- **New technology skills are transforming talent requirements.** Internal audit's transition into roles as reviewers, agent orchestrators, experts-in-the-loop and AI

system evaluators is already necessitating a demand for new skills in areas such as AI literacy, data fluency, prompting, context library management and agent orchestration.

- **Power skills may be where the deepest professional value resides.** As the technology stack assumes more of the routine and analytical audit work, competencies and qualities that cannot be replaced by AI — sound ethical judgment, communicating, negotiating, critical thinking, influencing, teaming, empathy, emotional intelligence, relationship-building, courage, and decision-making in the face of ambiguity — will distinguish high-performing auditors and teams. Leading organizations are expanding

⁷ Research conducted by the Internal Audit Foundation reinforces the point that as automation expands, skills such as judgment, communication, influence and ethical reasoning become increasingly important differentiators. For more information, read *Preparing for the Next Generation of Internal Audit Talent (2025)*: www.theiia.org/en/content/research/foundation/2026/preparing-for-the-next-generation-of-internal-audit-talent/.

beyond traditional cognitive and emotional strengths, placing greater priority on adaptability, agility, and the ability to operate and create clarity in complex environments.

- **New career pathways are forming.** The importance of an agile and robust learning and development program for internal auditors will spike as traditional experiential and career pathways for developing skills and experiences will be disrupted. The shift from roles-based organizational charts to more skills-based team structures, together with the transition away from traditional, linear learning and career models, is expected to accelerate.
- **Internal audit job roles are being fundamentally reexamined.** As AI and intelligent automation absorb an increasing share of traditional audit execution, future readiness is less about scaling existing

roles and more about redefining them. Skill inventories, development pathways and hiring strategies are shifting, with many functions augmenting core audit expertise with talent from nontraditional disciplines such as engineering, analytics and behavioral science. The result is a move toward more **multidimensional audit teams**, built around judgment rather than transaction-level activity. The future audit professional — particularly at experienced and senior levels — will be defined less by time spent testing controls and more by the ability to **interpret complex risk signals, exercise sound judgment and engage credibly with leadership**. Organizational models will become leaner, flatter and more dynamic, designed to flex around oversight, interpretation and insight rather than static roles anchored in task execution.

The future audit professional will be defined less by time spent testing controls and more by the ability to interpret complex risk signals, exercise sound judgment and engage credibly with leadership.



Strategic alignment brings leadership with you

Boards, audit committees and C-suite leaders are already pressing CAEs and their leadership teams to demonstrate efficiency gains from AI and intelligent automation. But the conversation doesn't stop here — there is growing recognition that internal audit's historical emphasis on hindsight-oriented assurance must also shift toward earlier delivery of risk and decision intelligence.

These are the signals to watch:

- **The internal audit function's transformation requires leadership engagement.** The audit committee, board and C-suite want to see a compelling business case defining how

investments in internal audit's technology, talent and processes will drive forward-looking intelligence and long-term benefits.

- **Boards and C-suite leaders seek a clear understanding of the value delivered.** The organization's leaders have a high-level awareness of today's technology-driven inflection point. But many lack detailed insights into the implications for the organization's risk profile and, as a result, for the internal audit function's operating model, resourcing needs, technology needs, and recruiting and retention capabilities, all of which contribute to the long-term value that internal audit delivers.

- **Messaging that resonates with specific leadership groups varies.** Audit committees are focused on value at risk, with regulatory expectations shifting as enforcement bodies look beyond audit coverage to the internal audit function's underlying capability. C-suite leaders respond more positively to messaging that emphasizes internal audit's ability to deliver timely intelligence that helps them make key strategic and risk decisions at speed.
- **The CAE's voice in the boardroom is changing.** Where periodic audit reports once anchored the conversation, leading CAEs are now using boardroom and audit

committee time to bring forward-looking perspectives — what's emerging in the risk landscape, where management's assumptions may be exposed and which strategic initiatives warrant earlier internal audit involvement. CAEs who come to the table with a defined point of view supported by data and grounded in specific instances where risk and decision intelligence has shaped a leadership decision will build credibility for the transformation far faster than those describing it in concept alone.

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It's time to make your choice

Internal audit can continue operating with a hindsight-oriented model designed for a risk environment from another time. Or it can deliberately rebuild itself around **a vision to leverage technology-driven capabilities to deliver forward-looking risk and decision intelligence**, grounded in human judgment.

The technologies reshaping organizations and internal audit functions are already here. The only remaining variable is the willingness of CAEs to build a plan and begin putting it into action.

The future of internal audit will be defined by those who decide what that future will be before it is decided for them. **This is an opportunity to lead.**

In follow-up chapters to this paper, we will explore the specific choices internal audit leaders must make — across technology, talent, organizational design, stakeholder engagement and outputs — to achieve this future state.



About Protiviti

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Andrew is Protiviti's Global CAE Solutions leader. In this role, Andrew's focus is on understanding and advancing the strategic priorities and transformation agendas of CAEs and their leadership teams, as well as those of their executive and board stakeholders. Andrew is inspired by and committed to helping to advance the profession, raising the global brand and profile of internal audit and helping ensure the profession, its leaders and practitioners get and remain future ready.

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