Internal Audit Collective

The State of Internal Audit Leadership

What Top-Tier CAE's Do Differently

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Date Nov 05, 2026
www.InternalAuditCollective.com

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Engagement Requirements

Engage Actively:
Participate actively by responding to all polling questions.

Technical Preparedness:
Ensure your device is set up with a stable internet connection, functioning audio, and video capabilities if required.

Stay Engaged:
To receive the credited hour, you must remain on the call for the entire duration of the webinar.

Provide Feedback:
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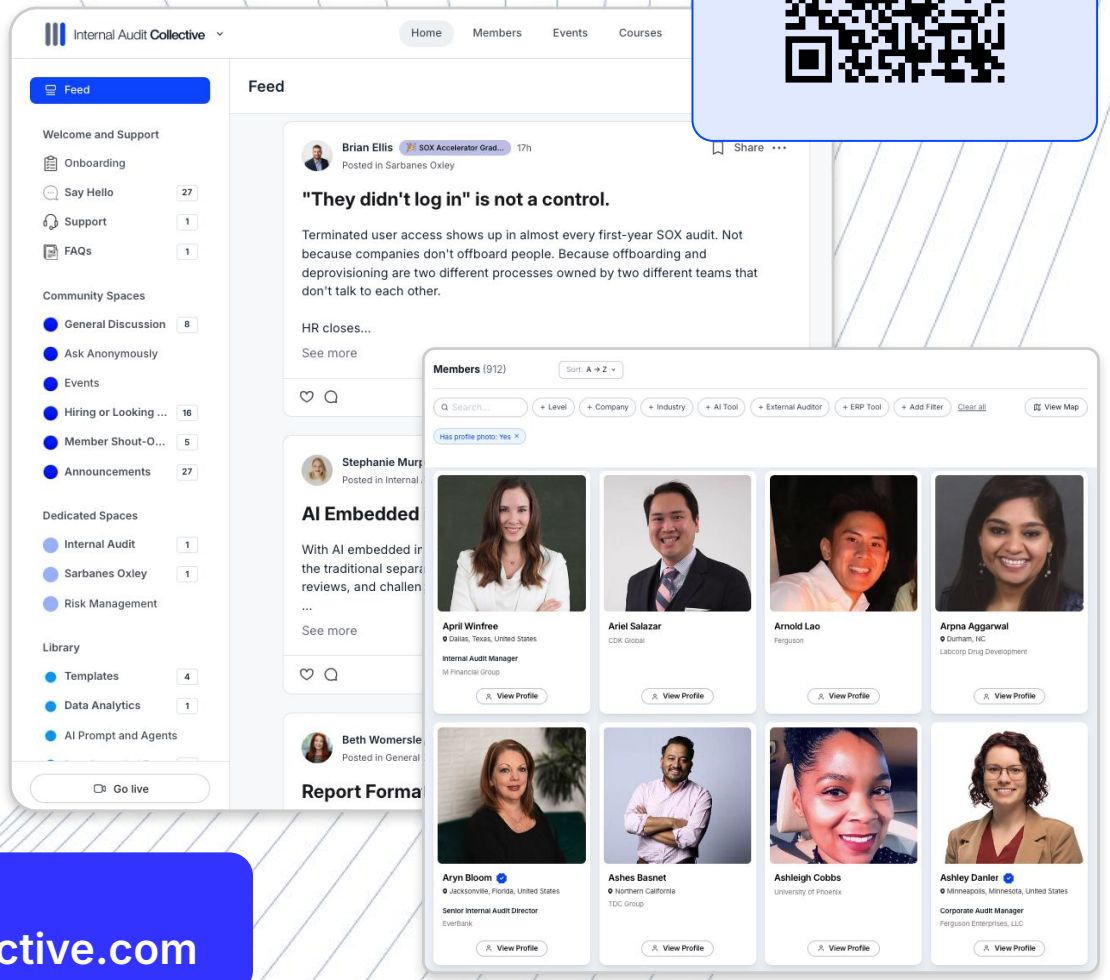
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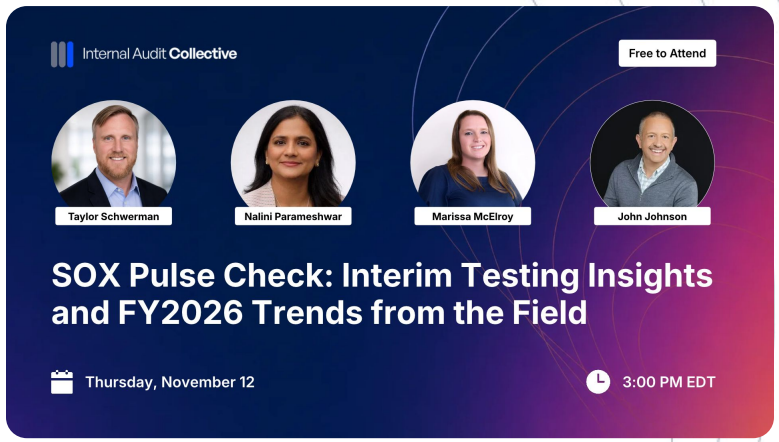
Get access to an online resource to ask questions, get feedback, and exchange ideas with your peers.

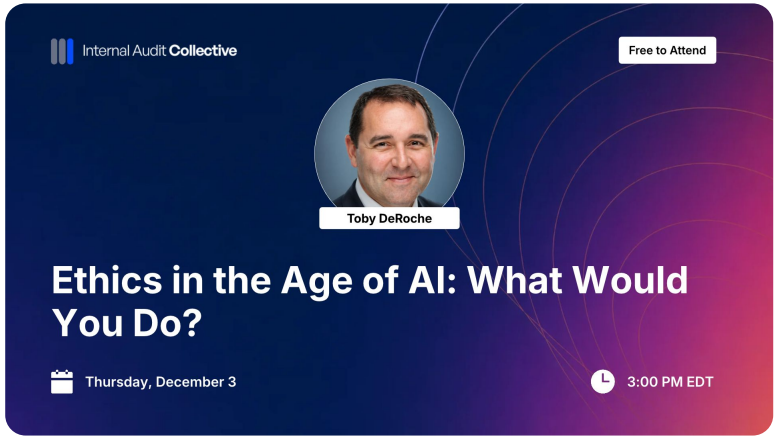


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What makes an internal audit leader great?

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WHY IS THIS IMPORTANT NOW?



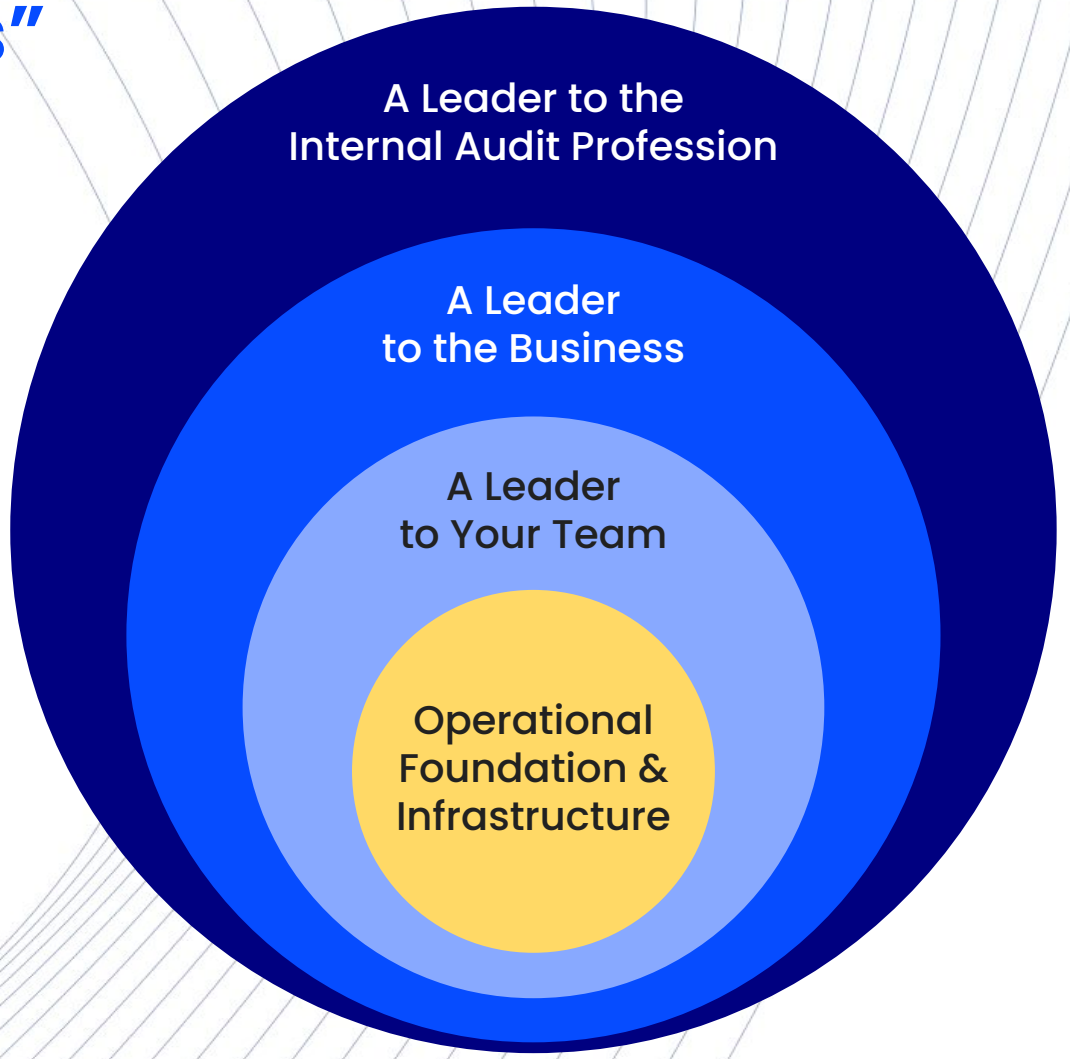
- ➔ AI will take over the lion's share of Internal Audit's Assurance work
- ➔ Internal Auditors will transition from Assurance to Advisory — or transition OUT

To do Advisory work well, you need to be a LEADER.

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IDENTIFYING THE "TOP-TIER CAEs"

- → 114 CAEs (all IAC members) answered 60 questions spanning 4 domains
- → "Top-tier CAEs" self-assessed as 9 or 10 on a 1–10 scale across all 4
- → Comparing top-tier CAE data with all other respondents' data



Found 7 LEADERSHIP ACTIVITIES of top-tier CAEs: Specific things they do that their peers don't

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What's preventing you from being a better leader?

Lack of understanding or awareness of IA's role, capabilities & value (~14)

Access, visibility & inclusion in strategic conversations (~13)

Trust & credibility with senior business leaders (~10)

Perception of IA as "COMPLIANCE/POLICE" vs. a strategic partner (~18)

Legacy perceptions, culture & historical baggage (~10)

Business/industry knowledge & operational understanding (~8)

Relationship building & leadership turnover (~6)

Capacity, resources & competing priorities (~7)

Organizational maturity & silos (~5)

Leadership positioning & organizational status (~6)

Q: What is the single biggest barrier to being recognized as a strategic leader by your organization's senior business leaders?

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LIVE POLL 1

What's holding you back the most from being a better IA leader?

1. How Internal Audit is currently perceived in my org.
2. The lack of access to information and meetings in my org.
3. The lack of bandwidth and capacity to do our job.
4. Other

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Today's Agenda: "Top-Tier" Leadership Activities

01 Talk more about "business" — with the business

02 Require direct reports to build and maintain business relationships

03 Perceived as further along in AI maturity than their organization

04 Adhere to "Operational Discipline" to achieve their goals

05 Coach people managers to manage to each individual's motivators

06 Proactively reward their people using multiple forms of recognition

07 Position themselves as Leaders and SMEs in the Internal Audit industry

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Domain: Leader to the Business

FINDING 1

Top-tier CAEs have more conversations about the business with the business — and fewer conversations about Internal Audit.

Q: When meeting with business leaders, how frequently is each of the following types of information shared?			
Information Type — Shared "Often" or "Always"	**Top-Tier CAEs**	**Everyone Else**	**Gap**
Audit results, findings, remediation status	94%	79%	+15 pp
Upcoming audit plan and areas of focus	94%	82%	+12 pp
Perspectives on top risks	89%	66%	+23 pp
Perspectives on emerging/external risks	83%	55%	+28 pp
Business performance and operational effectiveness	83%	39%	+44 pp
Industry trends and benchmarking	44%	14%	+30 pp
IA's advisory capabilities / how to engage us	89%	36%	+53 pp

Top-tier CAEs = Q1.0 ≥ 9 (n=18) vs. everyone else (n=94).

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What's the difference?



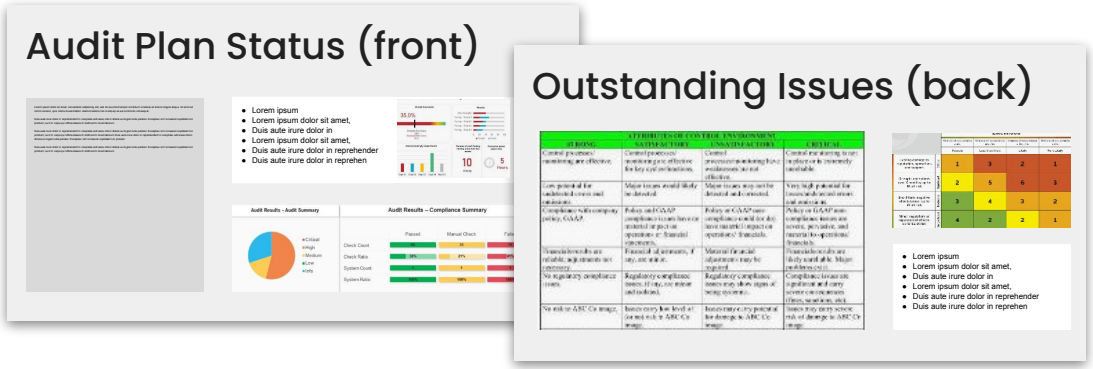


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Domain: Leader to the Business

HOW TO LEVEL UP

Prepare a meeting "placemat" covering audit issues and status updates — but spend the meeting asking questions and sharing information and insights



Get top-tier data and insights from external and internal resources

- OTHER INTERNAL AUDITORS
- YOUR PEERS IN THE INDUSTRY
- SUBJECT MATTER EXPERTS
- INDUSTRY ASSOCIATIONS
- INTERNAL RESOURCES

IAC Article: A CAE's First 90 Days

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Domain: Leader to the Business

FINDING 2

Top-tier CAEs require all of their direct reports to formally maintain more business relationships on a more frequent basis — not just themselves.

Q: Do your direct reports have assigned business relationships they are expected to manage independently — separate from your own business relationships?		
Response	**Top-tier CAEs**	**Everyone Else**
Each direct report has an assigned portfolio of business relationships they manage independently	**50%**	33%

Top-tier CAEs = Q1.0 ≥ 9 (n=18) vs. everyone else (n=94).

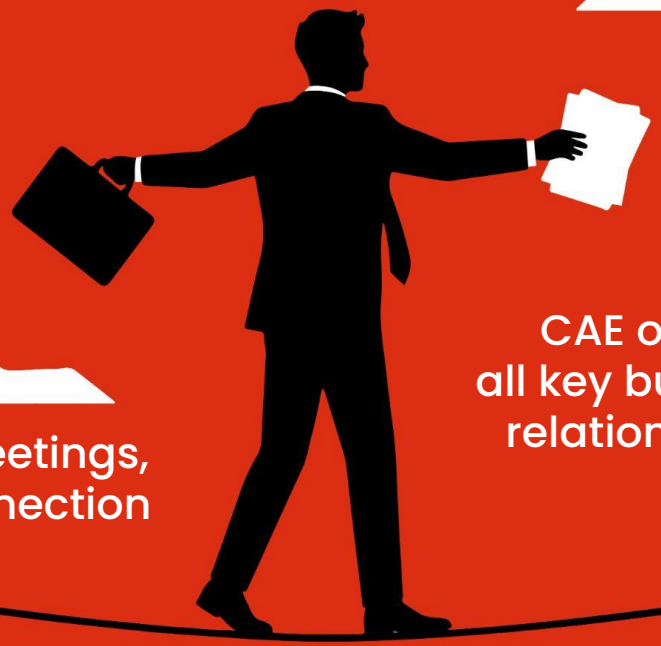
Other possible survey responses:

- ➔ **NO** — business relationship management is primarily my responsibility
- ➔ **NO** — but I bring direct reports into my business meetings regularly
- ➔ **PARTIALLY** — some direct reports have assigned relationships but not all

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What's the difference?

Average: Controlling



More meetings,
less connection

CAE owns
all key business
relationships

Limited knowledge
shared with direct
reports

Great: Delegating & Sharing



More meetings,
more connection

CAE direct reports
own relationships:

Business line
leaders

GTM

Customer
Success

2nd-line
GRC
directors

Structured
knowledge sharing
across the team

Revenue
Operations

Product

WHAT GREAT LOOKS LIKE



Anonymous Member
Internal Audit Director
Acme Corp.

94-person Internal Audit team → 24 people speaking directly to the business.

Formal effort to memorialize conversation notes into CRM + AI application → AI identifies themes + talking points for next conversations.



Jim Wilson
VP Internal Audit
Vail Resorts

3-person Internal Audit team → Each manages 8 relationships, meeting with 4 each month → 6 meetings annually with all 24 stakeholders.

At meeting's end, they ask permission to come back and share feedback from other stakeholder meetings and get their take.

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Domain: Leader to the Business

HOW TO LEVEL UP

1. Map which business relationships can be owned by a direct report.
2. Determine frequency.
3. Find a relevant business topic to start the conversation.
4. Meet, document, and share notes.
5. Ask to come back — with insights.

MORE BENEFITS

- ➔ Less reliance on Internal Audit risk assessment
- ➔ More targeted audit plan
- ➔ More impactful audit projects
- ➔ Full team can answer, “Why is this audit on the plan?”

FINDING: Top-tier CAEs generally spend 25–50% of their time meeting with the business (vs. overseeing IA work).

IAC Article: How Simple Conversations Can Revolutionize Internal Audit

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LIVE POLL 2

How much time do you spend “talking business” with the business?

1. 0 - 10% of my available work time
2. 10 - 20% of my available work time
3. 20 - 40% of my available work time
4. 41%+ of my available work time

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Domain: Operational Foundation & Infrastructure

FINDING 3

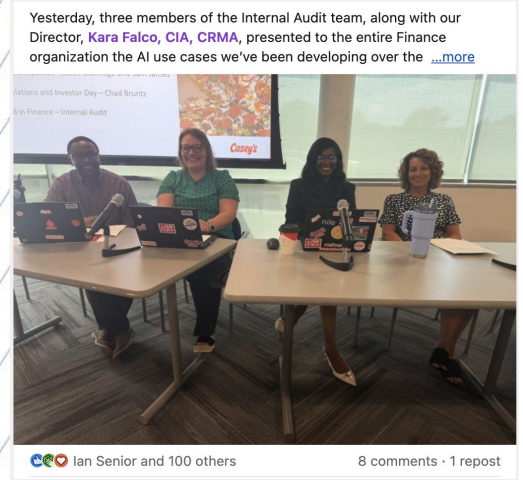
Top-tier CAEs' teams are using AI at intermediate levels — AND perceived as a step ahead of the rest of the business.

Q: How would you rate your team's utilization of AI tools in audit work? *(0=Not using, 1=Beginner, 2=Intermediate, 3=Advanced)*		
Data Point	**Top-Tier CAEs**	**Everyone Else**
AI utilization	1.8	1.4
Q: On a scale of 1-10, how would you rate your organization's perception of Internal Audit's ability of adopting AI?		
AI perception rating	8.3	6.8

Top-tier CAEs = Q3.0 ≥ 9 (n=10) vs. everyone else (n=102).

Clearest indicator that your team is achieving this →

Getting invited to present to leadership on AI use, adoption, or governance. Like when Kara Falco and her team presented to Casey's entire Finance organization.



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Domain: Operational Foundation & Infrastructure

WHAT GREAT LOOKS LIKE + HOW TO LEVEL UP



Alan Maran
Vice President & CAE, Entegris

CAE ownership and accountability: Leading from the front



Joe Earl
Director of Internal Audit, Sutter Health

Proven, structured approach to driving team-wide AI adoption



Brianna Bazzy
Director, Internal Audit, Okta

Shaping the emerging role of the Internal Audit "AI Operator"

IAC Articles: 1. 5-Step Approach for Upskilling Your Team in AI 2. AI Maturity Framework 3. Overcoming AI Adoption Challenges

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Domain: Operational Foundation & Infrastructure

FINDING 4

Top-tier CAEs establish and maintain operational discipline to to achieve their goals and objectives.

Specifically, they use a strategic plan and track business-focused KPIs.

Q: Do you have a documented 3- to 5-year strategic plan for Internal Audit that is communicated to key stakeholders and actively tracked?		
Data Point	**Top-Tier CAEs**	**Everyone Else**
Strategic plan documented, communicated to AC/business, and actively tracked	50%	25.5%
Q: Which of the following KPIs do you formally track?		
Data Point	**Top-Tier CAEs**	**Everyone Else**
Average # of KPIs formally tracked	5.7	4.5

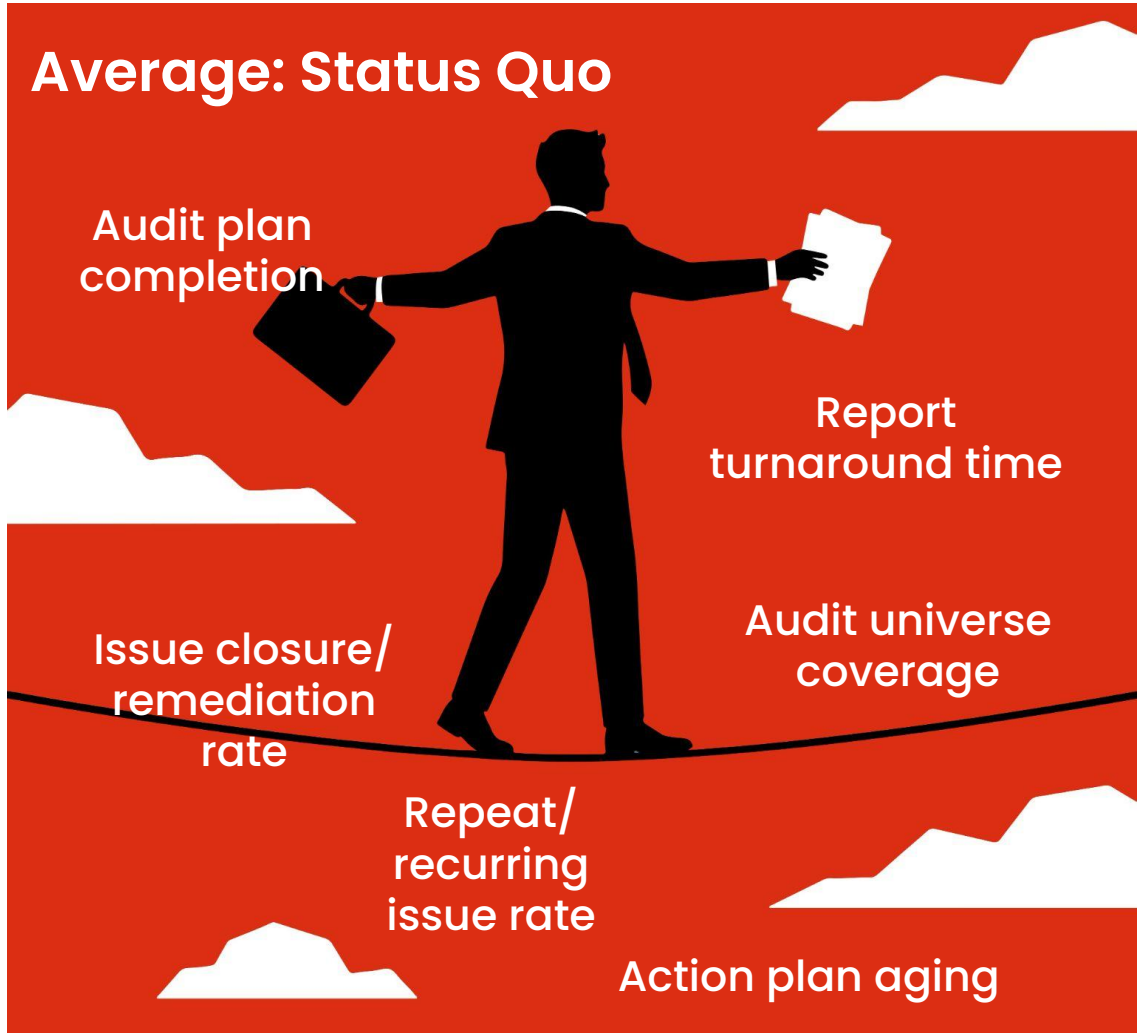
Top-tier CAEs = Q3.0 ≥ 9 (n=10) vs. everyone else (n=102).

FINDING: Top-tier CAEs track traditional IA KPIs… but they *also* track more business-relevant KPIs than their peers — i.e., what's happening in (or helping) the business.

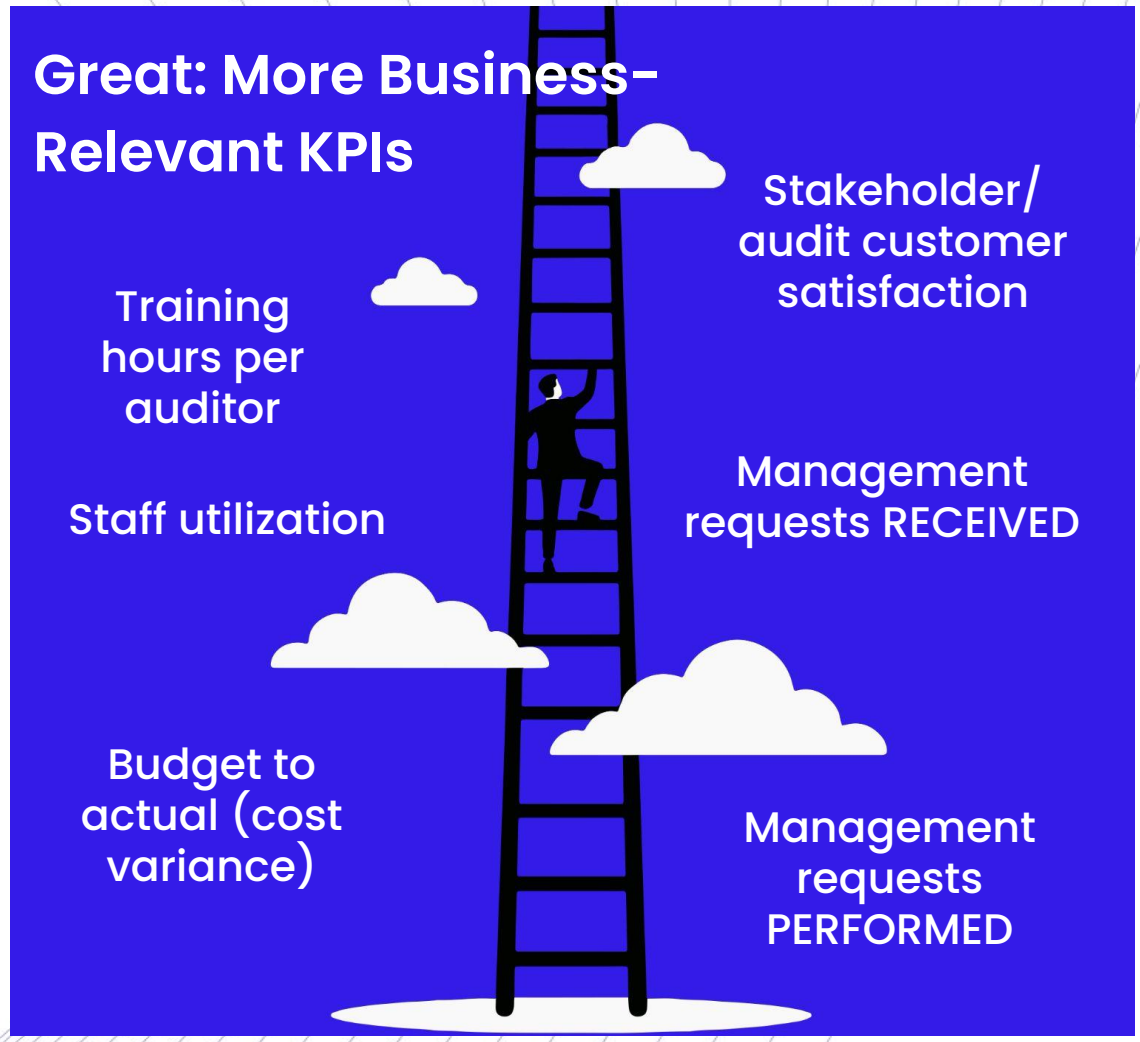
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What's the difference?

Average: Status Quo



Great: More Business-Relevant KPIs



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Domain: Operational Foundation & Infrastructure

HOW TO LEVEL UP

1. Don't just write a strategic plan — build the broad, business-relevant KPI set that will tell you if it's working.
2. Include leading and lagging KPIs.
3. Review/manage the plan against those KPIs on a frequent cadence.
4. If you can't measure a stated priority, it's a gap to close — not a footnote.

LEADING vs. LAGGING KPIs

- → **LAGGING:** # of management requests received/performed
- → **LEADING:** # of meetings held with business leaders each quarter
- → **LEADING:** # of meetings needed to secure a management request

IAC Article: Creating a v1 of Internal Audit's Strategic Plan

TOR Article: Managing Leading & Lagging Indicators for Improved IA Performance

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LIVE POLL 3

Which statement best describes your IA team's strategic plan?

1. We have a strategic plan, it's documented, we have management buy-in, and we actively manage the initiatives to completion.
2. We have a strategic plan, it's documented, and we reconcile our progress to it 1-2 times annually.
3. We're going to be leaning in to strategic planning more in 2027.
4. What's a strategic plan?

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FINDING 5

Top-tier CAEs require their managers to understand and manage to individual team members' "motivators."

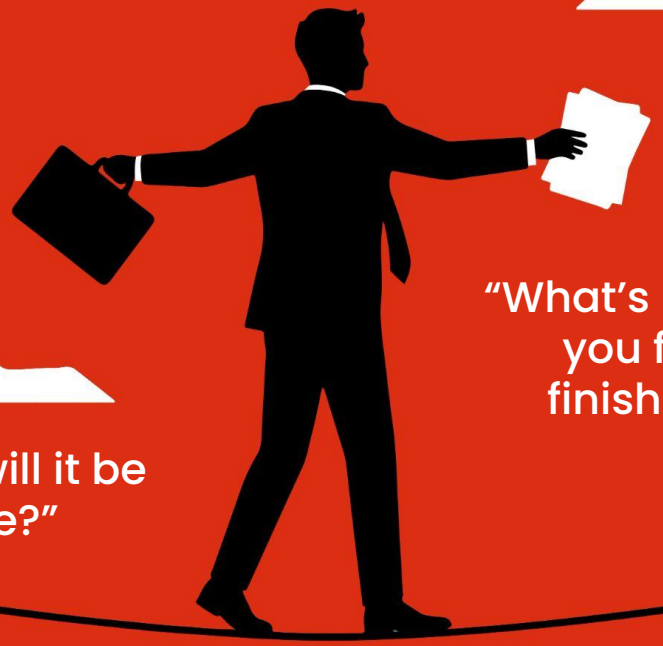
Q: Do you actively ensure that all people managers on your team — not just yourself — are expected to understand and tailor their approach to each person's individual motivators?			
Data Point	**Top-Tier CAEs**	**Everyone Else**	**Gap**
Formal expectation that all people managers understand team motivators	58%	33%	25%

Top-tier CAEs = Q2.0 ≥ 9 (n=45) vs. everyone else (n=67).

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What's the difference?

Average: Pushing



"What's keeping you from finishing?"

"When will it be done?"

"What's the project status?"

Great: Motivating

"What makes your job worth doing?"

"Why did you decide to become an auditor?"

"Why did you join this company?"

"Where do you want to be in one year? Five years? Why?"

"What inspires you to be at your best?"

HOW TO LEVEL UP

1. 1:1s are not status updates. Understand how they're doing and why.
2. These motivators need to be a part of the leadership conversation.
3. Check it as you'd check any other expectation: Ask managers directly; don't just infer from morale surveys.

SEEK TO UNDERSTAND THE "WHY" DURING

- ➔ The interview process
- ➔ Onboarding
- ➔ During all conversations (listen for it!)

These are all opportunities to (1) understand "what's in it for them?" and (2) tie those goals back to their work.

Simon Sinek TED Talk: How Great Leaders Inspire Action

FINDING 6

Top-tier CAEs tend to use multiple methods to recognize their team members.

Possible survey responses:

- ➔ Public recognition (team or company-wide)
- ➔ Visible advocacy for promotions
- ➔ Formal recognition/awards program
- ➔ Spot bonuses or spontaneous rewards

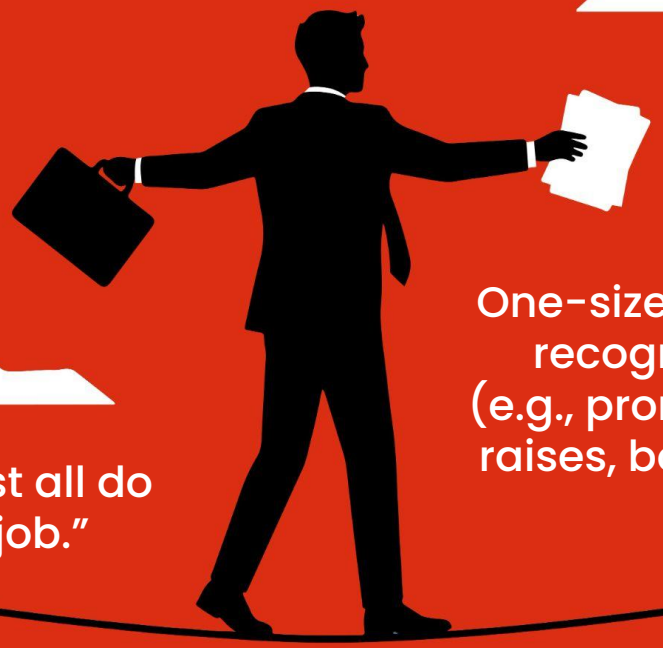
Q: Which of the following recognition practices have you used with your team in the past 12 months?			
Data Point	**Top-Tier CAEs**	**Everyone Else**	**Gap**
Average # of recognition methods used in past 12 months	2.4	1.9	0.5
% using 2 or more recognition methods	84%	66%	18%
% using 3 or more recognition methods	49%	28%	21%

Top tier = Q2.0 ≥ 9 (n=45) vs. everyone else (n=67).

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What's the difference?

Average: Complacent



One-size-fits-all recognition (e.g., promotions, raises, bonuses)

"We just all do our job."

"This is what you were hired to do."

Great: Strategic & Specific



Rotational programs

Public recognition during team or company-wide meetings

Tailoring recognition to individuals' motivators

Helping with networking

Publicly and privately supporting their promotion

Spontaneous, real-time rewards

Skip-level meetings

Mentorship programs

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Domain: Leader to Your Team

WHAT GREAT LOOKS LIKE + HOW TO LEVEL UP

1. **Within Internal Audit**
   Standing shout-outs • Quarterly Recognition • Spot Bonuses
2. **Within Finance**
   Special Project Assignments • Dept-Wide Awards • Town Hall Recognition
3. **Company-Wide**
   Rotation or Leadership Program • Peer-Recognition Apps
4. **Personal / 1:1**
   A Detailed, Handwritten Note

Don't rely on a single lever for recognition. The data pattern isn't about doing one thing well — it's about doing more than one thing.

Audit which methods your team uses.

Get creative about improving, tailoring to individual motivators.

IAC Article: How to Build a World-Class Internal Audit Department with Non-Traditional Staffing

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Domain: Leader to the Profession

FINDING 7

Top-tier CAEs establish themselves as leaders within their industry.

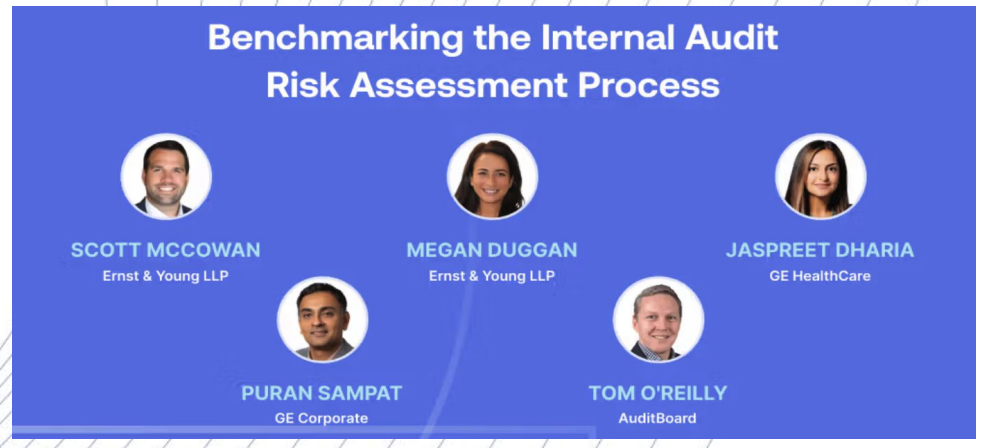
Q: How many peer CAEs are in your active professional network (i.e., people you can reach out to for advice/perspective)?		
Data Point	**Top-Tier CAEs**	**Everyone Else**
Peer network size (est. midpoint)	6.7	5.6
Q: Which professional activities have you engaged in over the past 12 months? (active involvement in industry associations, mentoring outside your organization, speaking at industry events)		
# of types of professional activities in the past 12 months	2.1	1.4

Top tier = Q4.0 ≥ 8 (n=33) vs. everyone else (n=79).

WHAT GREAT LOOKS LIKE



Puran Sampat
CAE
NCR Voyix



IAC Article: [A 10-Step Guide to Develop your Professional Network]

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LIVE POLL 4

Leaving today's webinar, which area will you focus to improve upon?

1. Being a better leader to the business
2. Being a better leader to my team
3. Improving our operational infrastructure and foundation
4. Being a better leader in our industry

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How will you become a better leader?

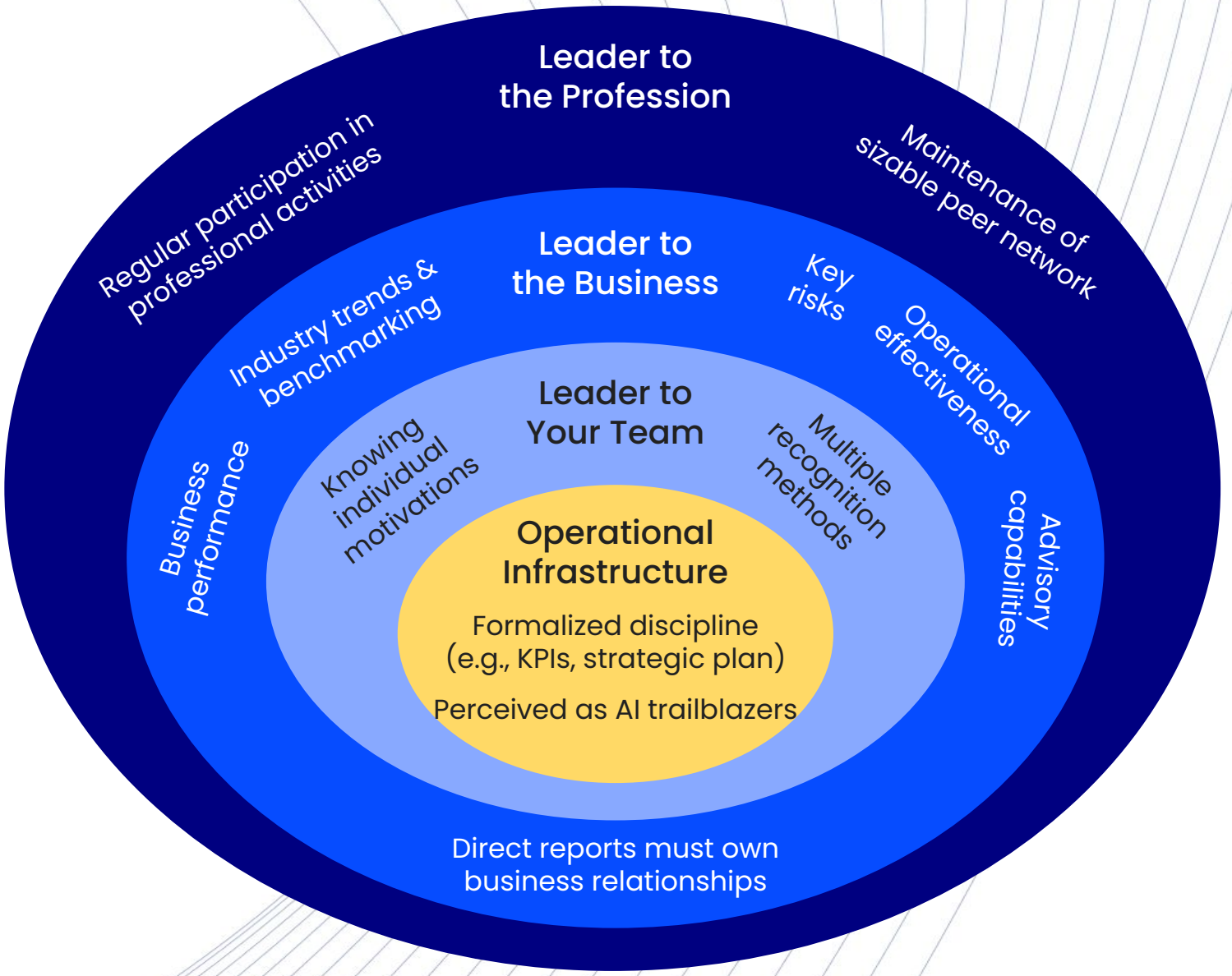
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IMPLEMENTING TOP-TIER LEADERSHIP FROM THE INSIDE OUT

- ➔ Enhance operational and AI discipline
- ➔ Understand and recognize your team
- ➔ Delegate relationships to direct reports
- ➔ Deliver proactive business information and insight
- ➔ Increase advisory awareness
- ➔ Be seen as an industry leader

SUMMARY CALL-TO-ACTION



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TOP-TIER LEADERSHIP FOR NON-CAEs

FINDING	CAE DIRECT	MANAGER	SENIOR	STAFF
Regularly talk about the business WITH the business	Just start your own conversations.	Aggregate interesting facts across all of IA's work.	Ride along, take notes, and learn.	Do proactive research. Share it with your team.
Require direct reports to own business relationships	Take the initiative to meet with more leaders.	Create a mid-level manager mastermind.	Network with your peers.	
Get one step ahead of the biz on AI adoption	Take the lead on driving team-wide AI adoption.		Use AI in your day-to-day work. Share your enablers and lessons learned.	
Formalize and enhance operational discipline	Share examples of IA strategic plans (what others do).	Offer to document strategic plan and gather data.	Volunteer to lead an initiative from the plan.	Volunteer to help drive an initiative from the plan.

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TOP-TIER LEADERSHIP FOR NON-CAEs

FINDING	CAE DIRECT	MANAGER	SENIOR	STAFF
Understand individuals' motivators	Make more time for one-on-ones. Share with leaders.	Discuss with your staff and seniors often.	Be open, honest, and vulnerable. Share what you want to do.	
Use multiple methods to recognize individuals	Pick a recognition method and do it.		Socialize leading practices and give credit.	Become known as someone who gives shoutouts.
Establish yourself as a leader in the profession	"Take my spot next year."	Co-present with a peer at a chapter event.	Showcase your expertise to your team.	Pick one thing to become known for.

Ask for Forgiveness — Not Permission

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THE FLYWHEEL GOES FASTER...

- ➔ More years of experience
- ➔ More feedback
- ➔ More attempts



Business Acumen	Communicate Well	Executive Presence	Get Shit Done

TABLE STAKES

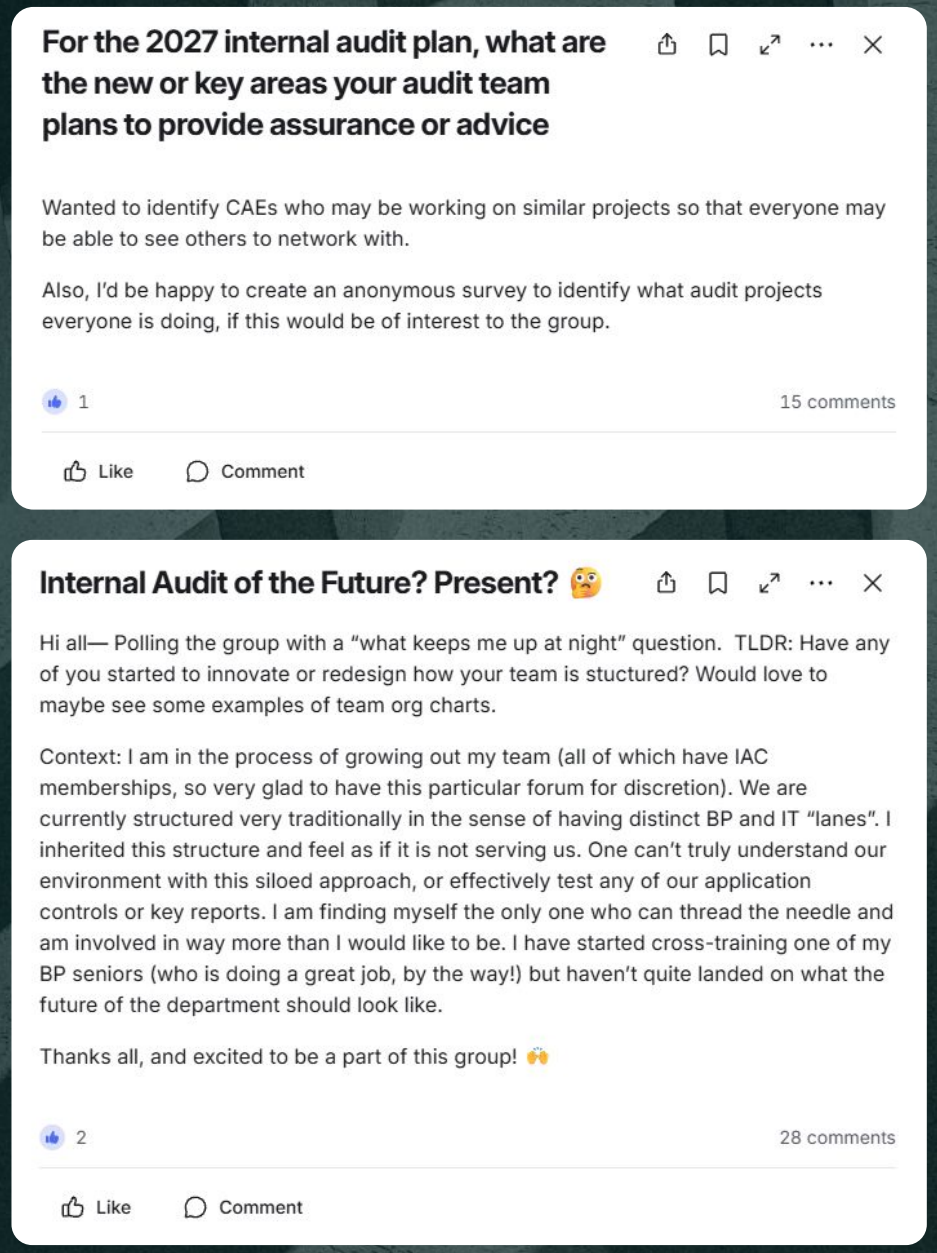
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_ CAE LEADERSHIP FORUM

A Private Network for Forward-Practicing CAEs

The Internal Audit Collective's **CAE Leadership Forum** is an exclusive, CAE-only network where audit leaders can **ask** questions, **compare** approaches, **benchmark** performance, and **gain** practical perspectives, strategies, and solutions from peers facing similar challenges.

Apply to Join



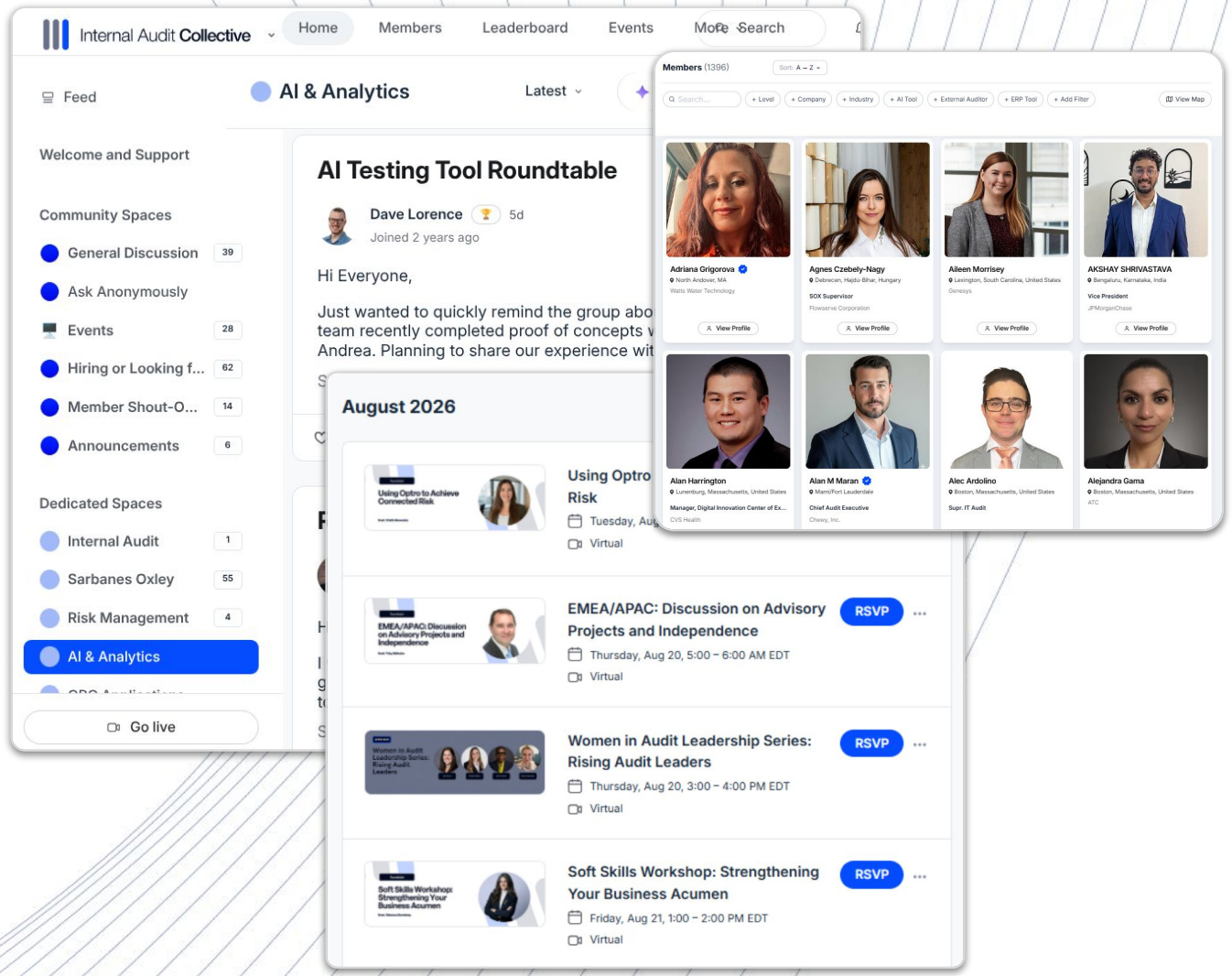
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No pitches. No spam. Just community.

- Join an online, “managed” community for SOX and Internal Audit professionals
- Membership site designed to help practitioners network, share, learn, and grow
- Access an online resource to ask questions, get feedback, and exchange ideas with your peers

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