



## Thought Leadership

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# Attracting and Retaining Internal Audit Talent for the 21st Century

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As a professional discipline, internal audit is always evolving. Emerging trends and organizational disruptions create new opportunities for internal audit groups to provide value. In an increasingly rigorous regulatory environment—and a risk landscape that's becoming more and more complex—the need for greater internal audit capacity is only going to grow.

The problem is that demand is exceeding supply. While this shortfall is partly due to a very tight labour market, there are also challenges specific to the internal audit function itself that are making it harder for internal audit teams to grow.

It's critical that internal audit organizations recruit and retain the right talent to deliver on their mandates. In this article, we explore some key trends and strategies that internal audit organizations can use to attract—and keep—the talent they need to ensure they can meet today's commitments and tomorrow's opportunities.

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## Job Expectations Are Changing

The past two decades have seen a radical transformation of the workplace. As new technologies have freed up employees for more value-add work, they've also enabled flexibility about when and where that work is done. While adoption of more flexible work arrangements has varied across industries and functions, the movement away from a rigid, 9-to-5 workday in the office has been underway for some time.

The forced pivot to fully remote work during the recent pandemic only accelerated this trend. Even as they scrambled to adjust to a new operational reality, many organizations—internal audit among them—discovered that distributed teams could still be effective.

These changes have opened employees' eyes to what's possible, and their expectations around workplace flexibility have shifted accordingly. While some internal audit leaders remain hesitant to embrace remote work, more fluid work arrangements are more than likely here to stay.

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### **Be Flexible and Transparent**

A fully remote model is clearly not ideal for the internal audit function. But internal audit teams have learned some lessons in the past two years of remote work and can embed some best practices into new hybrid work models, where necessary or appropriate.

At the same time, internal audit leaders can still make a strong case for the value of on-site collaboration where it really matters and emphasize the importance of in-person interactions for the audit function. Whatever the organizational model, setting expectations up front with new and potential employees will be critical to getting buy-in and cooperation for policies around in-office work.

### **Create A Compelling Workplace Culture**

If expectations around work flexibility are changing, so are expectations for the overall employee experience. Many job candidates are looking for more than just compensation and benefits: they want to work for forward-looking organizations that embrace innovation, support work-life balance, and offer room to grow.

Internal audit leaders can make on-site work an attractive option by creating an inclusive and dynamic workplace culture. From providing on-site amenities that promote well-being to creating regular opportunities to socialize and network, leaders can build an intentional office culture that engages employees and fosters connection.

## **Employees Are Voting with Their Feet**

The “Great Resignation” has affected virtually every industry. Amid declining job satisfaction and a crushing lack of work-life balance (brought on, in part, by the pressures of the global pandemic), professionals have been leaving the workforce in droves, creating widespread staffing shortages not seen in decades.

Internal audit has not been immune to this phenomenon: in fact, the IIA's 2022 North American Pulse of Internal Audit survey found that almost half (46 percent) of respondents cited voluntary resignation as the reason behind their staff reductions.

According to the Pew Research Center, the majority of workers who quit a job in 2021 cited low pay, lack of professional opportunities, and feeling undervalued as their primary motivations for leaving their employer. This research makes it clear that in addition to providing adequate compensation, internal audit leaders need to ensure their employees are supported and motivated if they want to retain them.

### **Make Mental Health A Priority**

Employee mental health and well-being should be a priority for every employer, regardless of labour market conditions and external circumstances. Yet the pandemic's impact on mental health was undeniable, as employees everywhere grappled with novel pressures in every aspect of their lives, on extremely short notice.

Internal audit groups should make sure they have policies in place that recognize the importance of employee mental health. Furthermore, they can help the wider organization do the same by



putting more focus on mental health and wellness programs and assessing whether those programs are meeting the evolving needs of the workforce.

### **Keep Employees Engaged**

Not surprisingly, high levels of employee engagement correlate to lower rates of employee turnover. Fortunately, the breadth and scope of internal audit's remit—the variety of work assignments, the exposure to different areas of business operations, the range of learning opportunities and career paths available—already make for a compelling work experience.

Internal audit leaders should ensure that everyone on their team has interesting work and opportunities to expand their domain expertise. Challenging projects and a mix of assignments will keep people engaged, curious, and committed, and that enthusiasm will be communicated to the larger organization.

## **A Changing of the Guard Is Underway**

The current labour shortage is being felt everywhere, and while some of that is due to increased worker mobility, it's only part of the story. Older workers are retiring in large numbers, and they're leaving a large talent gap in their wake.

Internal audit teams need to find and develop a new generation of internal audit talent. Internal audit is a highly skilled and specialized discipline and recruiting qualified candidates into the profession is challenging enough already. Promoting internal audit as an exciting value-add profession among young professionals is key to renewing the internal audit workforce.

To do that, internal audit leaders must confront and combat internal audit's perception problem. To many outside the profession, internal audit (and audit in general) is seen as a sterile, fault-finding function; changing that narrative is key to attracting the best and brightest into the profession.

### **Forge Relationships with Universities**

Universities have been a largely untapped pool for finding and attracting internal audit talent. Participating in campus career fairs, sharing openings on university job search sites, partnering with university career counsellors to champion internal audit as a career path—these are all excellent ways to raise the profile of internal audit among a new generation of professionals.

Furthermore, younger workers have a much different outlook on work than previous generations: they thrive on variety and have less fear of career changes. When talking to younger professionals, internal audit recruiters should emphasize the variety of opportunities available, and the endless paths that a career in internal audit can take.

### **Cast A Wider Net**

Although internal audit is gaining a higher profile, it's still not an obvious career path for many professionals. While many come to internal audit from so-called traditional disciplines like accounting and finance, the skills and expertise acquired in a wide array of other fields are equally applicable to internal audit.



Internal audit teams that expand their candidate profile beyond conventional backgrounds will reap the rewards over the long term. Recruiting from a broad range of fields will ensure more diversity of thought and experience within the organization, expand organizational expertise, and position internal audit to contribute in increasingly impactful ways.

### **Building the Internal Audit Workforce of Tomorrow**

Internal audit is poised for growth, yet internal audit organizations are facing a limited pool of skilled talent to meet their evolving needs.

Internal audit leaders who can adjust to the expectations of today's Millennial workforce, invest in the mental health and well-being of their employees, and attract and nurture a younger generation of audit professionals will position themselves for sustainable growth and innovation.



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