

# Internal Audit Human Capital Audit Committee and Regulatory Expectations

Vladimir Jokic / Group Audit  
Addiko Bank AG Vienna



Human Capital as Emerging Risks and the Quest  
for Skilled Auditors

Audit Committee expectations

Regulators' expectations



## Human Capital as Emerging Risks and the Quest for Skilled Auditors

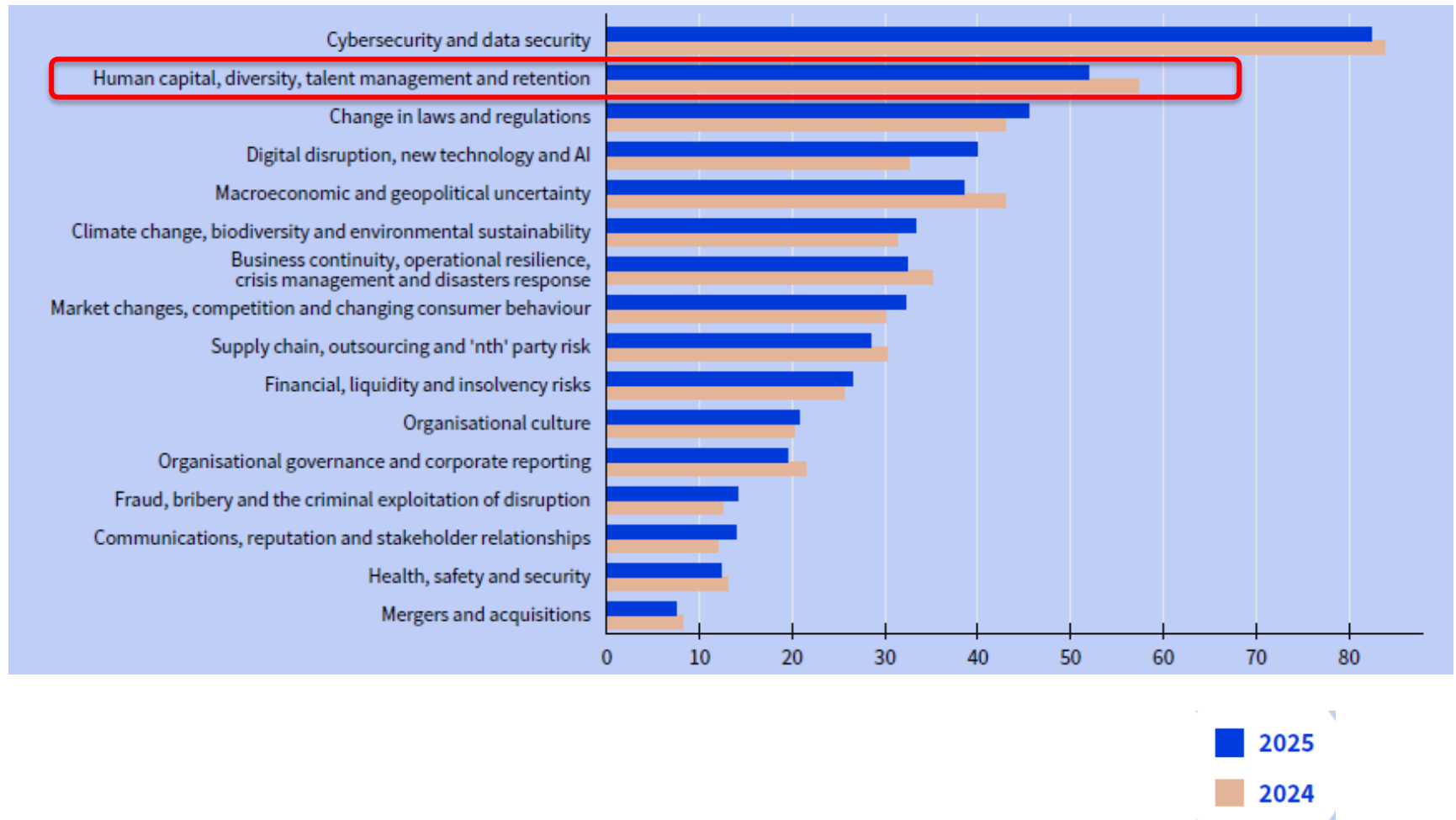
Audit Committee expectations

Regulators' expectations

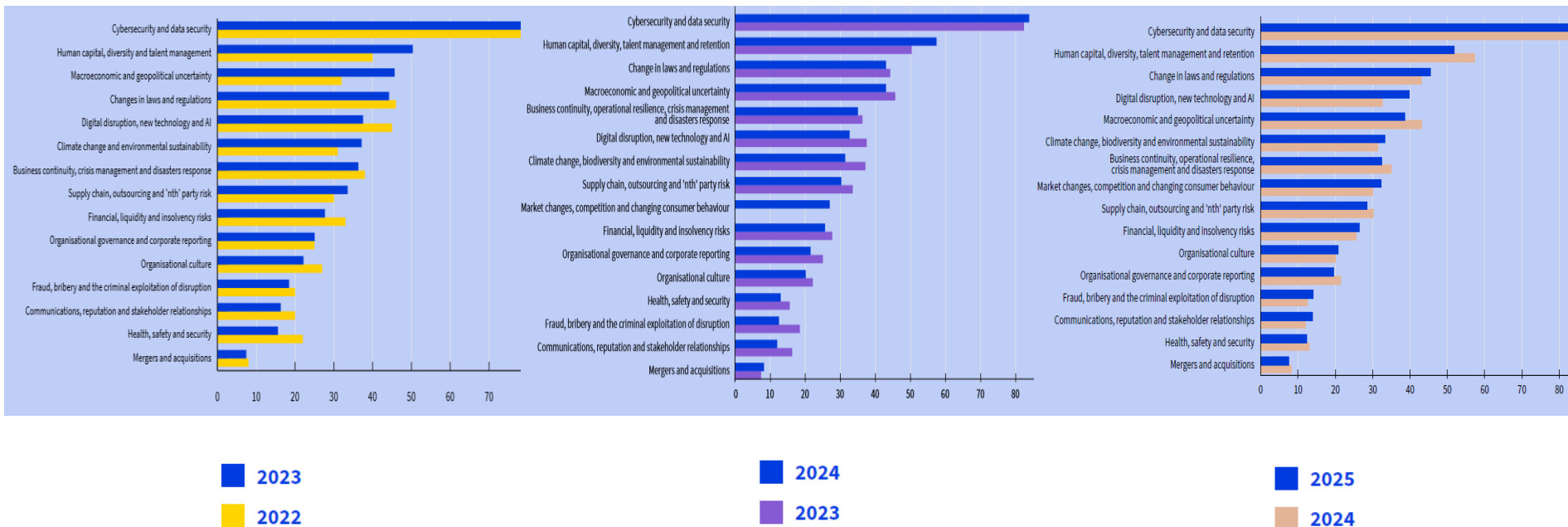
# Introduction to Human Capital Risks

- Human capital is defined as encompassing areas such as **talent management, retention** and **diversity**.
- People – critical asset but under addressed

# What are the top five risks your organisation currently faces?



# Risk in Focus survey ECIIA



# Internal Audit Human Capital Risks

- The growing challenge of attracting and retaining (audit) talent
- Impact of technology, automation, and remote work on audit teams



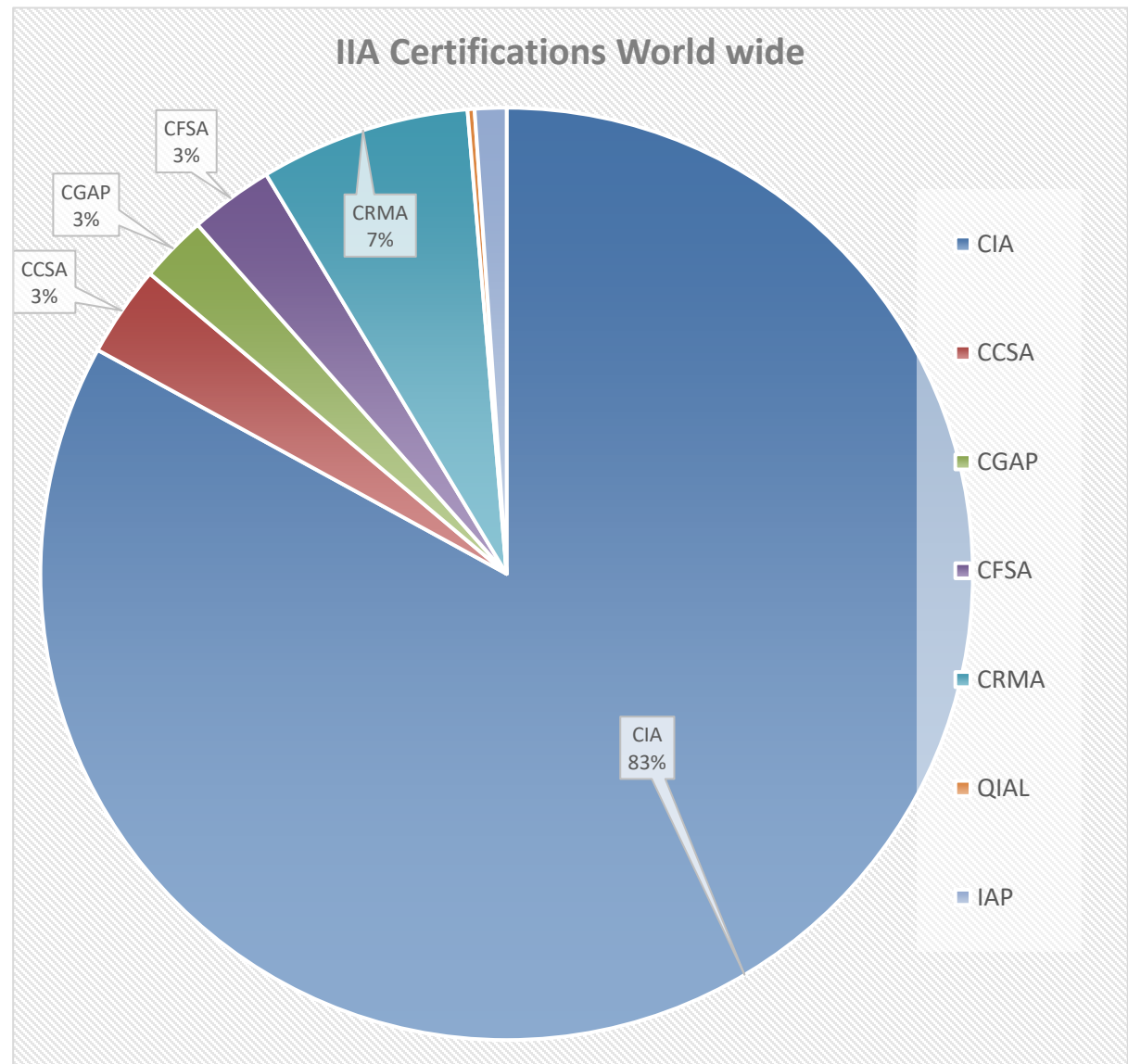
# IIA Certifications

IIA Region	CIA	CCSA	CGAP	CFSA	CRMA	QIAL	IAP	Grand Total
Africa	5 576	833	159	183	772	20	113	<b>7 656</b>
Asia Pacific	102 349	2 495	723	1 225	4 792	12	324	<b>111 920</b>
Central/South America	2 108	556	185	61	773	3	60	<b>3 746</b>
Europe	22 330	1 627	1 813	971	3 468	482	942	<b>31 633</b>
Middle East	6 199	281	56	150	995	25	248	<b>7 954</b>
International	5 033	42	6	53	1	-	21	<b>5 156</b>
North America	61 933	1 999	2 838	4 555	7 248	58	1 012	<b>79 643</b>
<b>Total Certifications Awarded</b>	<b>205 528</b>	<b>7 833</b>	<b>5 780</b>	<b>7 198</b>	<b>18 049</b>	<b>600</b>	<b>2 720</b>	<b>247 708</b>

*Source: IIA Enquiry (April 2025)*



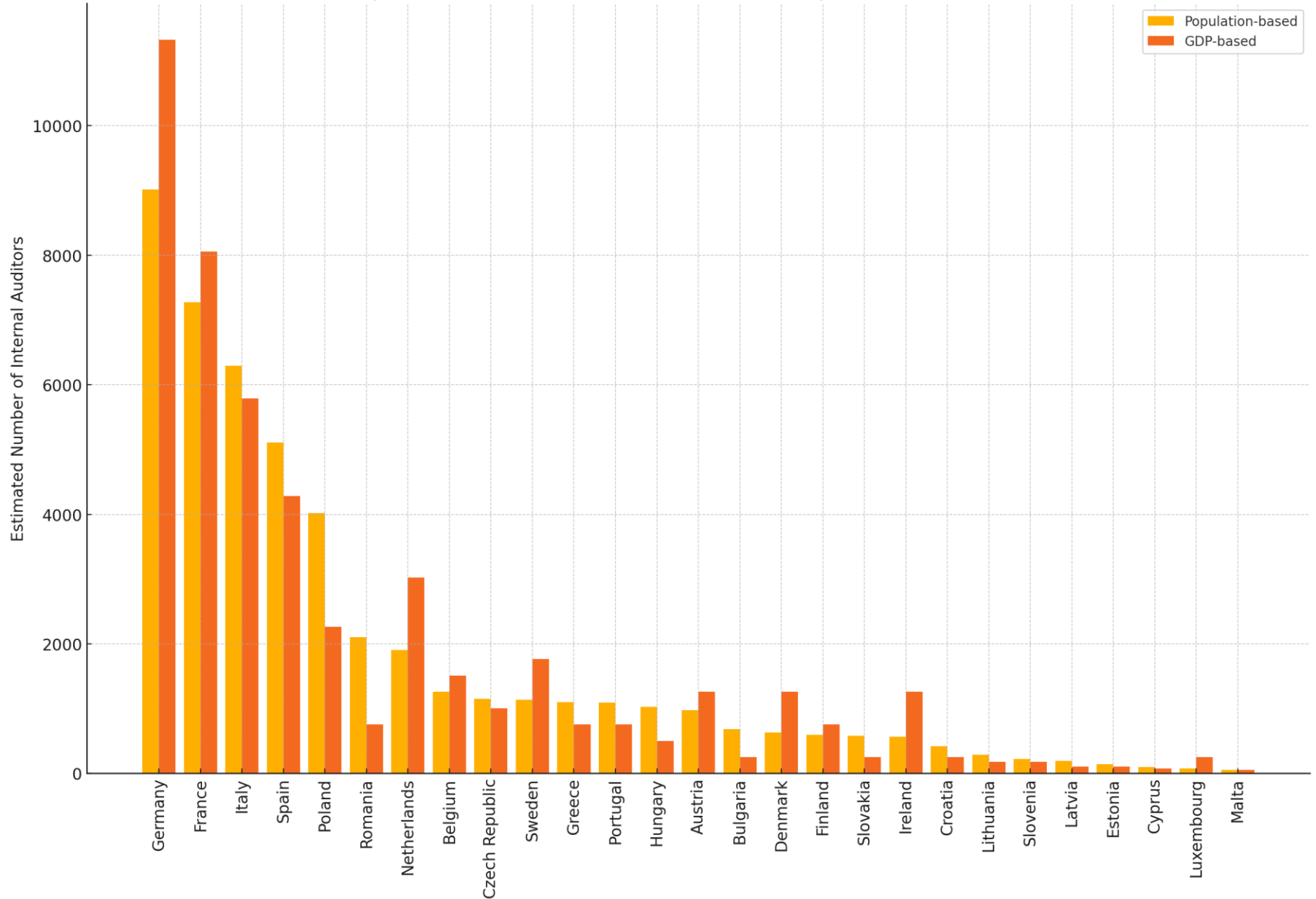
# IIA Certifications



*Source: IIA Enquiry (April 2025)*

# ECIIA – c 48.000 total Internal Auditors

Comparison of Internal Auditor Distribution (Population vs. GDP Based)



# Certificate Abbreviation

<b>CIA</b>	Certified Internal Auditor
<b>CCSA</b>	Certification in Control Self-Assessment
<b>CGAP</b>	Certified Government Auditing Professional
<b>CFSA</b>	Certified Financial Services Auditor
<b>CRMA</b>	Certification in Risk Management Assurance
<b>QIAL</b>	Qualification in Internal Audit Leadership
<b>IAP</b>	Internal Audit Practitioner

<b>CISA</b>	Certified Information System Auditor
<b>CISSP</b>	Certified Information Systems Security Professional
<b>CRISC</b>	Certified in Risk and Information Systems Control
<b>ISO 27001</b>	Information Security Management Systems (ISMS)



# The Quest for Skilled Auditors

---

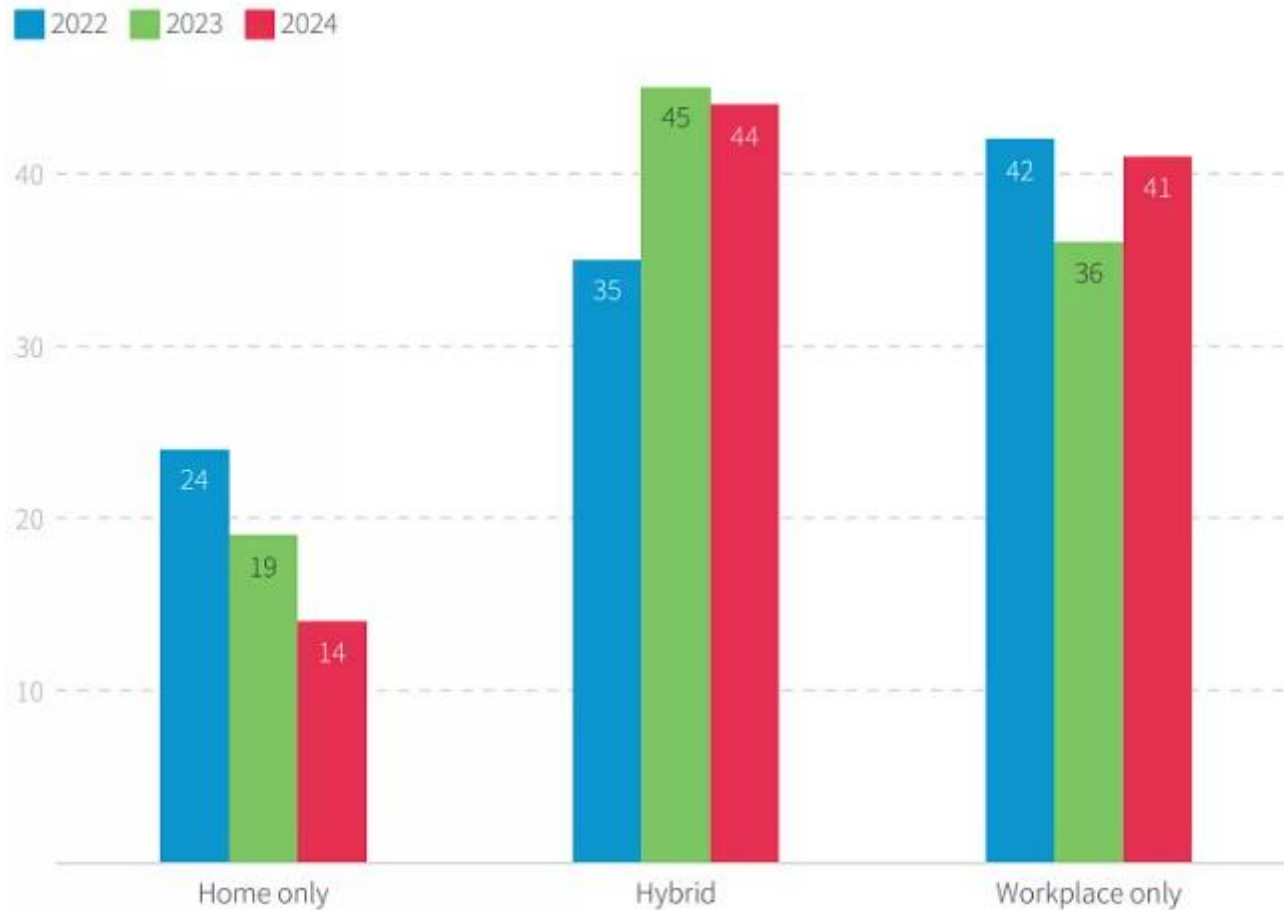
# The Talent Gap in Internal Audit

- Shortage of skilled auditors with expertise in data analytics and cybersecurity
- LinkedIn shows a 40%+ increase in EU job postings for IT auditors, ESG auditors, and AML specialists (2022-2024).
- Technical skills - need for continuous learning and professional development



# Remote / Hybrid work environment

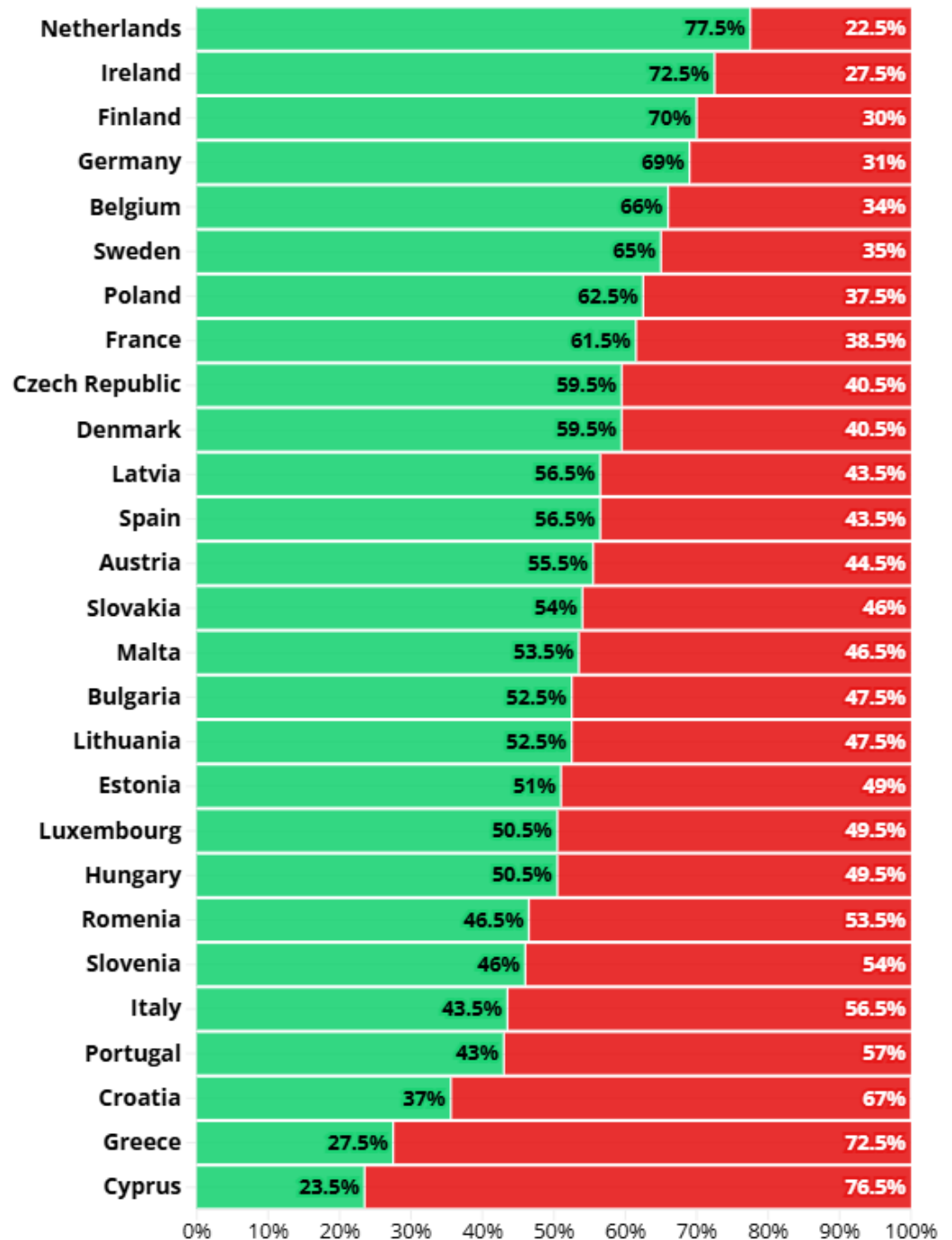
Workplace arrangements in the EU in jobs that can be performed from home



Source: EU official, Eurofound, January 2025

■ Partially or fully working from home  
■ Never working from home

# Homeworking rate in the EU



Source: EU official, Eurofound, January 2025





## The Role of Diversity in Internal Audit

- Why diverse teams lead to better decision-making
- Foster inclusion and equity in audit teams



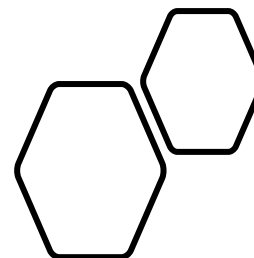
# Who would be your preferred choice for hiring as an auditor?

- Colleague from your company who is an expert in his field
- Big 4 (5, 6 ...) candidate
- Experienced auditor from a competitive company
- Fresh junior who is willing to learn



Join at  
**slido.com**

**#AUDITROME2025\_1**





Human Capital as Emerging Risks and the Quest  
for Skilled Auditors

**Audit Committee expectations**

Regulators' expectations

# Audit Committee



REPORTING



COLLABORATION



EDUCATION

# Audit Committee is:

- an oversight committee responsible for internal controls and financial statements.
- the key sub-committee of a company's board of directors responsible for overseeing financial reporting, internal controls, risk management, internal and external audit processes, and compliance with legal and regulatory requirements.

# Regulatory Frameworks

- International Standards
  - Basel Committee on Banking Supervision (BCBS)
  - International Financial Reporting Standards (IFRS)
  - OECD Principles of Corporate Governance
- EU Directives / Guidelines
  - EU Audit Directive (2014/56/EU)
  - Regulation (EU) No 537/2014
  - ECB Guideline
  - EBA Guidelines on Internal Governance (EBA/GL/2021/05)

# Key responsibilities



**OVERSIGHT OF  
FINANCIAL REPORTING**



**MONITORING  
INTERNAL CONTROLS**



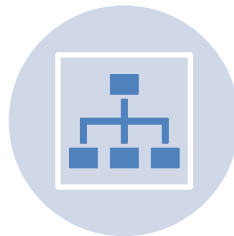
**SUPERVISION OF  
INTERNAL AUDIT**



**ENGAGEMENT WITH  
EXTERNAL AUDITORS**



**COMPLIANCE  
OVERSIGHT**



**RISK MANAGEMENT (IN  
COORDINATION WITH  
RISK COMMITTEE)**



**WHISTLEBLOWING  
MECHANISM  
OVERSIGHT**

# Guiding principles

Independence

Clear  
responsibilities

Focus on what  
matters

Relevant  
competence /  
Financial literacy



# Key Global Internal Audit Standards

- Standard 6.1 – Internal Audit Mandate
- Standard 7.1 – Organizational Independence
- Standard 7.2 – Chief Audit Executive Qualifications
- Standard 8.1 – Board Interaction
- Standard 12.1 – Internal Quality Assessment

## Domain III: Governing the Internal Audit Function

**Appropriate governance arrangements** are essential to enable the internal audit function to be effective. This domain outlines the requirements for chief audit executives to work closely with the board to establish the internal audit function, position it independently, and oversee its



# Audit Committee Assessment Questionnaire



## QAM - B1: Board and Management Survey

©2024, The Institute of Internal Auditors.

### Purpose:

The attached survey is for individuals who can provide feedback on the operation of the internal audit function. Consider selecting members of the board, senior management, and other key individuals who have interacted recently with the internal audit function.

### Note to the Assessor:

When sending the survey, include an explanation of the purpose of the quality assessment and note that survey responses may (or will) be anonymized to the extent feasible to encourage candid responses. Completed surveys should be sent directly to the assessment team, who should summarize results for analysis, discussion, and reporting.

Organization Name:	
Date Prepared:	
Prepared By:	
Reviewed By:	

Domain	Survey Question #	Statement	Strongly Agree	Agree	Disagree	Strongly Disagree	Don't Know
Domain I: Purpose of Internal Auditing	1	The internal audit function is perceived as adding value and helping our organization accomplish its objectives.	x				
Domain II: Ethics and Professionalism	2	Internal audit personnel respect the value and ownership of information they receive and do not disclose information without appropriate authority, unless there is a legal or professional obligation to do so.	x				
	3	The integrity of the internal audit function establishes confidence, providing the basis for its role as a trusted advisor within our organization.	x				
	4	The internal audit function effectively promotes appropriate ethics and values within our organization based on its actions and communications.	x				
	5	Internal audit personnel exhibit the highest level of professional objectivity in performing their work, making a balanced assessment of all relevant circumstances, and are not unduly influenced by their own interests or by others in forming judgments.	x				
	6	Internal audit personnel display adequate knowledge of our business processes, including critical success factors.		x			
	7	Internal audit personnel exhibit effective problem identification and solution skills.	x				

# Enhancing Audit Reporting

---

Make sure AC gets  
information not just data

Focus on things with the  
greatest impact

Leave enough time for  
discussion



# Strengthening Collaboration with the Audit Committee



Best practices for  
effective  
communication



Encouraging  
transparency and  
trust



Continuous learning  
approaches for board  
members (E.g.  
Cybersecurity, ESG, AI,  
regulatory trends)

# How is Audit Committee perceived in your organization?

- The Wise Owls: Strategic, sharp, and actually helpful
- The Watchdogs: Always watching... maybe too closely
- The Checkbox Champions: Largely ceremonial, technically exists but rarely ask anything
- We don't have Audit Committee



Join at  
**slido.com**

**#AUDITROME2025\_1**



Human Capital as Emerging Risks and the Quest  
for Skilled Auditors

Audit Committee expectations

**Regulators' expectations**

# Regulatory Landscape – What's Changing?



Constantly evolving  
regulatory requirements



How new regulation impact  
internal audit functions



# Main European Bodies



Parlamentum Europaeum



European  
Commission



**eba** | European  
Banking  
Authority



**EUROPEAN CENTRAL BANK**



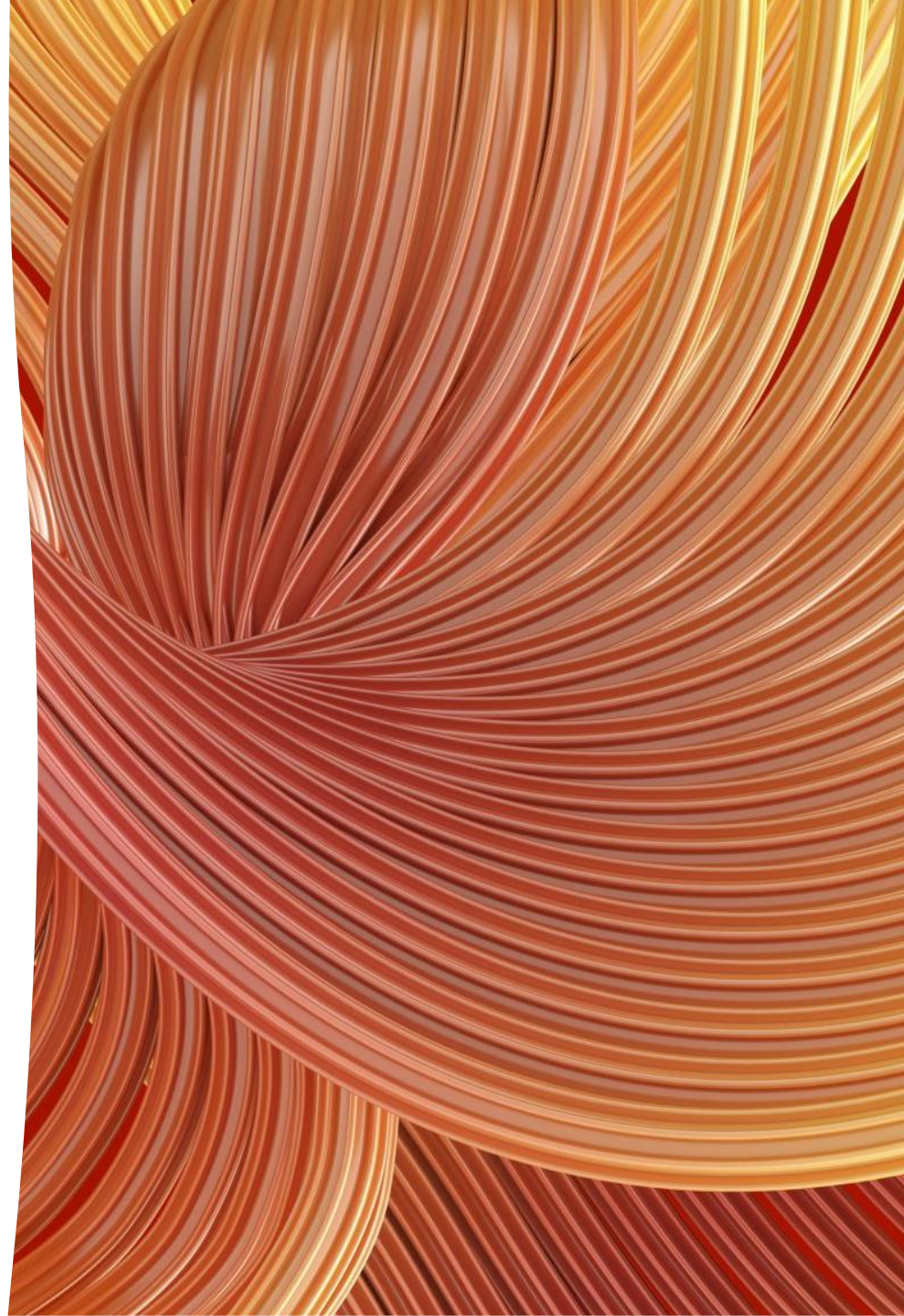
## Common Challenges in Meeting Regulatory Expectations

- Inform Internal Audit only once the final report has been issued
- Action Plans and responsibilities
- Internal Audit to confirm closing of regulatory findings

---

## Final Takeaways

---





# Q & A