

Factsheet: Using Internal Audit Data

This resource reflects the 'Global Internal Audit Standards' published in 2024

Updated 2026

Introduction

Data can be defined as:

Facts and statistics collected together for reference or analysis. (Lexico, n.d.)

Data analytics can be defined as:

Test of controls to validate that business risks are managed. This would generally occur at a point-in-time when an assurance activity is scheduled. Rather than test a number of transactions, the entire population of transactions can be reviewed for greater coverage. Data analytics includes automated tools such as generalised audit software, test data generators, computerised audit programs, specialised audit utilities, and computer-assisted audit techniques (CAATs). (The Institute of Internal Auditors - Australia, 2025)

Data mining can be defined as:

An efficient way for analysing large amounts of data through data manipulation techniques for example filtering, sorting, pivot tables, and formulas to pinpoint areas requiring additional audit focus and identifying trends and abnormalities for detailed testing. (The Institute of Internal Auditors - Australia, 2025)

What is Internal Audit Data?

Global Internal Audit Standard 15.2 'Confirming the Implementation of Recommendations or Action Plans' requires that internal auditors "confirm that management has implemented internal auditors' recommendations or management's action plans following an established methodology". Where an internal audit function has been established for a number of years, it should have access to its own internal historical and current data concerning such things as:

- › The control environment.
- › Organisation risks.
- › Potential organisation 'hot spots' that may be suitable for internal audit focus.

This could be called 'data within the internal audit function' or simply 'internal audit data'.

The 'Global Internal Audit Standards' define the purpose of internal audit as:

[Strengthening] the organisation's ability to create, protect, and sustain value by providing the board and management with independent, risk-based, and objective assurance, advice, insight, and foresight.

In fulfilling this purpose valuable analysis can be achieved beyond undertaking internal audit engagements by using internal audit data.

What to do with Internal Audit Data?

As there is a systematic and disciplined approach applied to the way internal audit work is performed, internal auditors will have a wealth of acquired data. This data should allow internal auditors to identify the root causes of control or process deficiencies identified as part of undertaking audits. There can be times where the value of internal audit will come from a retrospective evaluation of its own data. This evaluation can:

- › Generate discussions at the executive management level.
- › Identify the most common causes of audit observations and assist in improving organisation controls or informing training.

An advantage of this approach is that it is proactive and goes beyond delivering audits. Over time this provides metrics to measure the impact of internal auditing on the organisation. The approach increases the value internal audit delivers to the organisation, and enables results to be reported in a more meaningful way in the internal audit annual report.

At the same time, by analysing internal audit data and developing reports, internal audit can:

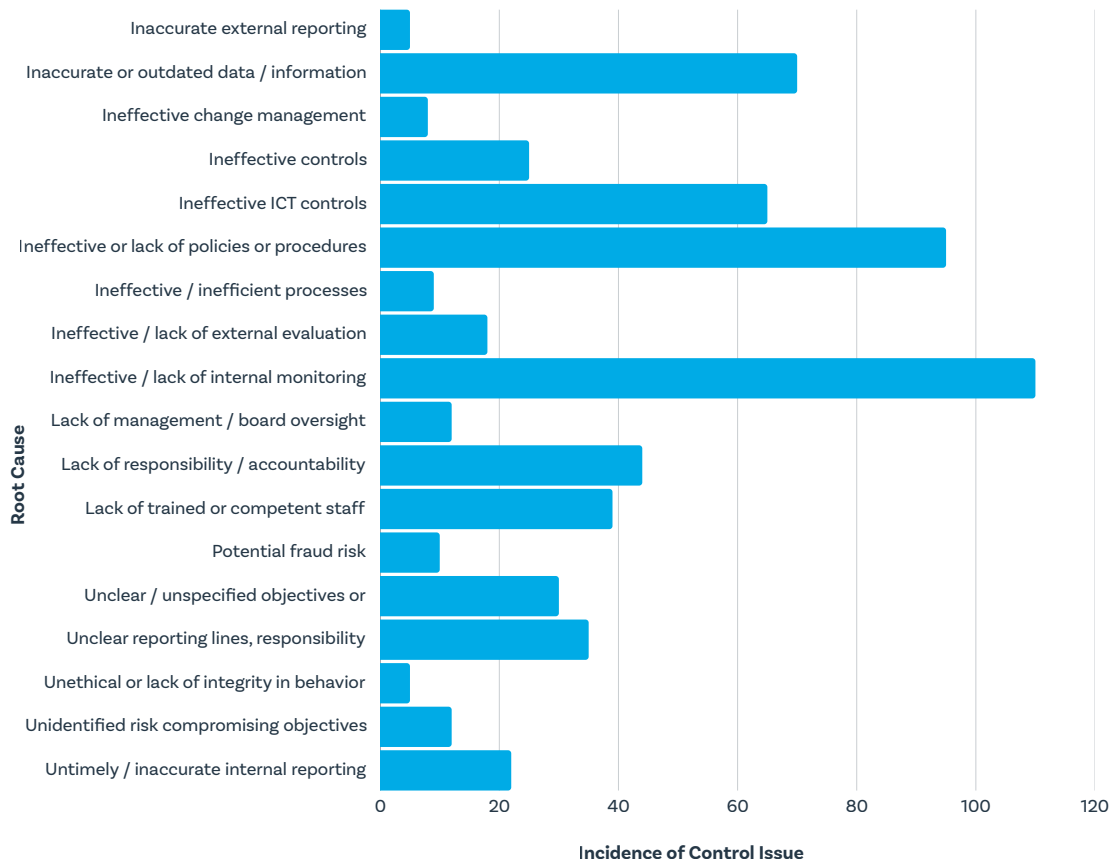
- › Increase the internal audit skillset (Standard 3.1 'Competency')
- › Expand internal audit quality data (Standard 8.3 'Quality')
- › Show Internal audit as a leader in utilising data which can directly improve business processes.

If internal audit data is appropriately captured and stored, it can be linked into online reports and dashboard reporting that can be provided to the board, audit committee and executive management in an agile and timely way. Through appropriate and controlled sharing of data, the profile of internal audit can be elevated, highlighting the proactive internal audit work undertaken. Internal audit can also encourage management to improve their control environment through real-time data analytics.

Using Internal Audit Data – an Example

Utilising historical organisation data linked to internal audit data, a summary of audit observations grouped by root cause might show (see next page):

Incidence of Control Issue by Root Cause



This example illustrates 605 historical internal audit observations showing root cause from three primary causes:

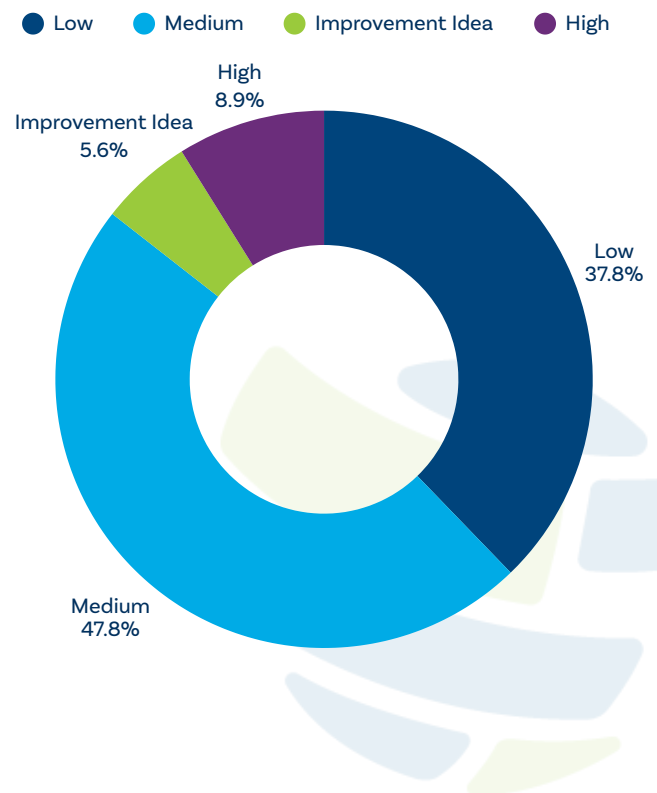
- › Ineffective / lack of internal monitoring and review – 107 observations.
- › Ineffective or lack of policies or procedures – 93 observations.
- › Inaccurate or outdated data / information – 70 observations.

These three root causes contribute to 44.62% of the internal audit observations throughout the organisation. This may suggest systemic solutions to the common issues. This analysis of historical data helps to identify and address control weaknesses and potentially allows the overall control environment to be enhanced.

If internal audit reports are constructed appropriately, there should be examination of the number of observations and also the criticality of observations. This would enable analysis of the distribution of criticality for all observations (see pie chart example).

Further analysis can enable the specific effects of the primary root causes to be examined. As they are explored, it may be determined, for example, that 'High' observations are over-represented under 'Ineffective or lack of policies / procedures'. If the root cause of 'Ineffective or lack of policies / procedures' is addressed, it may eliminate this proportion of the 'High' rated internal audit observations.

Audit Findings by Criticality Rating



Conclusion

Your internal audit data may enable you to provide deeper insights for the board, audit committee and executive management and may help line management to focus their activity for the overall benefit of the organisation.

Acknowledgement

The content of this Factsheet was originally informed by Dr Peter McLeod at the University of Southern Queensland in Toowoomba, Queensland, Australia.

Helpful References

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