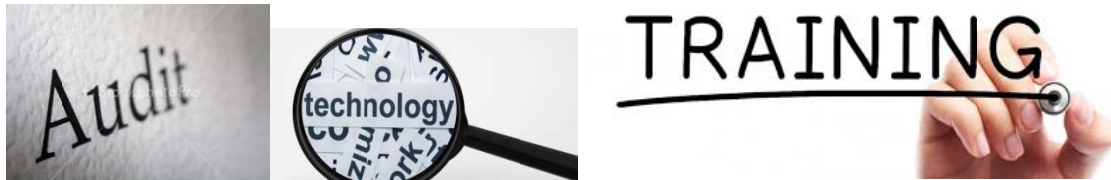


## AuditNet® Survey on the Effectiveness of Audit Technology Training



### Summary

In the age of rapid technological change it is important that auditors maintain and improve their skills when it comes to using state of the art audit tools and techniques. A key component of those knowledge, skills and abilities boil down to training to keep up with change. Surveys from professional associations, professional service firms and consultants constantly identify the skills gap when it comes to audit use of analytics and emerging technology tools and techniques. AuditNet® has been at the forefront of the battle to train and provide auditors with leveraging technology for the audit profession. In order to further that goal we conducted a survey on the effectiveness of audit technology training. Following are the key observations based on the survey of more than 500 audit professionals:

- Almost 70% of the respondents felt that there is an audit technology gap in their organization/department.
- Almost 50% indicated that their department does not identify audit technology training needs during the audit planning phase.
- Over 50% indicated that technology training was not aligned with audit projects included in the annual audit plan and training gaps were not identified as part of annual performance evaluations.
- The main reasons given for not providing the training include a lack of funding for training and the tools, and low prioritization by senior management.
- Over 54% said their employer does not provide technology training on emerging technology including the use of data analytics or continuous audit.
- Almost 1/3 of the training was provided under the just in case or just in time model which have the lowest learning retention rates.
- Only 15% of the training was provided under the skills centric or competency based training which is the most effective in career building skills for auditors.
- Almost 58% that received training did not put the training to use until they needed it which is the least effective method of utilization of training.
- Over 40% of those receiving training do not provide feedback on the effectiveness of the training to their supervisors.

The survey responses clearly indicate that there are improvements that should be made to the method and delivery of technology training that would better serve both professional auditors and the organizations that they work for. Following are ten suggestions for improving audit technology training (note many of these recommendations should be initiated by the CAE):

1. Develop a KSA technology training plan as part of the annual auditor evaluation
2. Align technology training with the annual audit plan
3. Implement a department focused approach towards moving the bar on the audit technology maturity scale.
4. Promote enhanced training under a skills centric model to balance the staff's ability to meet growing technology change.
5. Identify and allocate resources for technology training and advanced technology tools.
6. Require all auditors have a more detailed knowledge of incorporating analytics in all assignments where it would add to the efficiency and effectiveness of the audit.
7. Share knowledge from training with other staff for the benefit of the department.
8. Utilize free technology training on a just in time basis to refresh skills for a specific audit (see [auditsoftwarevideos.com](http://auditsoftwarevideos.com))
9. Determine the necessary competence for personnel performing audit work for audit training plans.
10. Require an effectiveness evaluation of training received after the employee returns from the training in order to plan for future training

## **Survey Focus**

Whether you have one person as your internal audit function or 20, being properly trained is a crucial factor in the effectiveness and efficiency of that function. There are multiple factors that measure success of an audit technology training program. We identified the following models that are particularly relevant to audit technology training:

1. Content Centric
2. Learner Centric
3. Business Centric
4. Skills Centric

Following are definitions for the above training models:

1. Content Centric - Learn (or listen) to a whole bunch of "stuff" just in case it might be of use at some (distant) point in the future. Don't apply any of it right away. A week later much of it is forgotten. (Also referred to as Just in Case Learning).
2. Learner Centric - Learners can access the information when, where, and how they need it. The timing or reinforcement of this type of learning is closer to the time it is actually needed. (Also referred to as Just in Time Learning)
3. Business Centric - Learning that provides the exact information that is just for the individual, when and where needed, as long as it supports the business needs of the company. Aligns the learner's needs with business needs. (Also referred to as Just for Me Learning)

4. Skills Centric - Competency Based Training - Competency-based training requires reorganizing training programs around demonstrable skills, which requires clearly articulating the desired learning outcomes and developing assessments that validly measure those outcomes. This approach focuses on what is really important is not that employees sit through training, but that they can do something useful at the end of it.

This survey explored the types of audit technology training, how and when it is delivered, and how audit departments plan and schedule audit technology training for their staff in a changing business landscape. As long as there is an audit technology gap we will continue to examine this area. This first survey establishes a benchmark on where audit departments are in relation to that gap and the progress being made in order to close it.

## Details

We received over 500 responses for the 2016 Survey on the Effectiveness of Audit Technology Training from auditors across more than 25 industry areas. Almost 70% felt that there is an audit technology gap in their organization or department. This is a significant finding in that a recent PwC report reported that only 40 percent of chief audit executives considered that internal audit was leveraging technology well. Almost 50% of those responding indicated that their department does not identify audit technology training needs when developing audit plans. To expand on this we asked auditors who in their department was identifying audit technology training needs and the associated courses. The majority indicated either the CAE, direct supervisor or the auditor themselves were choosing which training to take. More than half said that audit technology training was not aligned with audit projects included in the annual audit plan and training gaps were not identified during annual performance evaluations. Almost 48% of the respondents stated that their department maintains a log of audit technology training provided to staff. About 21% said that technology training was not being provided to staff but who received the training varied from specific employees, equally to all employees or only those who sought training. The main reason given for not providing training was cost (33%) followed by lack of technology (16%) and training identified as a low priority (15%). More than 22% indicated they did not know the reason for not receiving training. The primary reason for providing training was for CPE requirements for certified individuals followed closely by knowledge for upcoming projects, to improve the knowledge, skills and abilities of the auditor and career development. Less than half (41%) provide technology training on emerging technology including the use of data analytics or continuous audit. The most frequently model of technology training deployed was the just in case type which is the least effective method of training due to a rapid decline in retention. As to when the training was taken more than 24% said it was provided as soon as they needed it for a project. More than 60% indicated that when taking audit technology training they put the training to use only when there is an opportunity to apply the training to an audit.

The summary of the survey results are available for [download](#),

Comments from the survey

The following additional comments represent a sample of what respondents wanted to share about audit technology training. These comments demonstrate that auditors have strong feelings and opinions when it comes to the issue of audit technology training and the changes that the profession must pursue!

*Because of training dollars constraints, we were getting instructors to come to our Agency to train our group instead of each person choosing his or her own training. It would be better if we tailored our training around the audit topic or audit technology needs.*

*The training has improved the skills of auditors and it has effectively percolated in audit outcomes.*

*I work in the public sector, which means limits in terms of budgets, and I work with people who do not have technology skills (even basic Excel skills in some cases) and the CAE does not necessarily see a need for technology in audit beyond very basic Word and Excel documents.*

*The use of a dedicated analytics and technology team (who is highly trained)... With more basic level education provided to other auditors, is more realistic for audit departments today. Audit departments commonly see high turnover at the staff level where the cost / benefit of providing mass technology training is not worthwhile*

*Tech training is ever shifting and improving. Auditing is just like that, in that we need to apply and stay up to date with problems/resolution training. More Cyber-crime attacks are happening with little drive to address and once it occurs, it is too late!*

*The days of 'an IT auditor' are numbered. The next generation needs to have IT audit skills as core to their audit skills. Today's kids are already smarter than many of our IT auditors because the technology is inherent in their upbringing. IT underpins everything now, the 'black box' approach is simply no longer viable.*

*Audit in any organization needs to be a continuous process, rather than an half yearly or annual process. This should be driven from the Top Management at CEO level percolating down to each and every employee, signifying the importance and relevance. At the same time there is less focus on Audits, Audit related training. Many an organizations have a drive only when they wish to go for certifications etc. This should change, the mind set should change, the essence of Audit has to be there. Quality and Audit go hand-in-hand.*

*Audit technology training can only be effective if it is applied immediately on the completion of the training.*

*Audit technology training needs to be prioritized. Currently, there is only one IS Auditor for the complete corporate company and all its subsidiaries. So, IT Audit training is not given the importance it deserves for all staff (including operational auditors), not just the IT Audit section.*

*You have to win the buy in from the staff and management. Staff will only use the technology when management requires or expects it of them. Also, incorporating the use of technology and learning of new skills into annual objectives helps drive staff to learn something new and get out of their comfort zone.*

*Data analytics is among the top three priorities for audits. Effective audit technology must now include data analytics as a given. Thus, training for data analytics is crucial.*