

SMART INTERACTIVE TALK (SIT)

INTRODUCTION TO KPIs

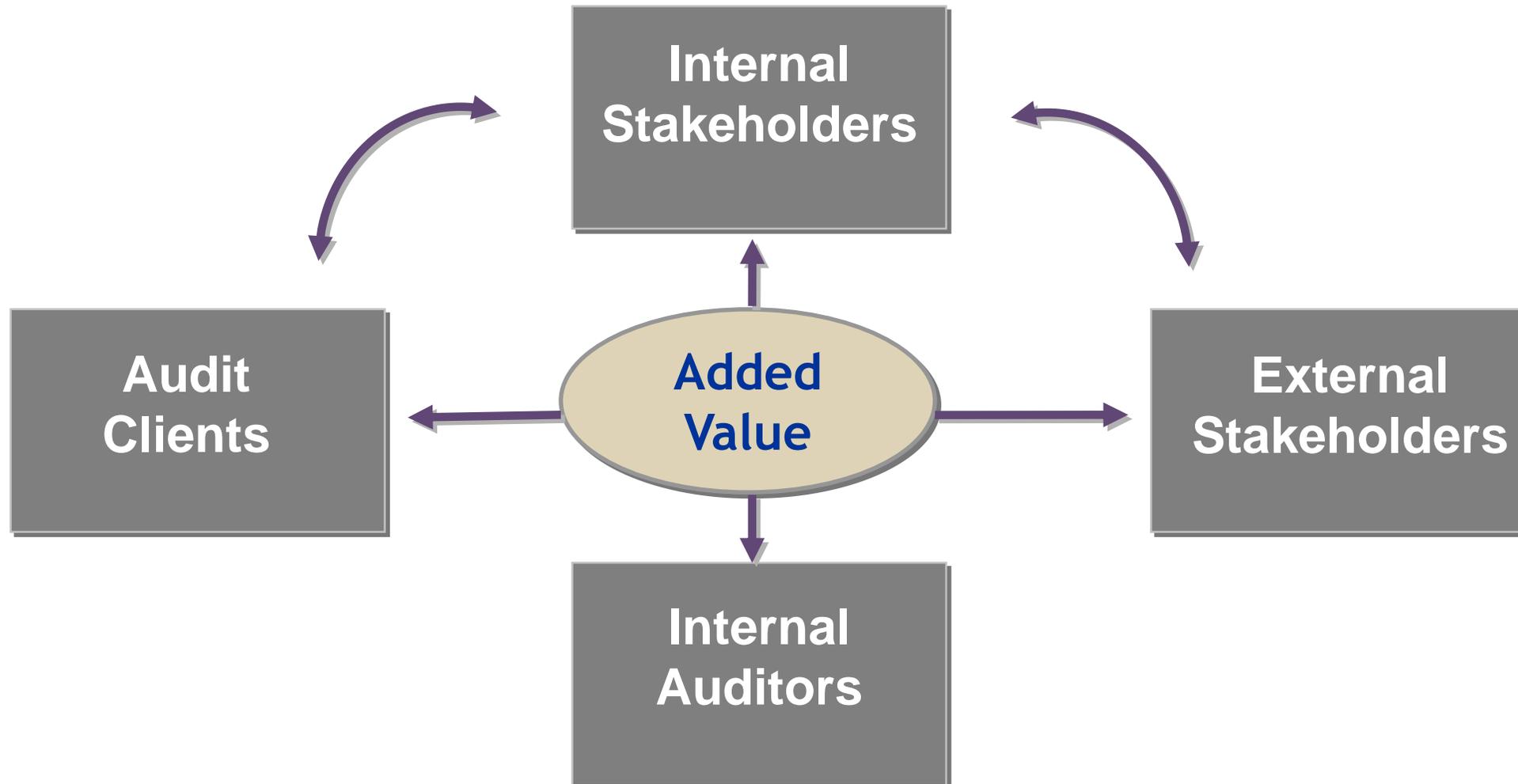
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2nd June 2020

What are KPIs?

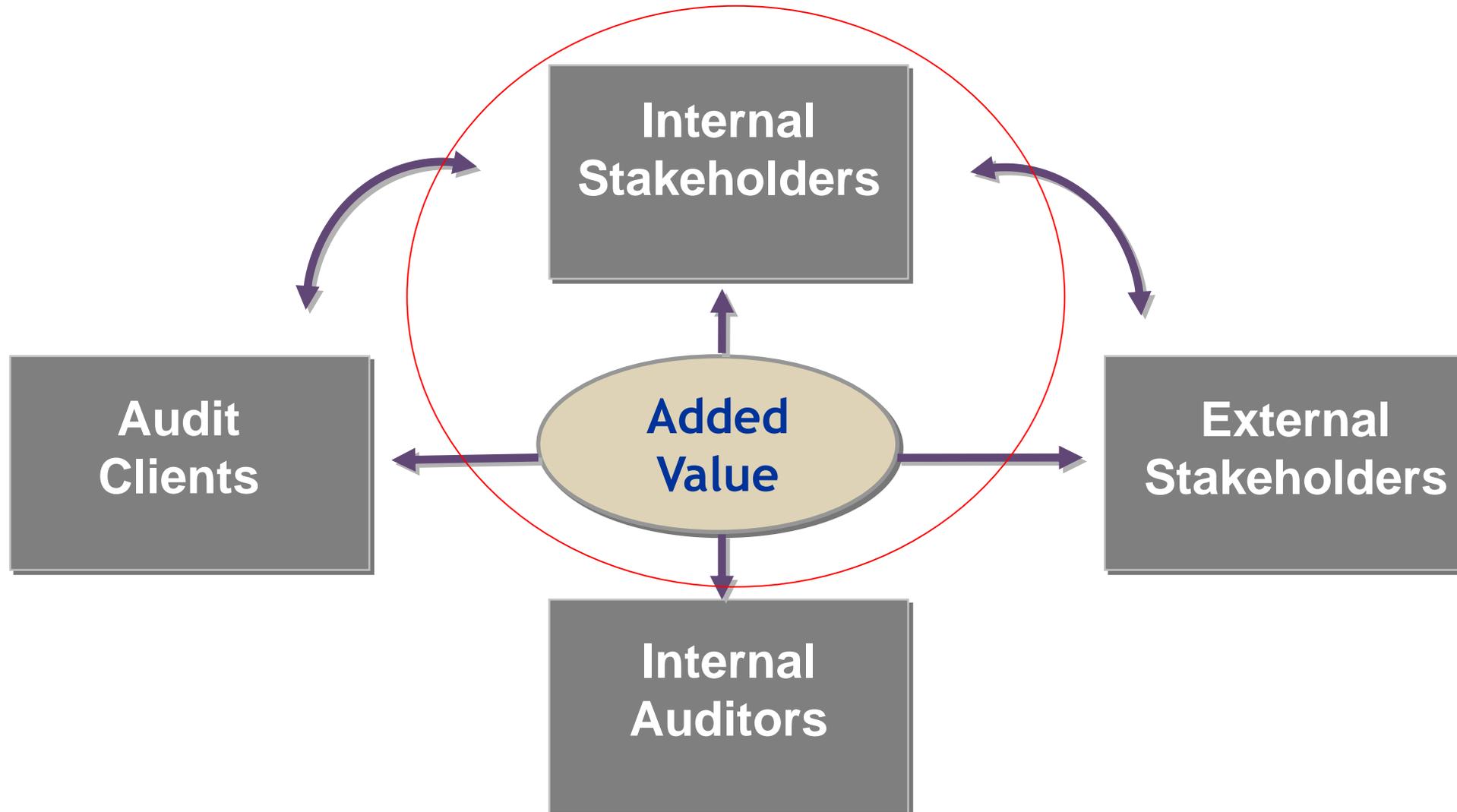
- ❑ Key Performance Indicators (KPIs) are part of the performance measurement process of the internal audit function
- ❑ KPIs are indicators (both external and internal) of the value we deliver
- ❑ KPIs are directly linked to the maturity level of the internal audit function

- ❑ Performance metrics should be grouped in a number of strategic categories:
 - ❑ External stakeholders (e.g. the audit committee, the regulator)
 - ❑ Internal stakeholders (e.g. senior management)
 - ❑ Audit clients (the auditees)
 - ❑ Audit actor (the internal audit function)

A Balanced Score Card for Internal Audit



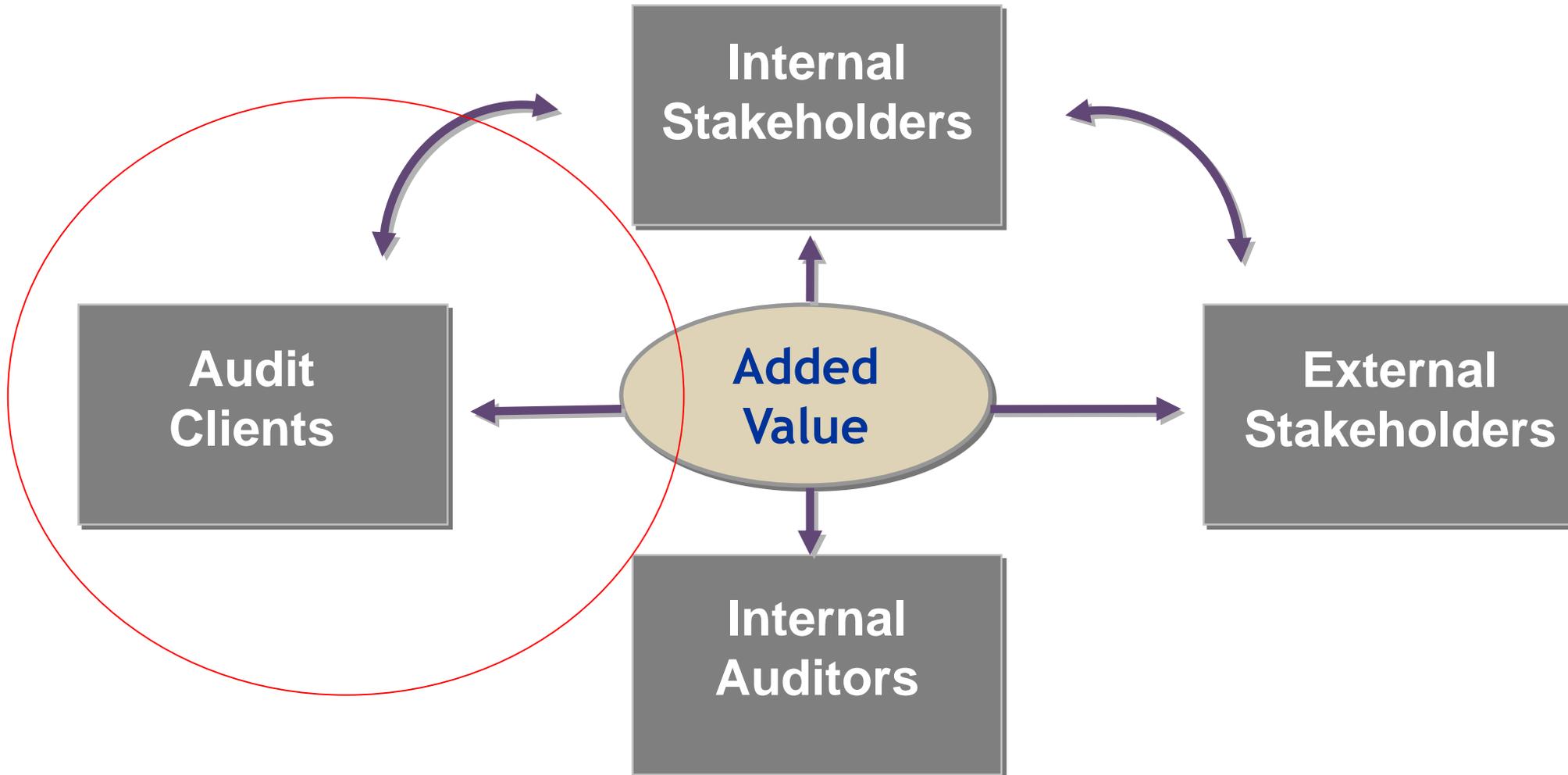
A Balanced Score Card for Internal Audit



KPIs for Internal Stakeholders

- ❑ Materiality level of audit findings
- ❑ Percentage of unsatisfactory ratings
- ❑ Number of frauds per annum and value of frauds
- ❑ Number of complaints from regulatory bodies
- ❑ Percentage of high-risk universe covered per year
- ❑ Percentage of internal auditors being promoted elsewhere in the organization

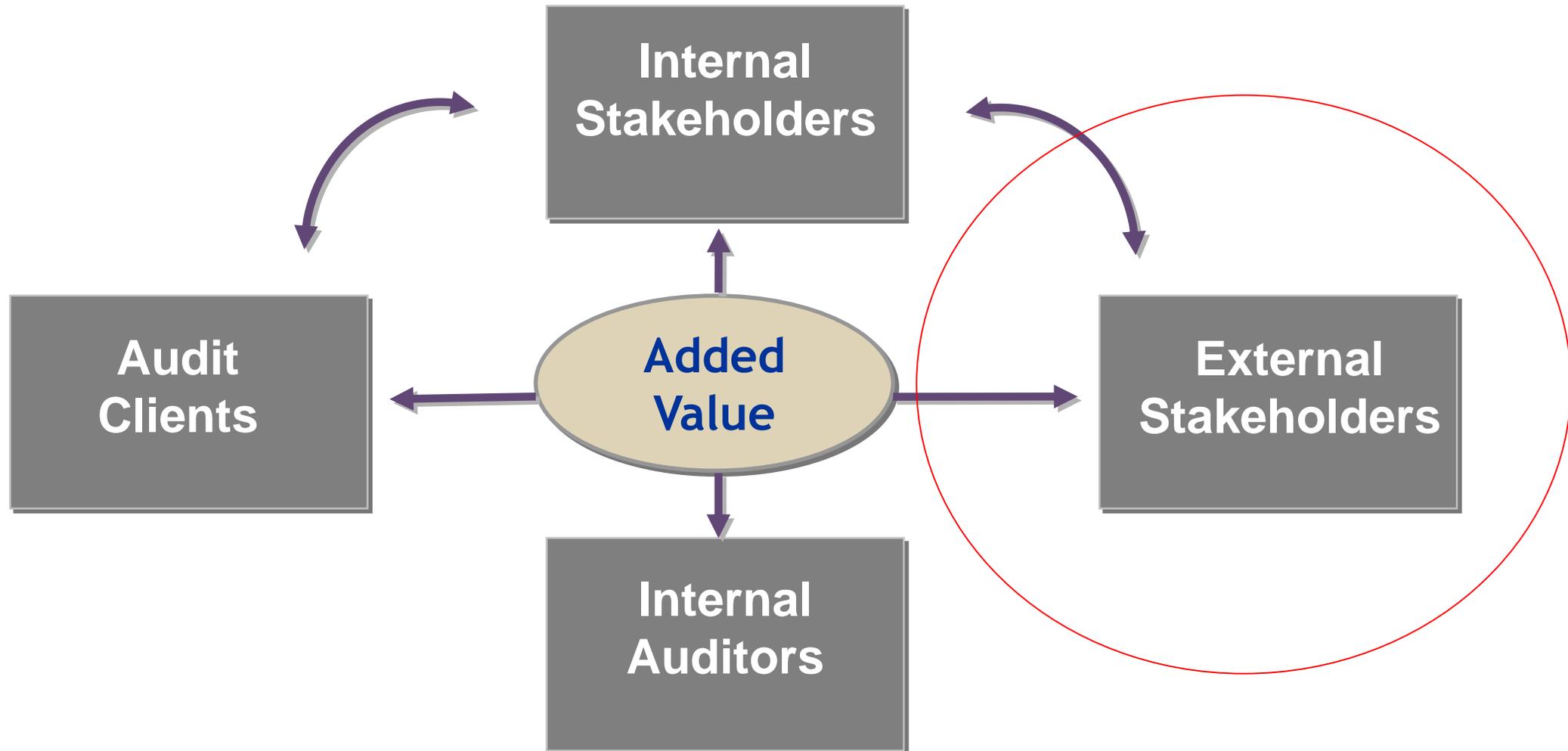
A Balanced Score Card for Internal Audit



KPIs for Audit Clients

- ❑ Satisfaction survey rating
- ❑ Percentage of issues open/closed/past due
- ❑ Percentage of recommendations accepted/refused
- ❑ Number of repeat findings
- ❑ Number of requests by local management for audit support

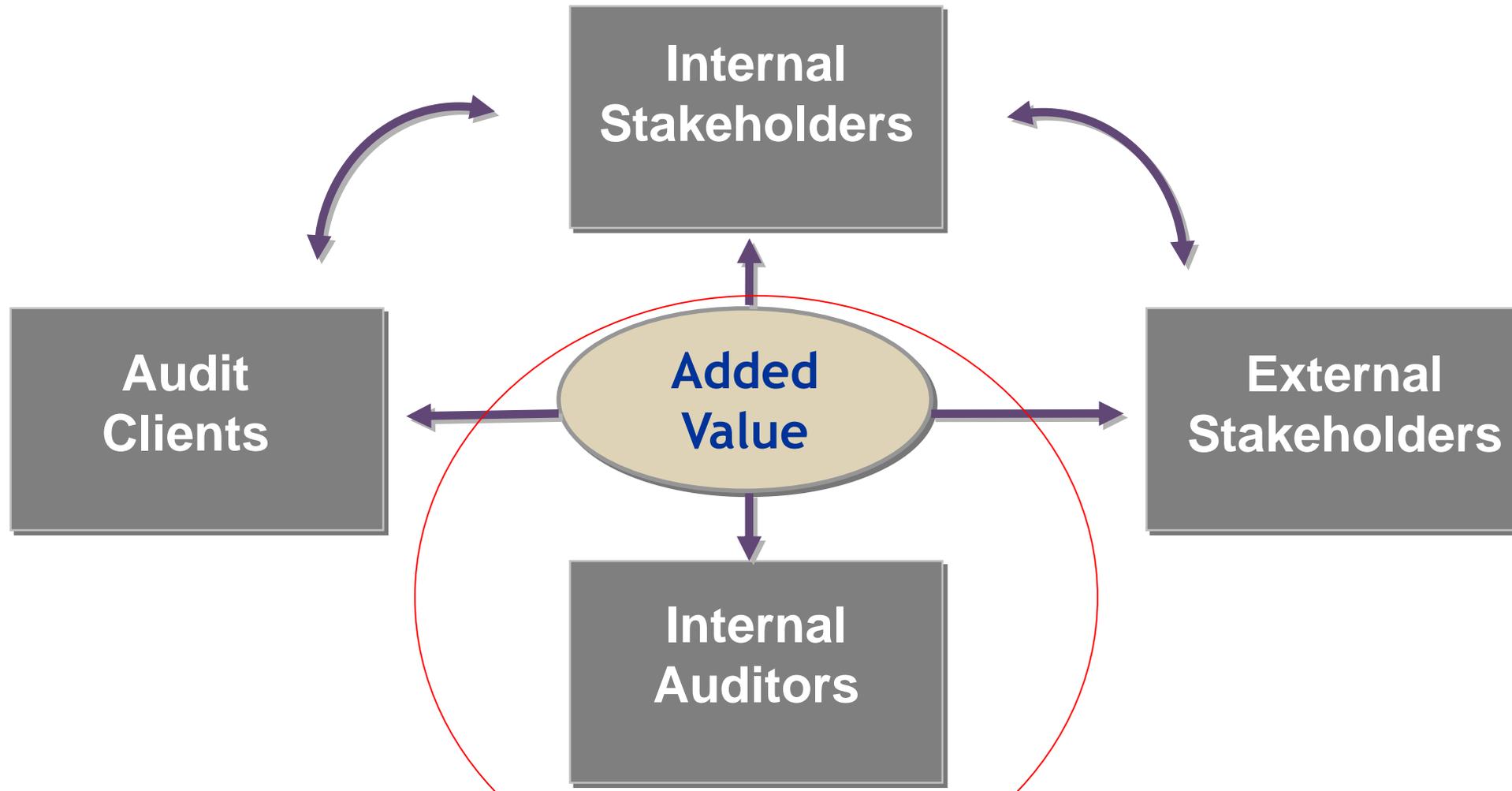
A Balanced Score Card for Internal Audit



KPIs for External Stakeholders

- ❑ Audit Committee survey rating
- ❑ Percentage of issues open/closed/past due
- ❑ Percentage of recommendations accepted/refused
- ❑ Number of frauds per annum and value of frauds
- ❑ Independence of internal audit
- ❑ Percentage of high-risk universe covered per year

A Balanced Score Card for Internal Audit



KPIs for the Internal Audit Function

- ❑ Percentage of audits performed versus plan
- ❑ Mean time from closing meeting to report issuance
- ❑ Percentage of annual audit costs versus annual budget
- ❑ Number of years of relevant business experience
- ❑ Number of years of audit experience
- ❑ Percentage of certified auditors
- ❑ Percentage of planned/unplanned staff turnover per year
- ❑ Number of training hours per auditor and year

Let's enjoy our SIT !

