

2026 North American Pulse of Internal Audit

Benchmarks for Internal Audit Leaders



About the **Pulse** of Internal Audit



The North American Pulse of Internal Audit has been the premier annual leadership report for internal audit leaders in the region since 2008. Pulse reports enable internal audit leaders and stakeholders to better manage their budgets, staff, and audit plans through key benchmarks and trends.

The online survey for the 2026 report was conducted from October 23 to December 2, 2025, for North American respondents. Responses were accepted from the highest-ranking internal auditor within each organization.

Pulse of Internal Audit research is conducted annually by the Internal Audit Foundation™. The public is invited to download Pulse of Internal Audit reports at theiia.org/Pulse.



Support internal audit research and the academic fund.

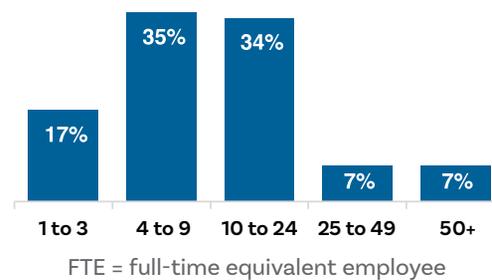
An investment in the Internal Audit Foundation is an investment in the future of the profession.

DONATE NOW.
theiia.org/IAFdonate

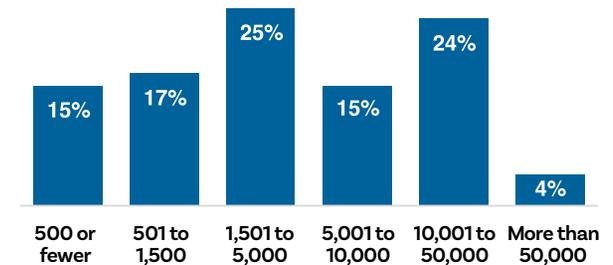
Respondent Locations

United States	315	84%
Canada	48	13%
Caribbean	10	3%
Total	373	100%

Internal Audit Function Size (FTEs)



Overall Organization Size



Contents

- About the Pulse of Internal Audit1**
- Executive Summary..... 3**
- Section 1. Budget 5**
 - Budget – Funding Sufficiency.....6
 - Budget – Funding Sufficiency and Strategic Alignment 7
 - Budget – All Respondents.....8
 - Budget – Financial Services and Privately Held.....9
 - Budget – Publicly Traded and Manufacturing.....10
 - Budget – Nonprofit and Health Care.....11
 - Budget – Public Sector and Educational Services.....12
 - Budget – Overview.....13
 - Budget – Summary – Sectors14
 - Budget – Summary – Industries15
- Section 2. Staff 16**
 - Staff – Overview.....17
 - Staff - All Respondents.....18
 - Staff – Financial Services and Privately Held19
 - Staff – Publicly Traded and Manufacturing.....20
 - Staff – Nonprofit and Health Care.....21
 - Staff – Public Sector and Educational Services22
 - Staff – Summary – Sectors.....23
 - Staff – Summary – Industries24
 - Staff – Function Size vs. Organization Size25
- Section 3. Audit Plan 27**
 - Audit Plan – Overview.....28
 - Audit Plan – Sectors and Industries.....29
 - Audit Plan – Alignment With Organizational Strategy30
 - Audit Plan – Assurance and Advisory Activity.....31
- Section 4. CAE Responsibilities 32**
 - CAE Responsibilities – Overview.....33
 - CAE Responsibilities – Sectors.....34
 - CAE Responsibilities – Industries35
- Section 5. Reporting Relationships 36**
 - Reporting Relationships – Overview37
 - Reporting Relationships – Audit Committee Meetings.....38
- Appendix. Demographics 39**
- Acknowledgments 43**



Executive Summary

Internal audit functions across North America enter 2026 under increasing resource pressure, with more organizations reporting declines in both budget and staff in 2025 compared with the prior year. To continue providing high-quality services to their organizations, internal auditors need to carefully manage resources and demonstrate value to stakeholders by aligning with organizational strategy.

Section 1. Budget

Internal audit funding weakened overall in 2025, reversing some of the momentum seen in recent years. The percentage of internal audit leaders reporting mostly or completely sufficient funding declined, while those reporting insufficient funding increased, signaling growing strain on audit capacity. Fewer functions reported budget increases, and more reported cuts – levels comparable to the period following the COVID-19 pandemic (Exhibit 1.3). While most sectors experienced setbacks, financial services stood out as relatively stable, with more consistent budget growth and fewer reductions (Exhibits 1.4 to 1.10).

A notable differentiator was alignment with organizational strategy: internal audit functions that were fully or almost fully aligned were significantly more likely to report sufficient funding than those only somewhat aligned (Exhibit 1.2).

Implication for CAEs: Strong, visible linkage between audit work and organizational strategy appears to be associated with better resourcing for internal audit functions.

Section 2. Staff

Staffing trends reflected the impact of budget pressures. The share of internal audit functions reporting staff reductions increased meaningfully, while those reporting stable staffing declined (Exhibit 2.2). Although overall staff growth remained relatively steady, it has not returned to pre-COVID highs. Patterns varied by sector: financial services again showed resilience, while privately held organizations, nonprofit entities, health care, publicly traded companies, and manufacturing experienced sharper increases in staff cuts (Exhibits 2.3 to 2.8).

Implication for CAEs: Capacity constraints are intensifying in many segments, reinforcing the need for talent prioritization, selective sourcing, and realistic audit plans.



NEW! Industry Insights

Pulse reports now provide industry analysis* for:

- Public sector
- Financial services
- Manufacturing
- Educational services
- Health care and social assistance

* Analysis is provided for industries with 30 responses or more. See Appendix for further information about industries and sectors.



Executive Summary (continued)

Section 3. Audit Plan

Audit plans in North America continue to be shaped heavily by regulatory structure, particularly Sarbanes-Oxley compliance (SOX). In organizations where SOX is implemented, a substantial share of audit effort is devoted to financial reporting, whereas in non-SOX organizations, internal audit allocates substantially more time to operational reviews. Across most sectors, cybersecurity and IT together account for a significant portion of audit plans, reflecting persistent technology risk (Exhibit 3.1). The balance between assurance and advisory work remains stable, at roughly three quarters assurance and one quarter advisory (Exhibit 3.4).

Implication for CAEs: Regulatory demands and cyber risk continue to shape audit plans, underscoring the importance of appropriate staff levels and technology skills.

Section 4. CAE Responsibilities

The CAE role extends beyond internal audit in most organizations. The majority of CAEs hold responsibility for additional areas, most commonly fraud investigation, followed by ethics/whistleblower programs and enterprise risk management (ERM) (Exhibit 4.1). In publicly traded and manufacturing organizations, oversight of SOX programs is especially common (Exhibits 4.2 and 4.3).

Implication for CAEs: Additional responsibilities increase influence, but may also raise questions about bandwidth, independence, objectivity, and role clarity.

Section 5. Reporting Relationships

Most CAEs report functionally to an audit committee or board, reinforcing independence, although the public sector is less likely to report to a traditional audit committee. Administratively, CAEs often report to CEOs, a political entity (for the public sector), or other executive management. Some sectors (publicly traded and privately held organizations) predominantly report administratively to the chief financial officer (CFO) (Exhibit 5.1). Engagement with audit committees is high, with most CAEs attending all committee meetings. Over half say that their committees meet more than four times per year (Exhibit 5.2).

Implication for CAEs: Appropriate reporting relationships and strong audit committee engagement are central to audit effectiveness and independence.



Research Methods

The online survey was conducted from October 23 to December 2, 2025, for respondents in North America and the Caribbean. Responses were accepted from the highest-ranking internal auditor within each organization (referenced as CAEs in the reports).





SECTION 1

Budget



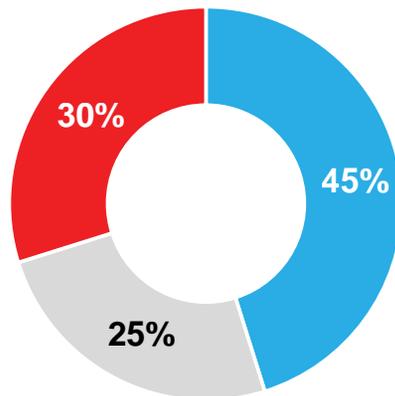
Budget – Funding Sufficiency

CAEs with mostly or completely sufficient funding for their functions dropped from 53% in 2024 to 45% in 2025 (-8). At the same time, the percentage saying funding was not sufficient rose from 22% in 2024 to 30% in 2025 (+8). The percentage of CAEs with moderately sufficient funding held steady at 25%.

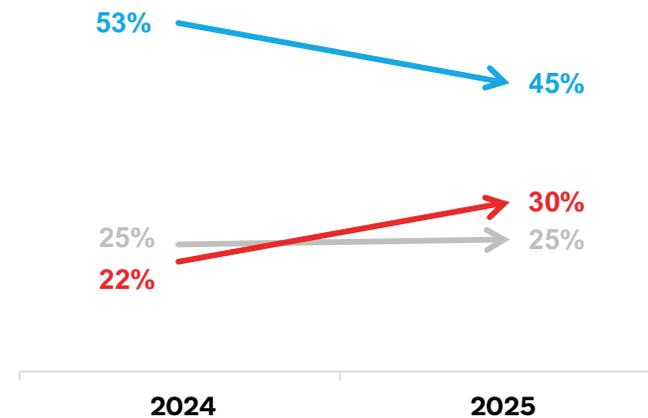
Exhibit 1.1. Internal Audit Funding Sufficiency and Change From Prior Year

Survey question: In your opinion, how sufficient is the funding for your internal audit function relative to the extent of its responsibilities?

Internal Audit Funding Sufficiency – All Respondents



Change in Internal Audit Funding Sufficiency from 2024 to 2025



■ Funding mostly/completely sufficient ■ Funding moderately sufficient ■ Funding not sufficient

Note: The Internal Audit Foundation's North American Pulse of Internal Audit Survey, Oct. 23 to Dec. 2, 2025. Question 25. n = 370.



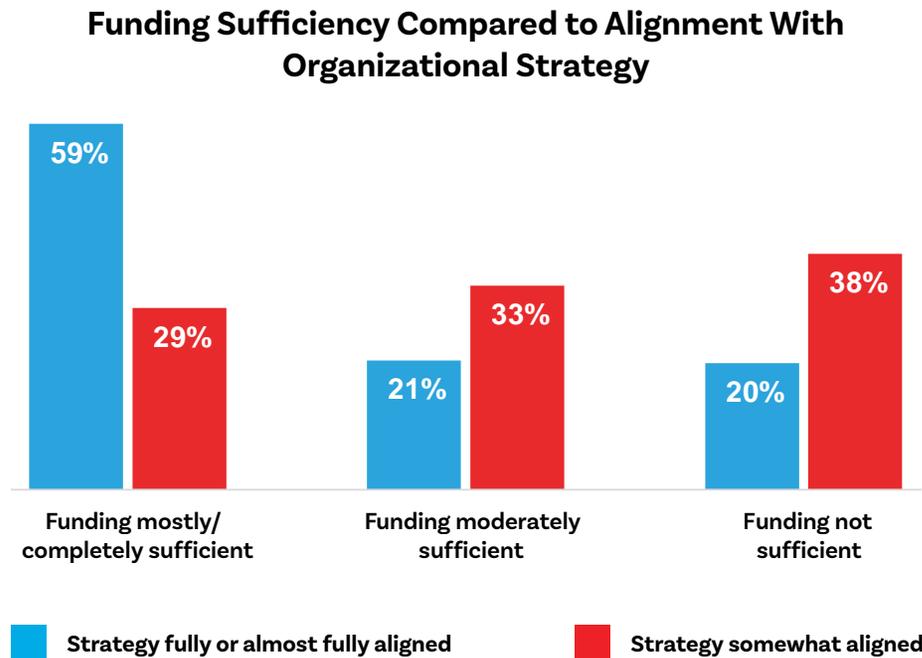
Budget – Funding Sufficiency and Strategic Alignment

When internal audit functions are closely aligned to the organization’s strategy, they are more likely to be sufficiently funded.

Survey results showed that 59% of highly aligned functions said they had sufficient funding, compared with just 29% of those that were only somewhat aligned – a 30-point difference. This pattern was consistent, regardless of sector, industry, function size, or SOX implementation status. For more information about internal audit alignment with organizational strategy, see Section 3. Audit Plan.

Exhibit 1.2. Internal Audit Funding Sufficiency Compared to Alignment With Organizational Strategy

Survey questions: In your opinion, how sufficient is the funding for your internal audit function relative to the extent of its responsibilities? To what extent do you believe your internal audit function is aligned with the strategic plan?



Note: The Internal Audit Foundation’s North American Pulse of Internal Audit Survey, Oct. 23 to Dec. 2, 2025. Questions 25 and 29. *n* = 367.

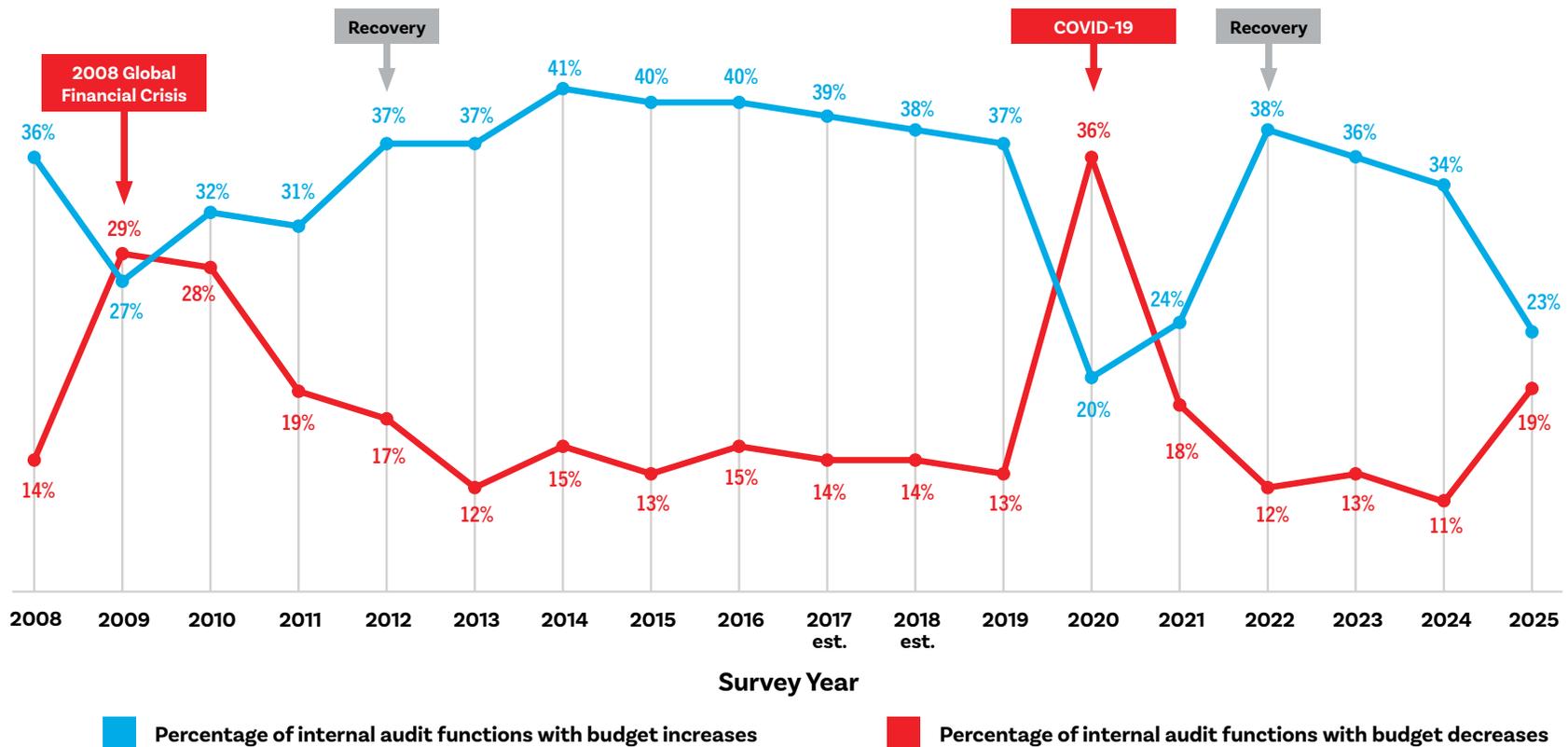


Budget – All Respondents

Substantially fewer internal audit functions reported a budget increase in 2025 than in 2024, dropping from 34% to 23% (-11). At the same time, those reporting budget cuts rose from 11% to 19% (+8). The current metrics are similar to 2021 (immediately following the COVID-19 crisis).

Exhibit 1.3. Internal Audit Budget Trends – All Respondents

Survey question: Looking back over the past 12 months, did your internal audit budget increase, decrease, or stay the same?



Note: The Internal Audit Foundation's North American Pulse of Internal Audit Survey, multiple years. Data for 2017 and 2018 were estimated because the budget question was not included in the survey for those years. The survey responses for 2025 were collected from Oct. 23 to Dec. 2. n = 366 for 2025.

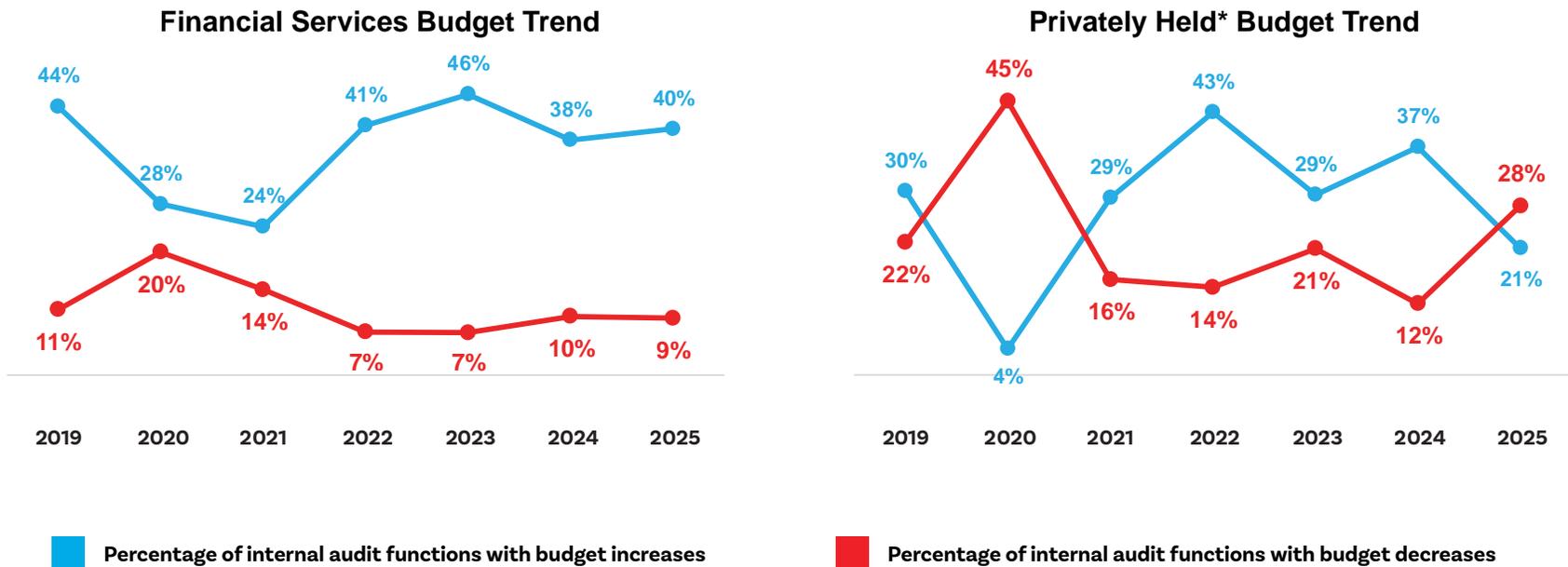


Budget – Financial Services and Privately Held

Financial services is the only sector where internal audit budget growth stayed relatively strong from 2024 to 2025, with 40% seeing budget growth and only 9% saying their budgets were cut. In contrast, budget cuts rose and budget growth dropped for privately held organizations (not including financial services organizations), with both metrics shifting by 16 percentage points.

Exhibit 1.4. Internal Audit Budget Trends – Financial Services and Privately Held Organizations

Survey question: Looking back over the past 12 months, did your internal audit budget increase, decrease, or stay the same?



Note: The Internal Audit Foundation's North American Pulse of Internal Audit Survey, multiple years. The survey responses for 2025 were collected from Oct. 23 to Dec. 2. n = 97 for financial services. n = 29 for privately held organizations. * For this analysis, privately held does not include financial services respondents. Financial services respondents are analyzed as a separate group.

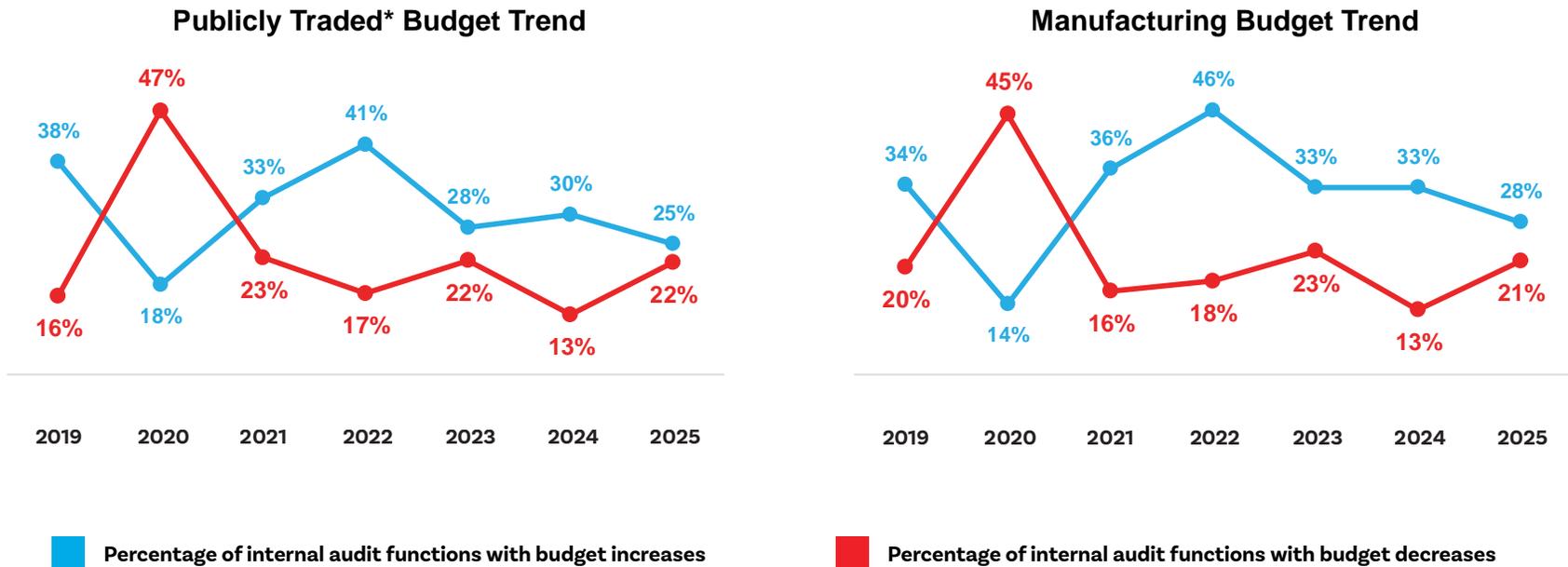


Budget – Publicly Traded and Manufacturing

Publicly traded organizations and manufacturing experienced moderate budget shifts. Those with budget cuts rose from a six-year low of 13% in 2024 to more than 20% in 2025. But the percentage of those with budget growth only dropped 5 points from 2024 to 2025.

Exhibit 1.5. Internal Audit Budget Trends – Publicly Traded Organizations and Manufacturing

Survey question: Looking back over the past 12 months, did your internal audit budget increase, decrease, or stay the same?



Note: The Internal Audit Foundation's North American Pulse of Internal Audit Survey, multiple years. The survey responses for 2025 were collected from Oct. 23 to Dec. 2. *n* = 100 for publicly traded organizations. *n* = 47 for manufacturing. * For this analysis, publicly traded does not include financial services respondents. Financial services respondents are analyzed as a separate group.



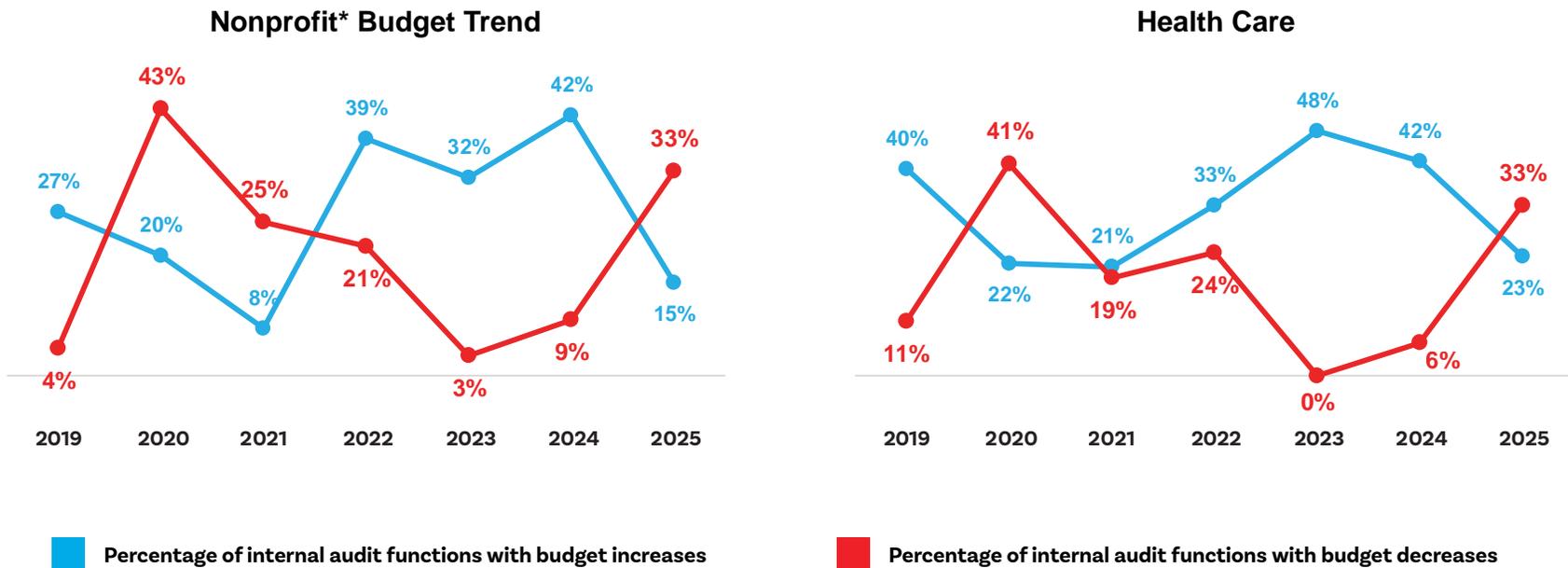
Budget – Nonprofit and Health Care

Among nonprofit organizations, internal audit functions with budget growth declined sharply from 42% in 2024 to 15% in 2025 (-27).

Those with budget cuts rose sharply to 33% (+24). The health care industry (which is often categorized as a nonprofit organization), reported similar changes; those with budget cuts also rose to 33%.

Exhibit 1.6. Internal Audit Budget Trends – Nonprofit Organizations and Health Care

Survey question: Looking back over the past 12 months, did your internal audit budget increase, decrease, or stay the same?



Note: The Internal Audit Foundation's North American Pulse of Internal Audit Survey, multiple years. The survey responses for 2025 were collected from Oct. 23 to Dec. 2. n = 33 for nonprofit. n = 30 for health care.

* For this analysis, nonprofit does not include financial services respondents. Financial services respondents are analyzed as a separate group.

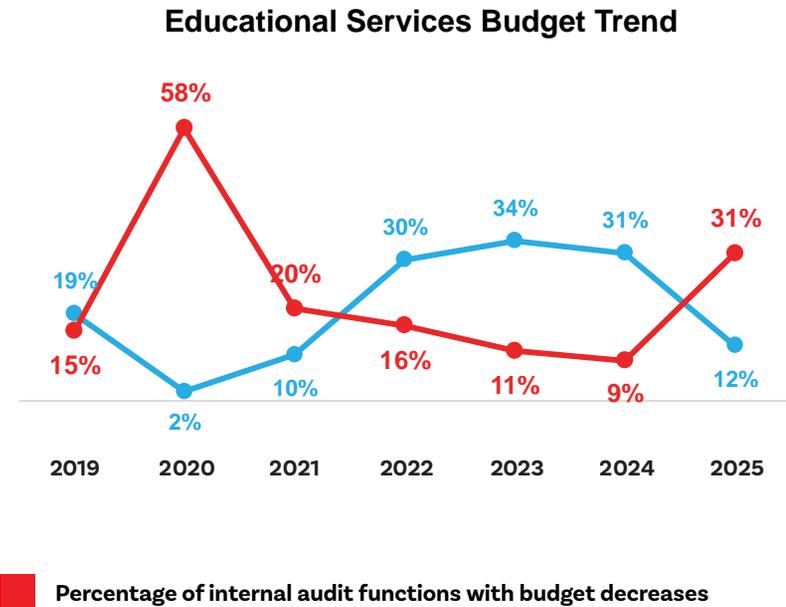
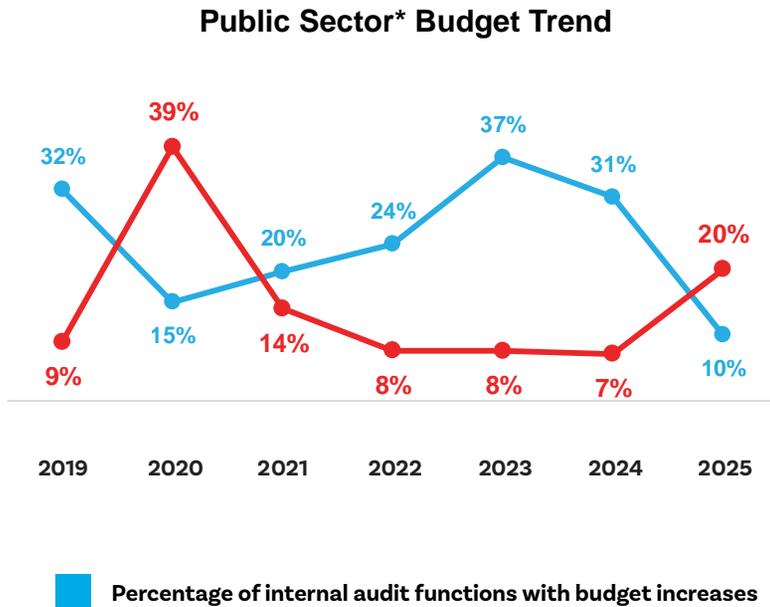


Budget – Public Sector and Educational Services

After seeing elevated budget growth in the public sector in 2023 and 2024, the metric dropped from 31% in 2024 to 10% in 2025 (-21). The public sector also reported more budget cuts, rising from six-year low in 2024 to 20% in 2025. Those in educational services experienced a similar pattern. CAEs with budget growth dropped from 31% in 2024 to 12% in 2025 (-19), and budget cuts soared from 9% in 2024 to 31% in 2025 (+22).

Exhibit 1.7. Internal Audit Budget Trends – Public Sector and Educational Services

Survey question: Looking back over the past 12 months, did your internal audit budget size increase, decrease, or stay the same?



Note: The Internal Audit Foundation's North American Pulse of Internal Audit Survey, multiple years. The survey responses for 2025 were collected from Oct. 23 to Dec. 2. *n* = 100 for public sector. *n* = 51 for educational services.
 * For this analysis, public sector does not include financial services respondents. Financial services respondents are analyzed as a separate group.



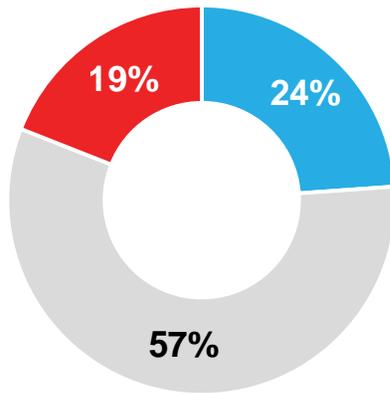
Budget – Overview

On average, internal audit functions with budget growth in the prior year dropped from 34% in 2024 to 24% in 2025 (-10). At the same time, those with budget cuts grew from 11% to 19% (+8). A notable exception to this trend was the financial services sector, as shown on the next page.

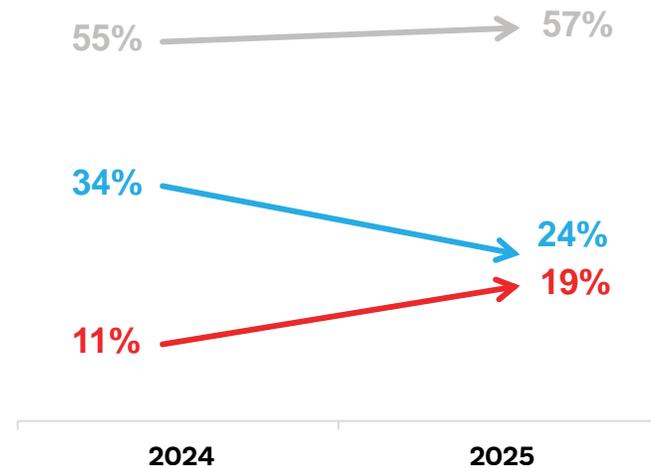
Exhibit 1.8. Internal Audit Budget Changes From 2024 to 2025 – All Respondents

Survey question: Looking back over the past 12 months, did your internal audit budget increase, decrease, or stay the same?

Internal Audit Budget Change From Prior Year – All Respondents



Internal Audit Budgets – Trend From 2024 to 2025 – All Respondents



■ Percentage with budget increases ■ Percentage where budget stayed about the same ■ Percentage with budget decreases

Note: The Internal Audit Foundation's North American Pulse of Internal Audit Survey, multiple years. The survey responses for 2025 were collected from Oct. 23 to Dec. 2. *n* = 393 for 2024. *n* = 366 for 2025.



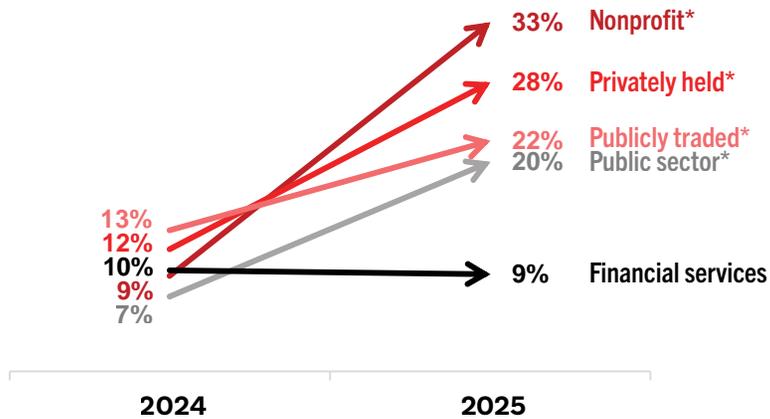
Budget – Summary – Sectors

Except for financial services, all sectors and industries studied for this report saw setbacks for their internal audit budgets – many in double digits. Financial services maintained its budget status from 2024 to 2025, ending up with substantially fewer budget cuts and more budget growth in 2025.

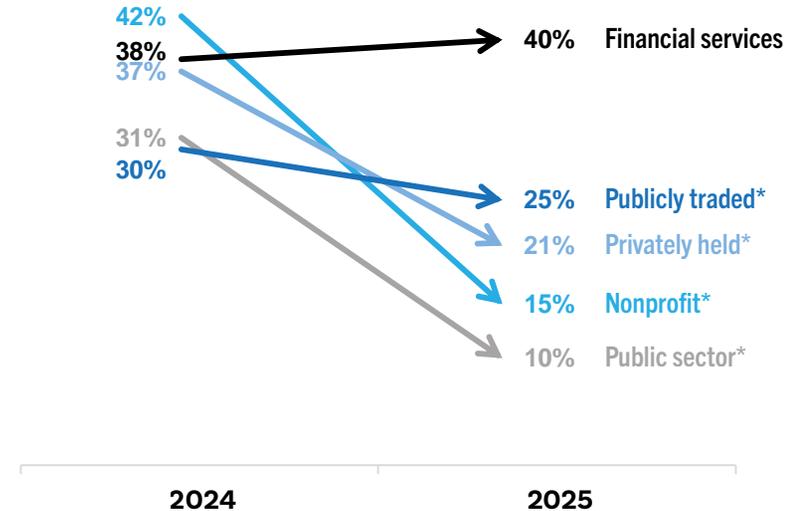
Exhibit 1.9. Internal Audit Budget Changes From 2024 to 2025 – Sectors

Survey question: Looking back over the past 12 months, did your internal audit budget increase, decrease, or stay the same?

Functions With Budget Decreases – Sectors



Functions With Budget Increases – Sectors



Note: The Internal Audit Foundation's North American Pulse of Internal Audit Survey, multiple years. The survey responses for 2025 were collected from Oct. 23 to Dec. 2. *n* = 393 for 2024. *n* = 366 for 2025.

* For this analysis, these sectors do not include financial services respondents. Financial services respondents are analyzed as a separate group.



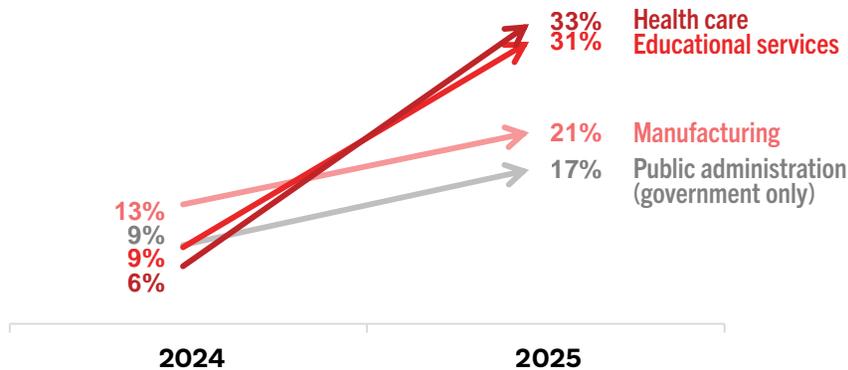
Budget – Summary – Industries

Educational services and health care experienced particularly pronounced impacts, with the share of functions reporting budget cuts increasing by more than 20 percentage points year over year, and those reporting budget growth similarly dropping.

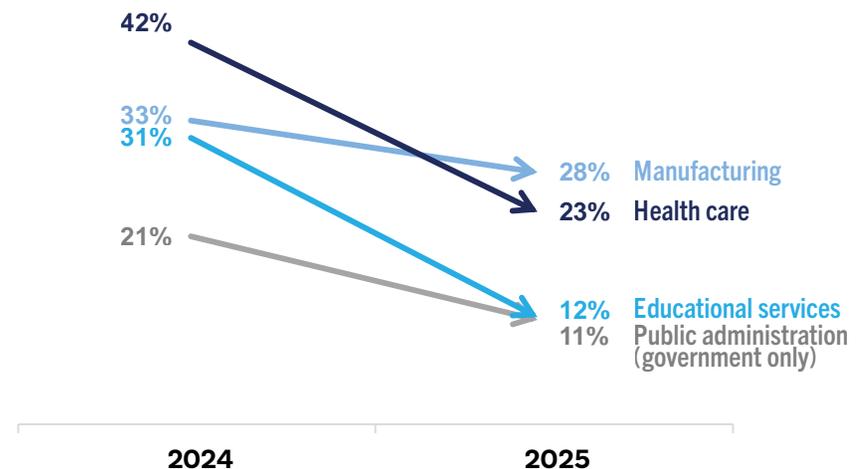
Exhibit 1.10. Internal Audit Budget Changes From 2024 to 2025 – Industries

Survey question: Looking back over the past 12 months, did your internal audit budget increase, decrease, or stay the same?

Functions With Budget Decreases – Industries



Functions With Budget Increases – Industries



Note: The Internal Audit Foundation's North American Pulse of Internal Audit Survey, multiple years. The survey responses for 2025 were collected from Oct. 23 to Dec. 2. *n* = 393 for 2024. *n* = 366 for 2025.





SECTION 2

Staff



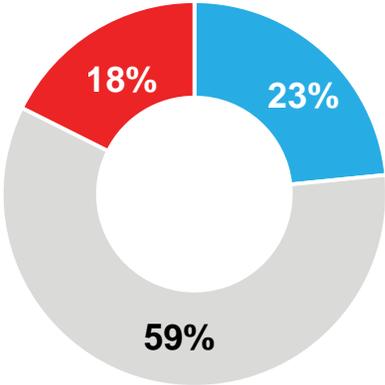
Staff – Overview

About 18% of CAEs had staff reductions in their functions in 2025, up from 11% in 2024 (+7). At the same time, the percentage who said their staff “stayed about the same” decreased from 64% to 59%. Interestingly, the percentage with staff growth stayed almost the same from 2024 to 2025 (around 25%).

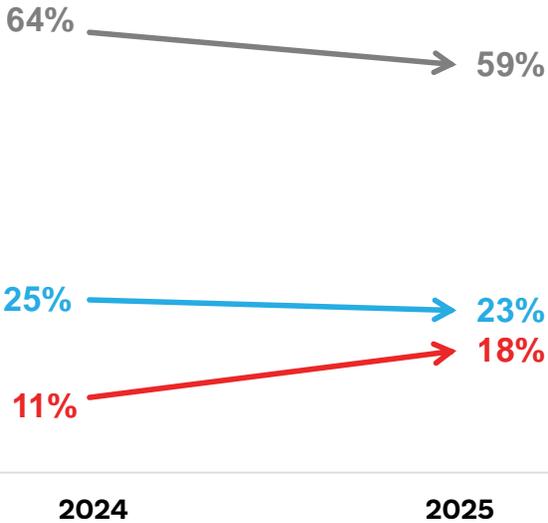
Exhibit 2.1. Internal Audit Staff Levels and Change From Prior Year

Survey question: Looking back over the past 12 months, has the number of in-house and/or sourced staff within your internal audit function increased, decreased, or stayed about the same?

Internal Audit Staff Level Change From Prior Year – All Respondents



Internal Audit Staff Levels – Trend From 2024 to 2025 – All Respondents



■ Percentage with staff increases
 ■ Percentage where staff stayed about the same
 ■ Percentage with staff decreases

Note: The Internal Audit Foundation’s North American Pulse of Internal Audit Survey, Oct. 23 to Dec. 2, 2025. Question 40. n = 370 for 2025.

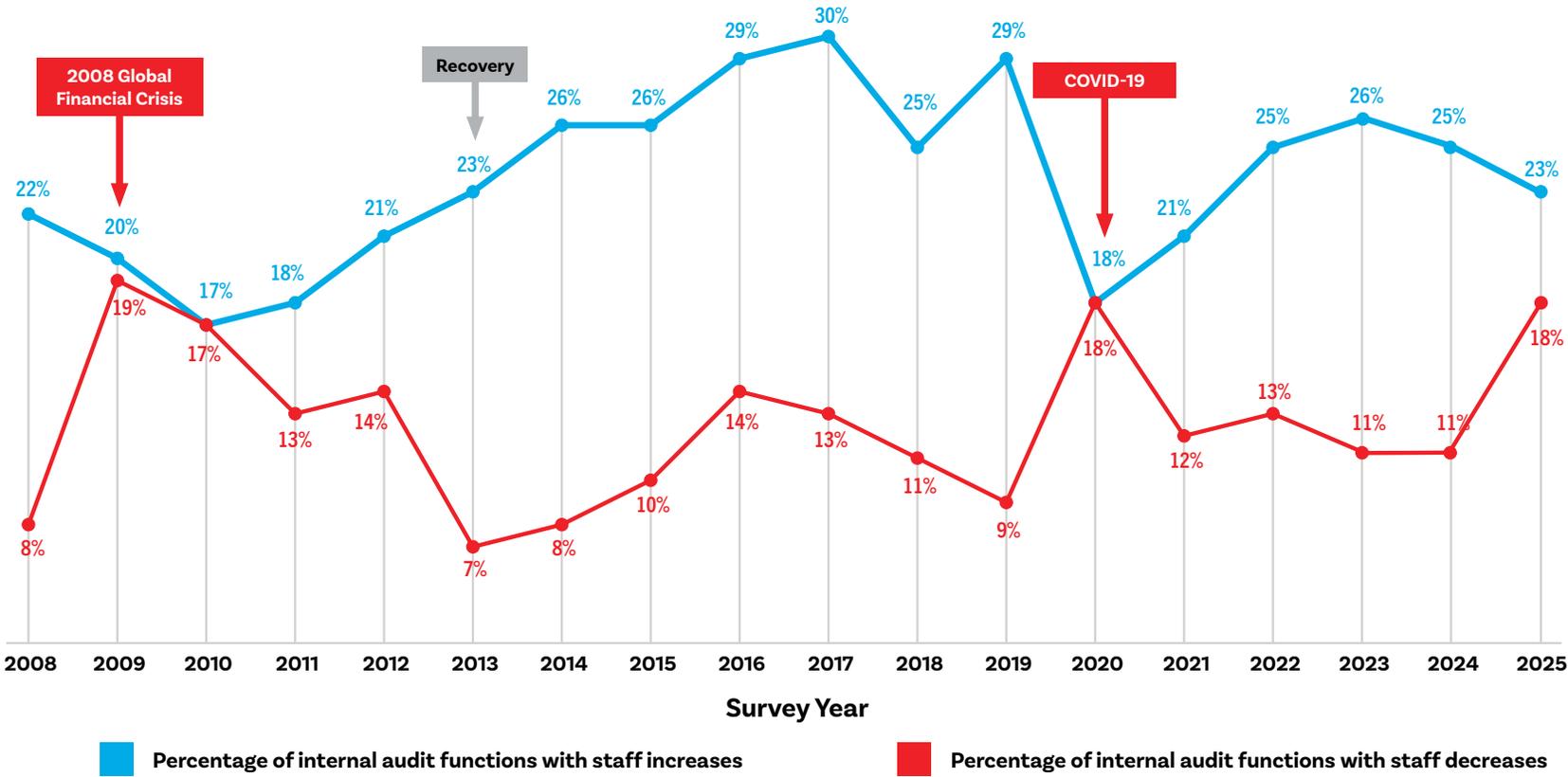


Staff – All Respondents

From 2024 to 2025, the percentage of CAEs reporting staff cuts rose from 11% to 18% (+7), matching levels observed during the COVID-19 crisis. However, functions experiencing annual staff growth only edged down slightly from 25% in 2024 to 23% in 2025 (-2). Looking at the longer-term trend, staff growth rose steadily after the 2008 Global Financial Crisis from a low of 17% to a high of 30%, but staff growth after the COVID-19 crisis peaked at 26% in 2023 and has started a gradual decline, not yet returning to pre-COVID levels.

Exhibit 2.2. Internal Audit Staff Trends – All Respondents

Survey question: Looking back over the past 12 months, did the number of in-house and/or sourced staff within your internal audit function increase, decrease, or stay the same?



Note: The Internal Audit Foundation's North American Pulse of Internal Audit Survey, multiple years. The survey responses for 2025 were collected from Oct. 23 to Dec. 2. n = 363 for 2025.

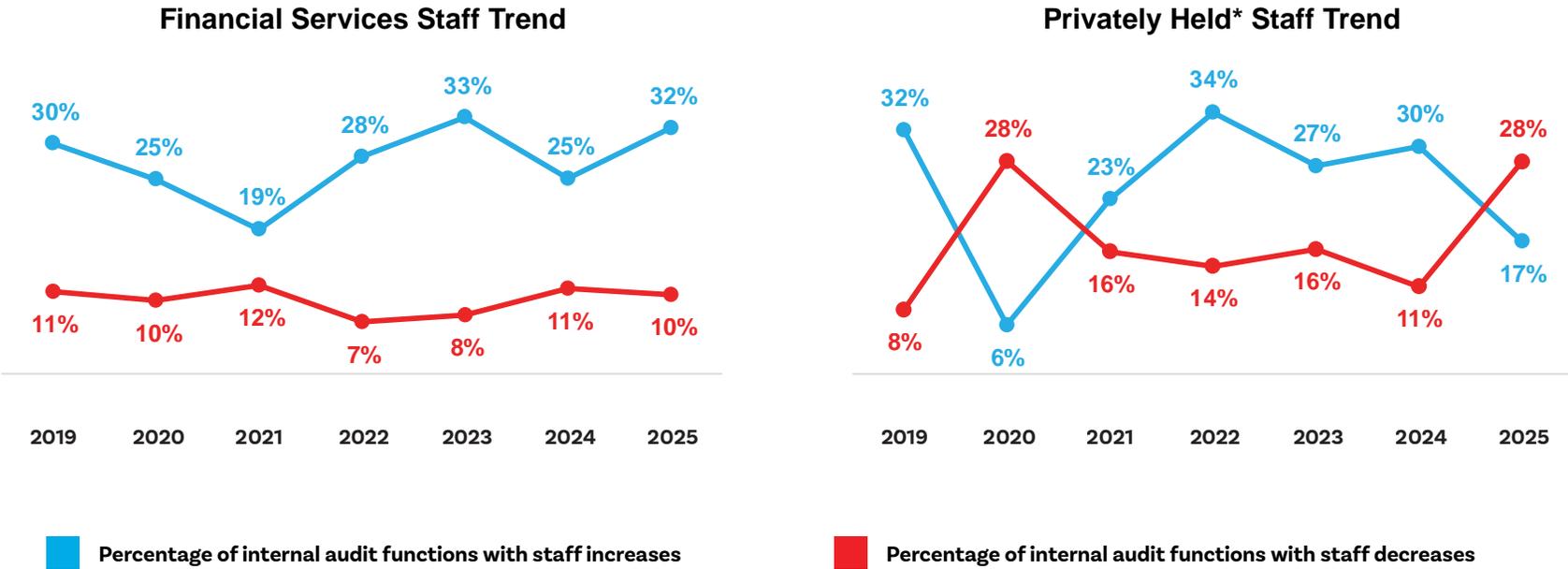


Staff – Financial Services and Privately Held

Financial services went against the overall trend and had a notable increase in functions with staff growth – rising from 25% in 2024 to 32% in 2025. The percentage with staff cuts in financial services remained low at 10%. In contrast, privately held organizations had a steep rise in functions with staff cuts (from 11% to 28%), and an equally steep drop in functions with staff growth (from 30% to 17%).

Exhibit 2.3. Internal Audit Staff Trends – Financial Services and Privately Held Organizations

Survey question: Looking back over the past 12 months, did the number of in-house and/or sourced staff within your internal audit function increase, decrease, or stay the same?



Note: The Internal Audit Foundation’s North American Pulse of Internal Audit Survey, multiple years. The survey responses for 2025 were collected from Oct. 23 to Dec. 2. n = 97 for financial services. n = 29 for privately held. * For this analysis, privately held does not include financial services respondents. Financial services respondents are analyzed as a separate group.

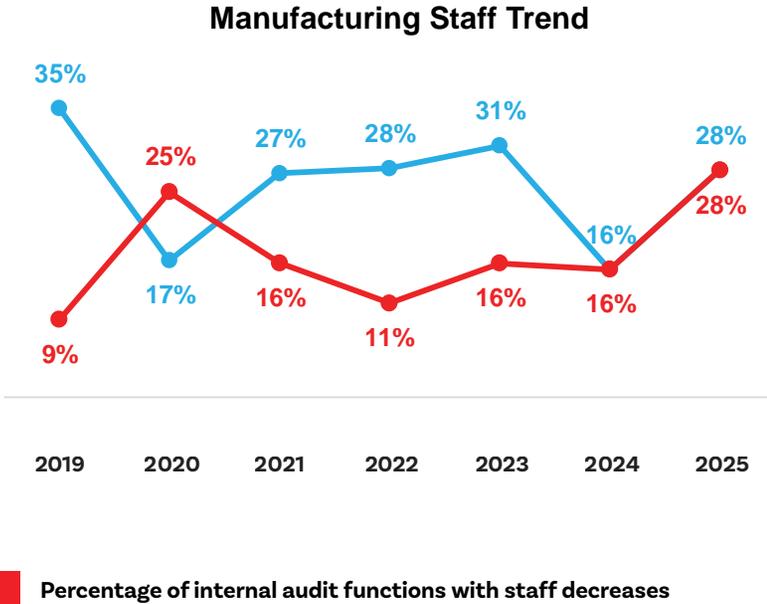
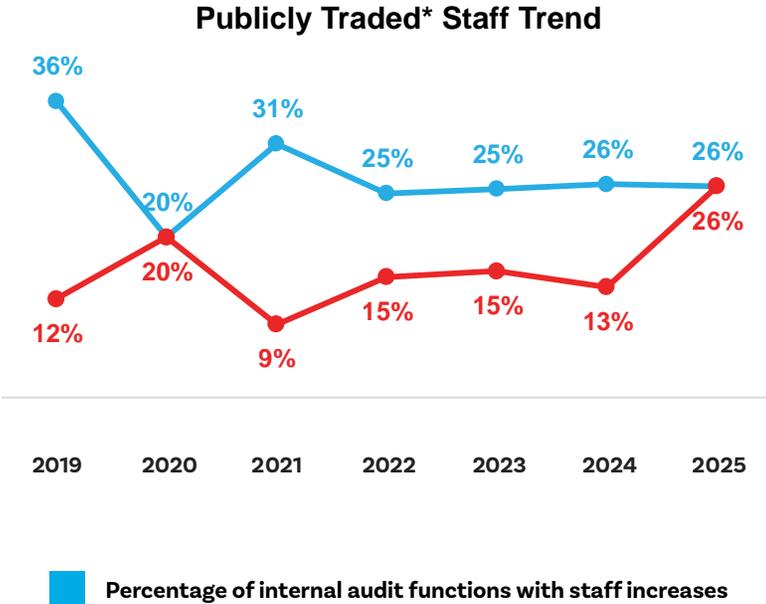


Staff – Publicly Traded and Manufacturing

Functions with staff cuts approximately doubled from 2024 to 2025 for publicly traded organizations and manufacturing. On the other hand, their staff growth has been relatively steady since 2021, with the exception of a dip for manufacturing in 2024.

Exhibit 2.4. Internal Audit Staff Trends – Publicly Traded Organizations and Manufacturing

Survey question: Looking back over the past 12 months, did the number of in-house and/or sourced staff within your internal audit function increase, decrease, or stay the same?



Note: The Internal Audit Foundation's North American Pulse of Internal Audit Survey, multiple years. The survey responses for 2025 were collected from Oct. 23 to Dec. 2. n = 101 for publicly traded. n = 47 for manufacturing. * For this analysis, publicly traded does not include financial services respondents. Financial services respondents are analyzed as a separate group.

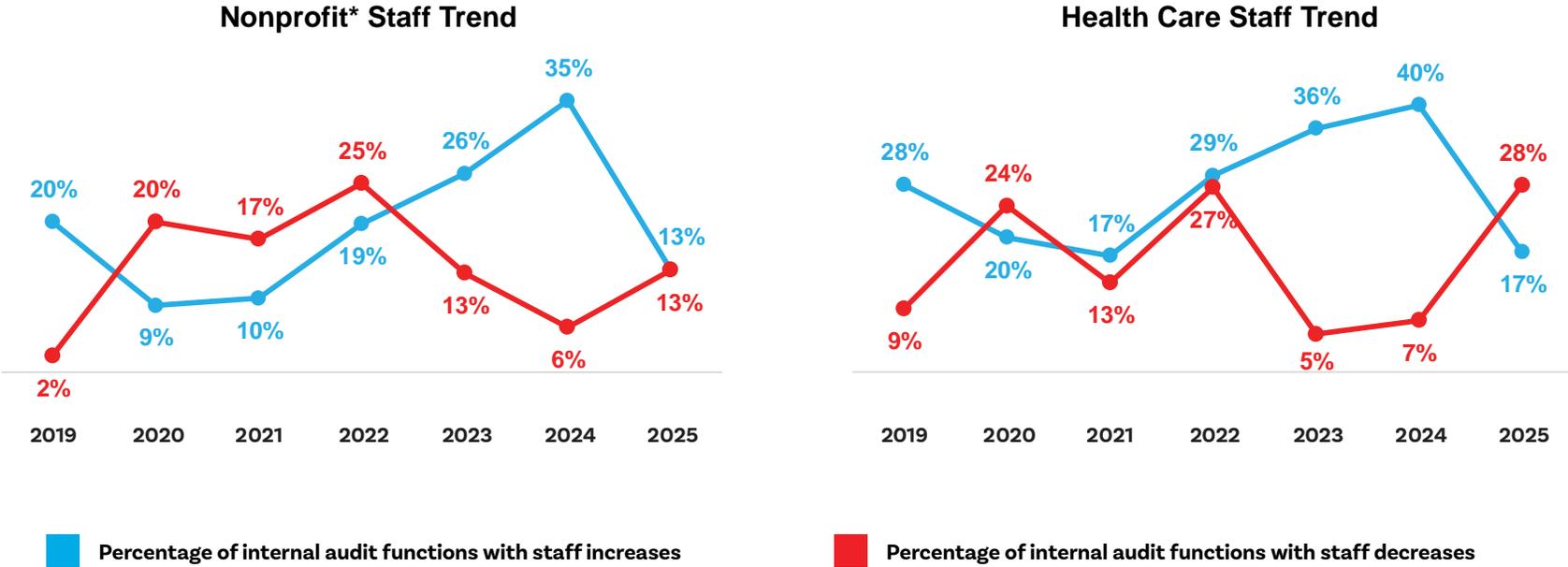


Staff – Nonprofit and Health Care

The percentage of internal audit functions with staff growth plummeted for nonprofit organizations and health care. Nonprofit organizations dropped from 35% to 13%, while health care fell from 40% to 17%. Staff cuts were also trending up, particularly for health care, rising from 7% in 2024 to 28% in 2025.

Exhibit 2.5. Internal Audit Staff Trends – Nonprofit Organizations and Health Care

Survey question: Looking back over the past 12 months, did the number of in-house and/or sourced staff within your internal audit function increase, decrease, or stay the same?



Note: The Internal Audit Foundation's North American Pulse of Internal Audit Survey, multiple years. The survey responses for 2025 were collected from Oct. 23 to Dec. 2. n = 30 for nonprofit. n = 29 for health care.
 * For this analysis, nonprofit does not include financial services respondents. Financial services respondents are analyzed as a separate group.

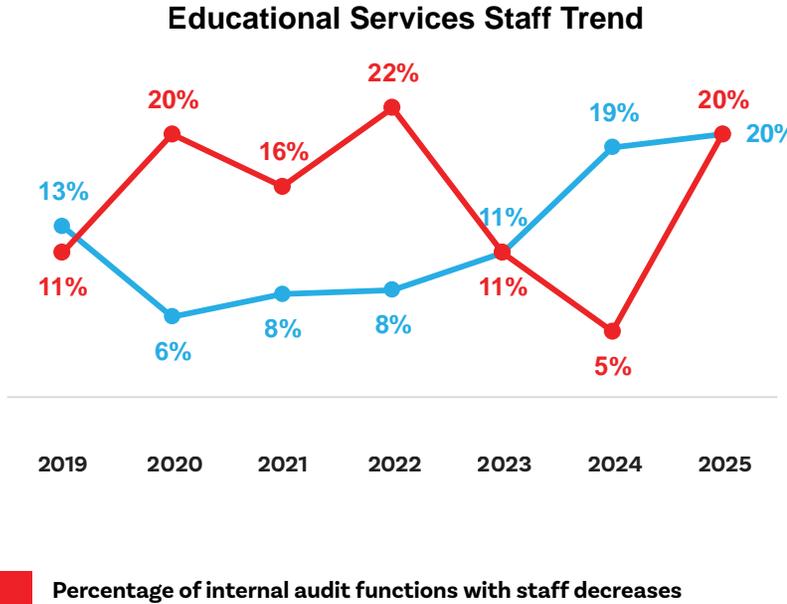
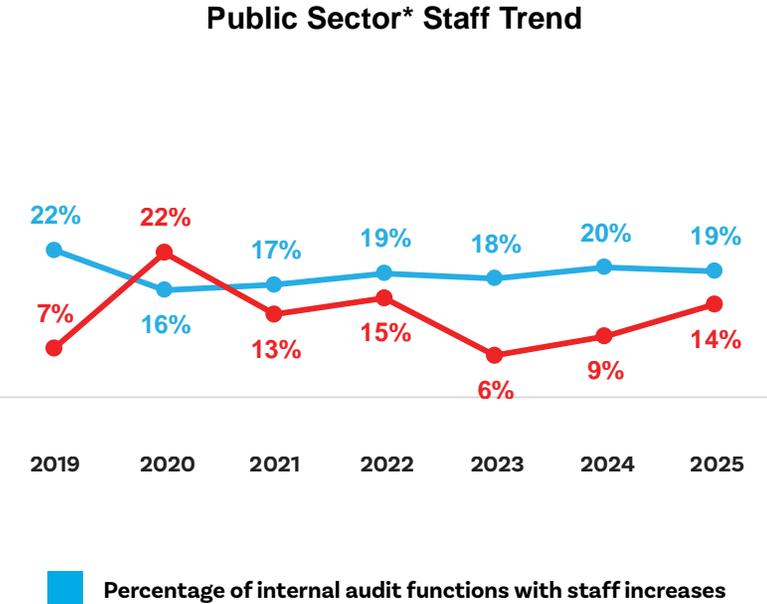


Staff – Public Sector and Educational Services

Public sector functions have notable stability for staff levels, changing relatively little since 2021; nevertheless, there is an upswing in functions with staff cuts, rising from 9% in 2024 to 14% in 2025 (+5). Educational services experienced a very sharp increase in functions with staff cuts from 5% in 2024 to 20% in 2025 (+20).

Exhibit 2.6. Internal Audit Staff Trends – Public Sector and Educational Services

Survey question: Looking back over the past 12 months, did the number of in-house and/or sourced staff within your internal audit function increase, decrease, or stay the same?



Note: The Internal Audit Foundation's North American Pulse of Internal Audit Survey, multiple years. The survey responses for 2025 were collected from Oct. 23 to Dec. 2. n = 99 for public sector. n = 50 for educational services. * For this analysis, public sector does not include financial services respondents. Financial services respondents are analyzed as a separate group.

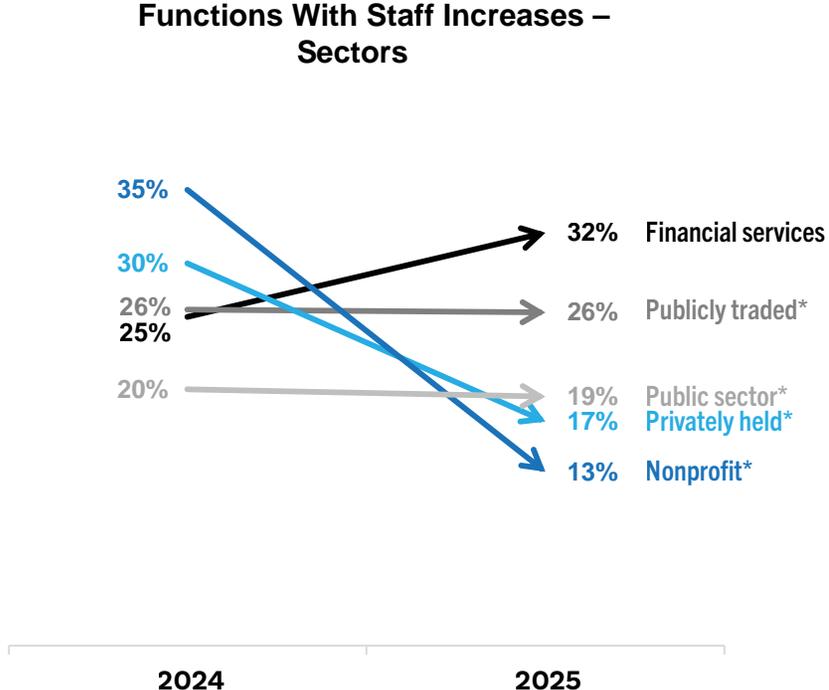
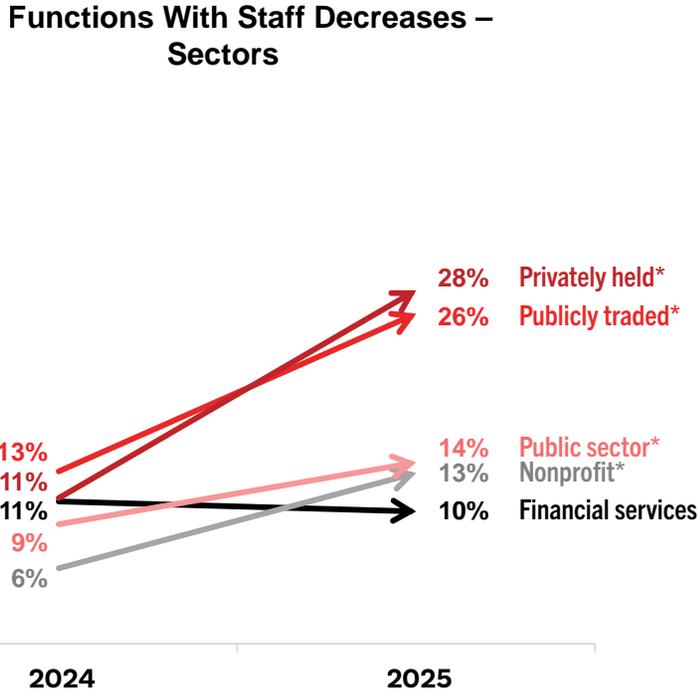


Staff – Summary – Sectors

All sectors experienced more internal audit staff decreases compared to the prior year, with dramatic changes for privately held and publicly traded organizations (both rising above 25%). On the other hand, results were more mixed for the year-over-year trend in staff growth. Financial services actually reported an increase in functions with staff growth (rising to 32%), and publicly traded and public sector functions held steady for this metric. However, staff growth dramatically slowed down for privately held and nonprofit organizations.

Exhibit 2.7. Internal Audit Staff Trends Year-Over-Year – Sector Comparisons

Survey question: Looking back over the past 12 months, did your internal audit staff size increase, decrease, or stay the same?



Note: The Internal Audit Foundation's North American Pulse of Internal Audit Survey, multiple years. The survey responses for 2025 were collected from Oct. 23 to Dec. 2. n = 363.
 * For this analysis, these sectors do not include financial services respondents. Financial services respondents are analyzed as a separate group.



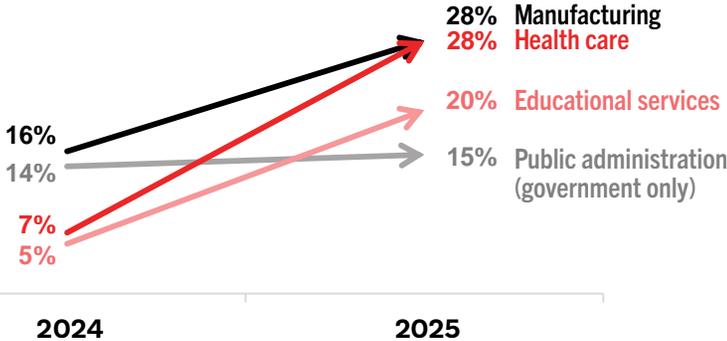
Staff – Summary – Industries

Within the industry analysis, health care had the largest downturn in staffing, both in terms of staff cuts and staff growth (shifting more than 20 percentage points for both metrics). Educational services had a substantial increase in functions with staff cuts, but retained about the same percentage with staff growth. Public administration (government only) stayed about the same for staff cuts vs. the prior year, but saw a drop in those with staff growth. Finally, manufacturing was unique because it increased those with staff cuts at the same time it increased those with staff growth.

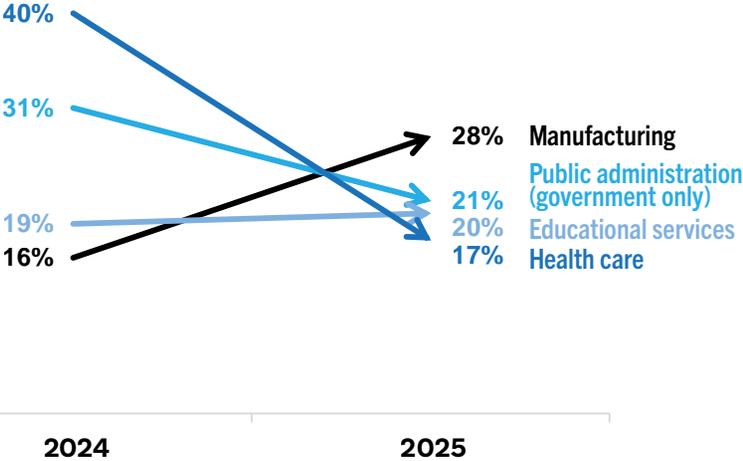
Exhibit 2.8. Internal Audit Staff Trends Year-Over-Year – Industry Comparisons

Survey question: Looking back over the past 12 months, did your internal audit staff size increase, decrease, or stay the same?

Functions With Staff Decreases – Industries



Functions With Staff Increases – Industries



Note: The Internal Audit Foundation's North American Pulse of Internal Audit Survey, multiple years. The survey responses for 2025 were collected from Oct. 23 to Dec. 2. n = 363.

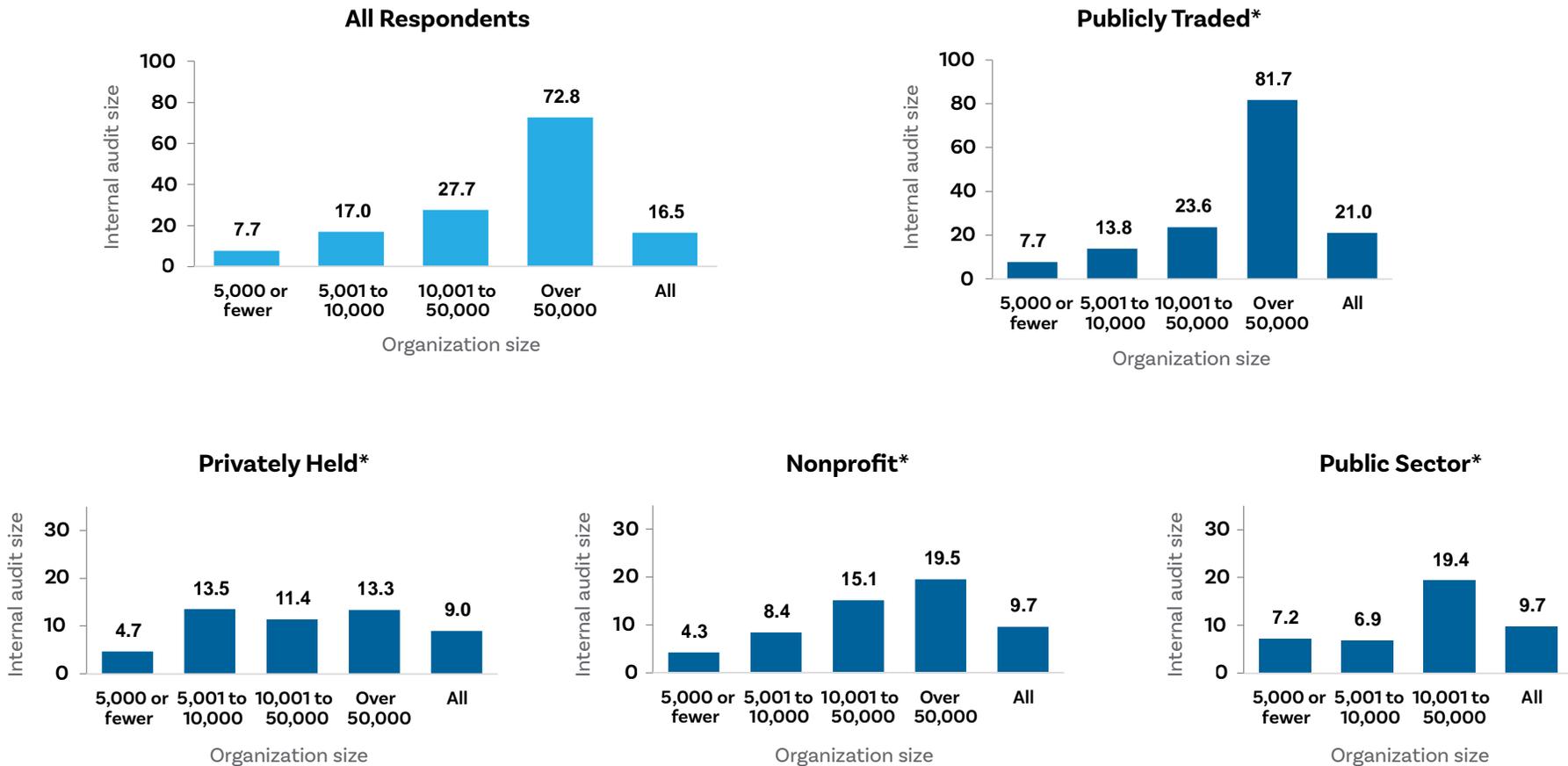


Staff – Function Size vs. Organization Size

Exhibit 2.9. Average Internal Audit FTEs Compared to Organization Size – Sectors

Survey questions: How many full-time equivalent employees (FTEs) are in your internal audit function (in-house and sourced)?

For your organization as a whole, choose the range that best describes the current total number of full-time equivalent employees (FTEs).



Note: The Internal Audit Foundation's North American Pulse of Internal Audit Survey, Oct. 23 to Dec. 2, 2025. Questions 44 and 45. *n* = 366.

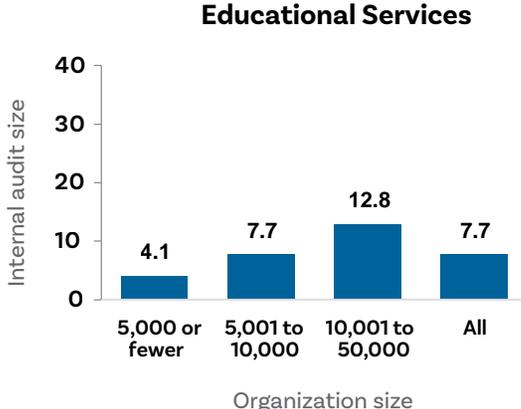
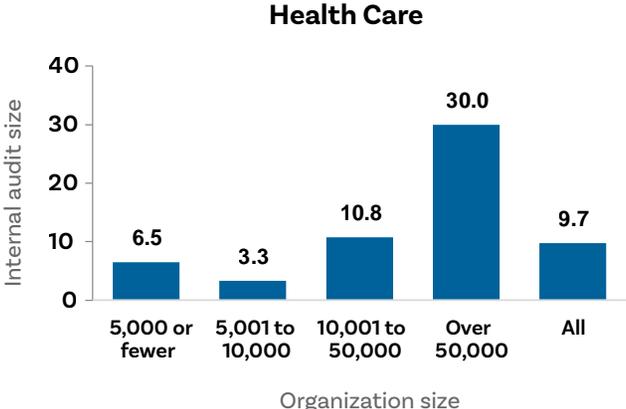
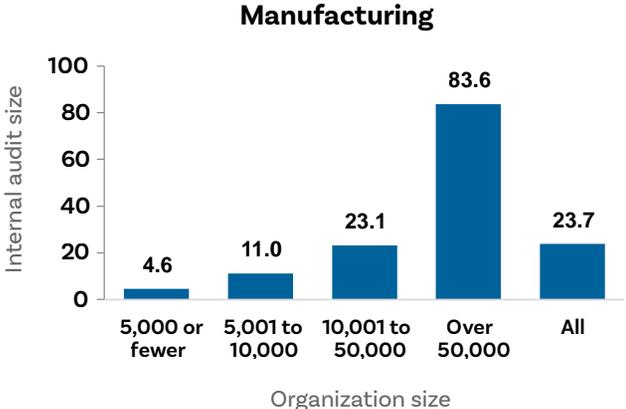
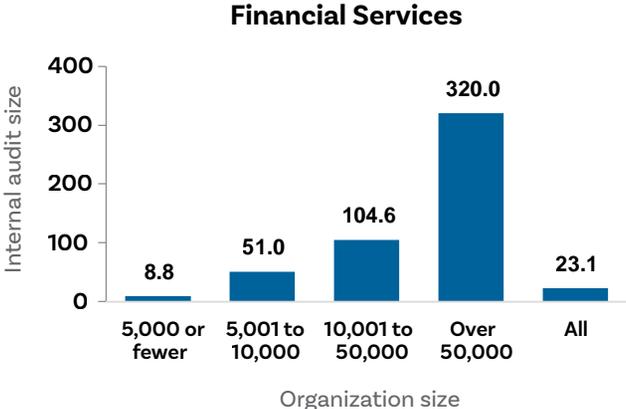
* These sectors do not include financial services respondents. Financial services respondents are analyzed as a separate group.



Staff – Function Size vs. Organization Size (continued)

Exhibit 2.10. Average Internal Audit FTEs Compared to Organization Size – Industries

Survey questions: How many full-time equivalent employees (FTEs) are in your internal audit function (in-house and sourced)? For your organization as a whole, choose the range that best describes the current total number of full-time equivalent employees (FTEs).



Note: The Internal Audit Foundation's North American Pulse of Internal Audit Survey, Oct. 23 to Dec. 2, 2025. Questions 44 and 45. n = 366.





SECTION 3

**Audit
Plan**

Audit Plan – Overview



SOX implementation changes the balance of audit plans significantly in North America. Where SOX is implemented, CAEs said 30% of their audit plans are allocated to financial reporting (including SOX testing), and relatively lower allocations are given to operational reviews (11%). Where SOX is not implemented, the allocation for operational reviews is 11 percentage points higher (22%).

Exhibit 3.1. Audit Plan Allocations – All Respondents and SOX Comparisons

Survey question: Looking ahead over the next 12 months, please indicate what percentage of your audit plan you anticipate will be allocated to each of the audit areas listed.

Audit area	All	SOX implemented	SOX not implemented
Operational	17%	11%	22%
Financial reporting (including SOX testing)	16%	30%	4%
Compliance/regulatory (not related to SOX)	15%	11%	18%
Cybersecurity	9%	8%	10%
IT (not covered in other choices)	8%	8%	9%
Financial areas (other than financial reporting)	7%	6%	8%
ERM programs and related processes	6%	6%	6%
Fraud	5%	4%	6%
Third-party relationships	4%	3%	4%
Support for external audit	4%	4%	3%
Governance and culture	4%	3%	4%
Cost/expense reduction	3%	3%	4%
Sustainability/non-financial reporting	1%	1%	1%
Other risk category not listed	1%	2%	1%

Audit plan allocation



Note: The Internal Audit Foundation’s North American Pulse of Internal Audit Survey, Oct. 23 to Dec. 2, 2025. Question 26. n = 371 for all. n = 167 for SOX implemented. n = 204 for SOX not implemented.



Audit Plan – Sectors and Industries



Allocation for cybersecurity and IT combined is about 20% for most industries and sectors that were analyzed, except for manufacturing (15%) public sector (16%), and publicly traded (16%). Compliance effort (not related to SOX) is highest in the public sector (21%). Operational auditing is relatively low for publicly traded (12%), manufacturing (13%), and health care (13%).

Exhibit 3.2. Audit Plan Allocations – Sectors and Industries

Survey question: Looking ahead over the next 12 months, please indicate what percentage of your audit plan you anticipate will be allocated to each of the audit areas listed.

Audit area	Publicly traded*	Privately held*	Nonprofit*	Public sector*	Financial services	Manufacturing	Educational services	Health care	All
Operational	12%	19%	19%	20%	18%	13%	20%	13%	17%
Financial reporting (including SOX testing)	34%	22%	2%	3%	13%	32%	3%	17%	16%
Compliance/regulatory (not related to SOX)	9%	10%	17%	21%	14%	10%	18%	16%	15%
Cybersecurity	9%	7%	12%	9%	10%	8%	12%	11%	9%
IT (not covered in other choices)	7%	12%	8%	7%	10%	7%	8%	8%	8%
Financial areas (other than financial reporting)	6%	4%	11%	7%	7%	6%	9%	7%	7%
ERM programs and related processes	6%	6%	7%	6%	7%	6%	5%	6%	6%
Fraud	4%	4%	7%	7%	3%	5%	9%	4%	5%
Third-party relationships	2%	3%	4%	4%	5%	2%	3%	4%	4%
Support for external audit	4%	3%	3%	3%	5%	4%	2%	3%	4%
Governance and culture	2%	4%	4%	5%	4%	2%	3%	5%	4%
Cost/expense reduction	3%	3%	5%	5%	2%	3%	5%	3%	3%
Sustainability/non-financial reporting	1%	2%	0%	1%	1%	1%	1%	1%	1%
Other risk category not listed	1%	1%	1%	2%	1%	1%	2%	2%	1%

Audit plan allocation



Note: The Internal Audit Foundation’s North American Pulse of Internal Audit Survey, Oct. 23 to Dec. 2, 2025. Question 26. *n* = 366.
 * These sectors do not include financial services respondents. Financial services respondents are analyzed as a separate group.

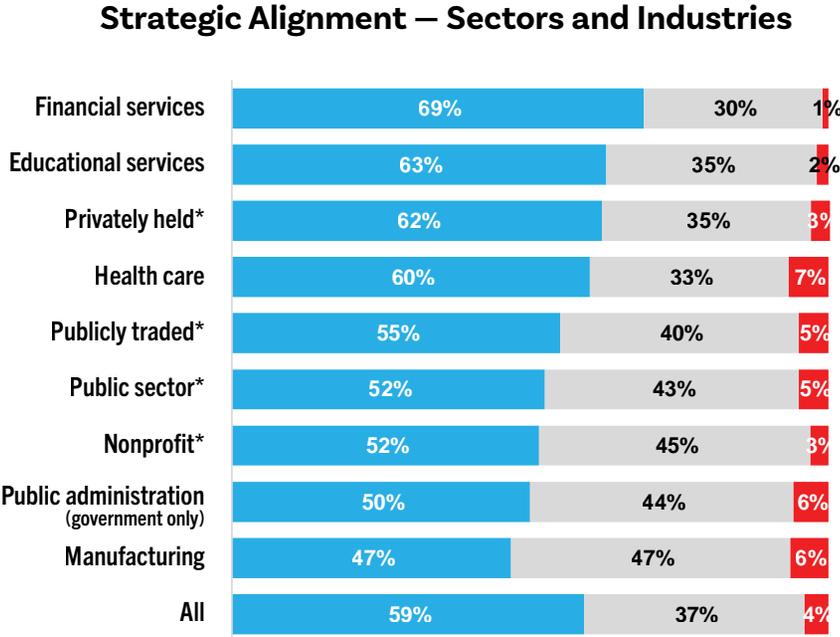
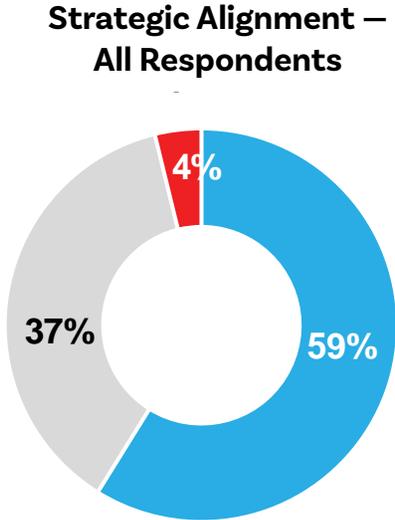


Audit Plan – Alignment With Organizational Strategy

Nearly 60% of CAEs say their internal audit functions are fully or almost fully aligned with organizational strategy, and very few (only 4%) say they are minimally or not aligned. However, there are differences between sectors and industries, with financial services reporting the most alignment (69%) and public administration (government only) and manufacturing reporting the least (50% and 47%, respectively).

Exhibit 3.3. Internal Audit Alignment With Organizational Strategy

Survey question: To what extent do you believe your internal audit function is aligned with the strategic plan of your organization?



■ Fully or almost fully strategically aligned
 ■ Somewhat strategically aligned
 ■ Minimally or not strategically aligned

Note: The Internal Audit Foundation's North American Pulse of Internal Audit Survey, Oct. 23 to Dec. 2, 2025. Question 29. n = 367.
 * These sectors do not include financial services respondents. Financial services respondents are analyzed as a separate group.

Audit Plan – Assurance and Advisory Activity

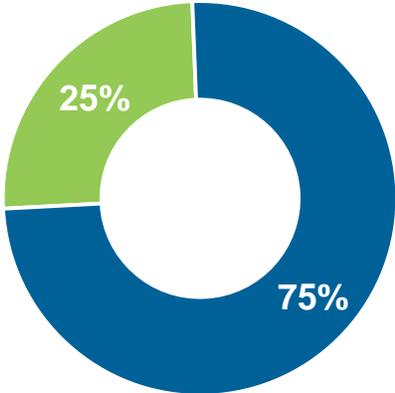
Matching their responses from the prior year, CAEs on average say their functions spend 75% of their time on assurance services, and 25% on advisory services. These metrics were fairly consistent across sectors.

Assurance services are services through which internal auditors perform objective assessments to provide assurance. **Advisory services** are services through which internal auditors provide advice to an organization’s stakeholders without providing assurance or taking on management responsibilities. (Definitions excerpted from the Global Internal Audit Standards™, Glossary.)

Exhibit 3.4. Assurance vs. Advisory Services

Survey question: What proportion of time does internal audit at your organization usually spend on assurance services compared to advisory services?

Advisory vs. Assurance Services – All Respondents



Advisory vs. Assurance Services – Sectors



■ Assurance services ■ Advisory services

Note: The Internal Audit Foundation’s North American Pulse of Internal Audit Survey, Oct. 23 to Dec. 2, 2025. Question 27. n = 366.
 * These sectors do not include financial services respondents. Financial services respondents are analyzed as a separate group.





SECTION 4

CAE
Responsibilities

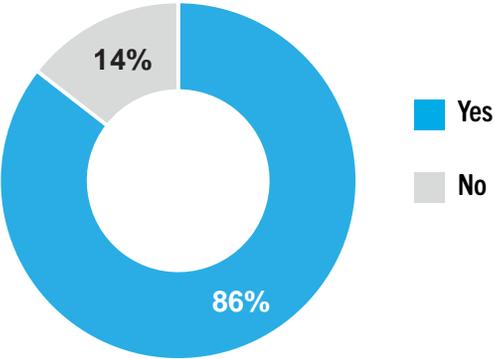
CAE Responsibilities – Overview

CAEs are often responsible for one or more areas outside of internal audit (86%), but the areas of responsibility differ widely by sector and industry. For respondents overall, fraud investigation was the most common area of responsibility (47%). In addition, a little more than one-third said they had responsibility for the ethics or whistleblower program and/or ERM. For publicly traded organizations and manufacturing, the Sarbanes-Oxley program is a key area of responsibility, as shown on the following pages (80% and 70%, respectively).

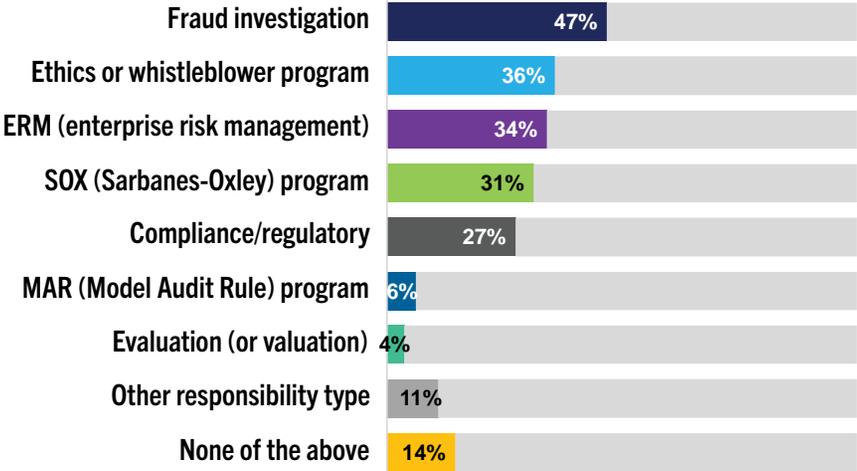
Exhibit 4.1. CAE Responsibilities Outside of Internal Audit – All Respondents

Survey question: In addition to your role as head of internal audit, for which other areas are you responsible?

CAE Responsibilities Outside of Internal Audit – All Respondents



CAE Responsibilities – All Respondents



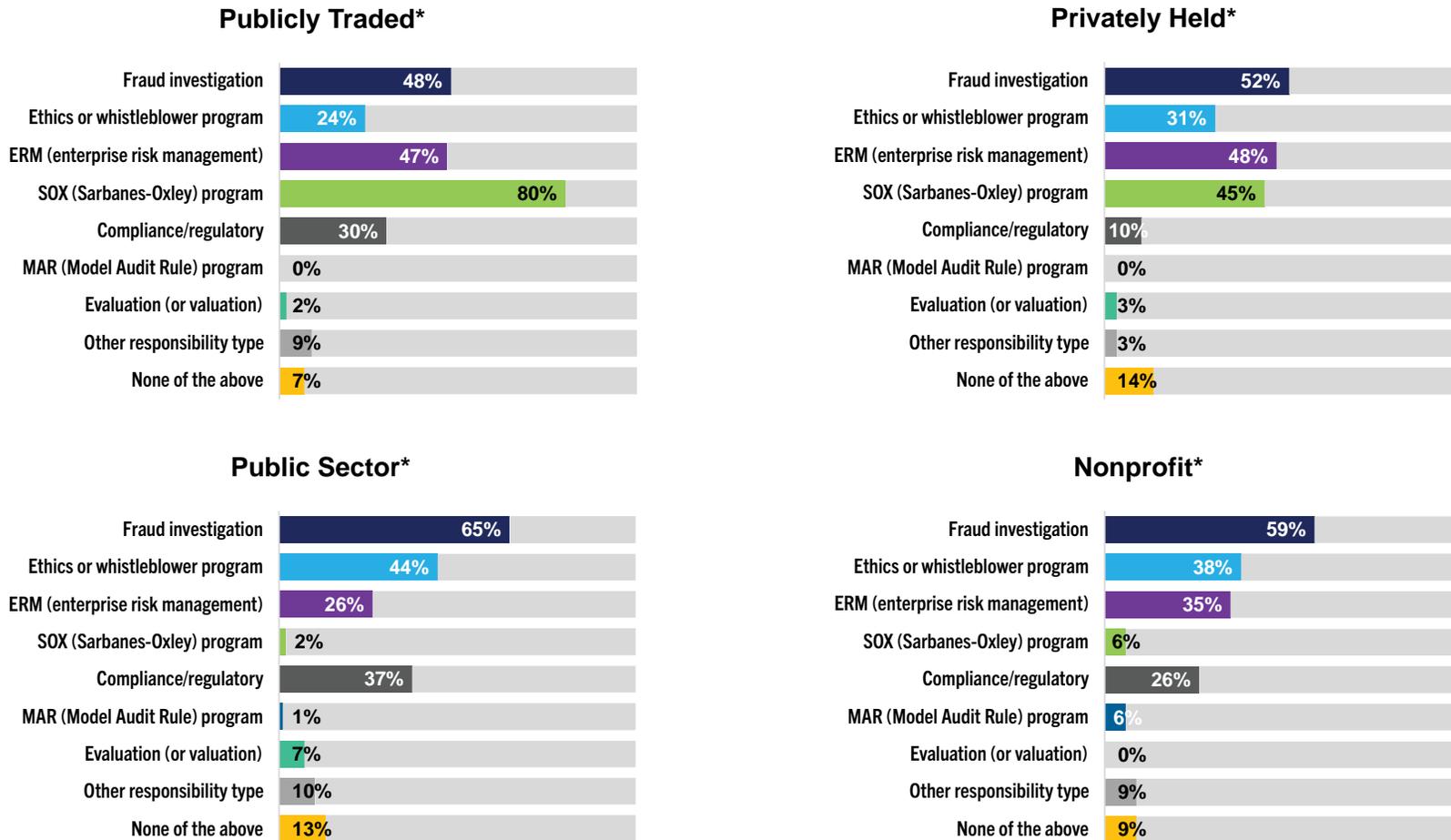
Note: The Internal Audit Foundation's North American Pulse of Internal Audit Survey, Oct. 23 to Dec. 2, 2025. Question 12. n = 366.



CAE Responsibilities – Sectors

Exhibit 4.2. CAE Responsibilities Outside of Internal Audit – Sectors

Survey question: In addition to your role as head of internal audit, for which other areas are you responsible?



Note: The Internal Audit Foundation's North American Pulse of Internal Audit Survey, Oct. 23 to Dec. 2, 2025. Question 12. n = 366.

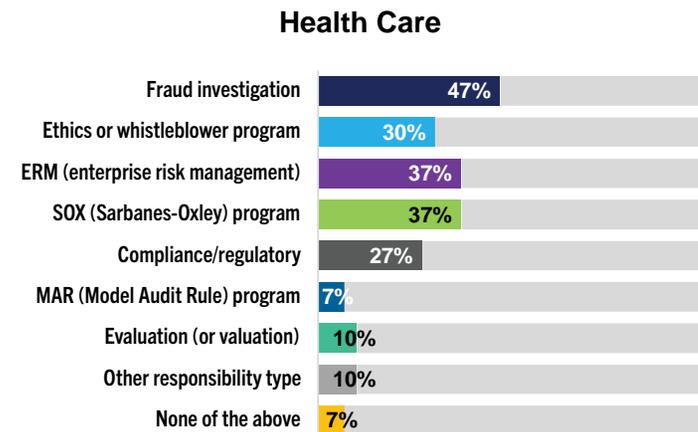
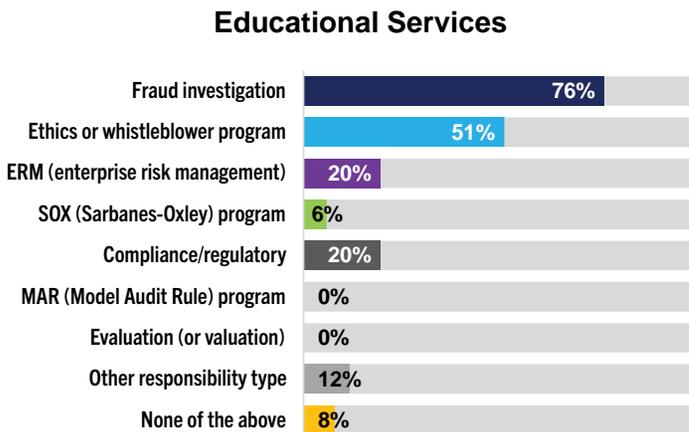
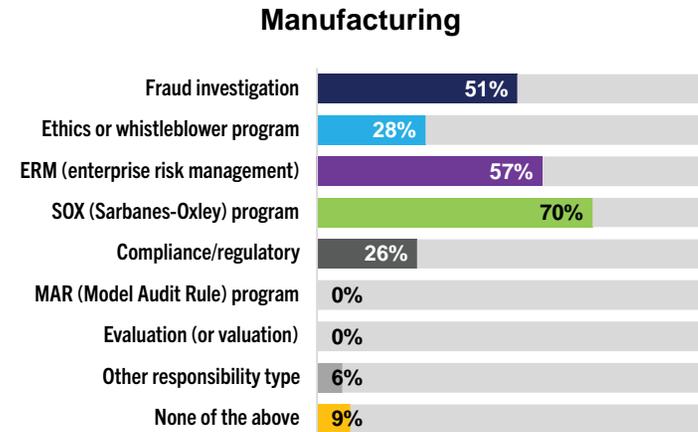
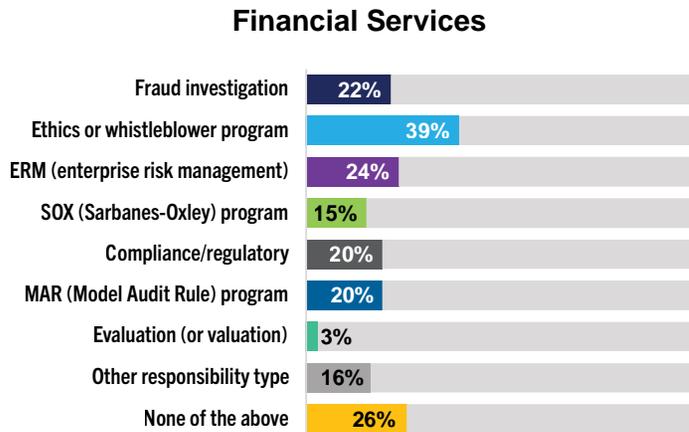
* These sectors do not include financial services respondents. Financial services respondents are analyzed as a separate group.



CAE Responsibilities – Industries

Exhibit 4.3. CAE Responsibilities Outside of Internal Audit – Industries

Survey question: In addition to your role as head of internal audit, for which other areas are you responsible?



Note: The Internal Audit Foundation's North American Pulse of Internal Audit Survey, Oct. 23 to Dec. 2, 2025. Question 12. n = 366.



SECTION 5

Reporting Relationships

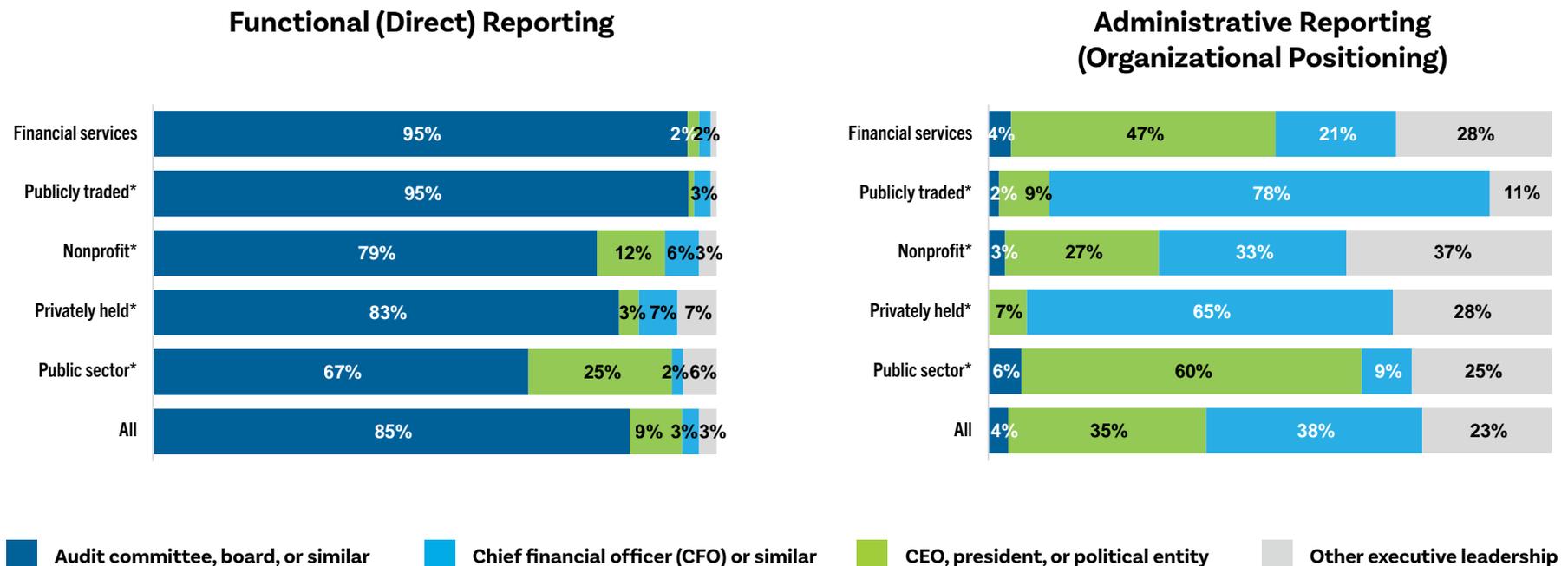


Reporting Relationships – Overview

The percentage of public sector respondents who report functionally to an audit committee, board, or equivalent is lower than average (67% for public sector vs. 85% average). For administrative reporting, publicly traded and privately held organizations report predominantly to the chief financial officer (CFO) or equivalent. **Functional reporting** refers to oversight of the responsibilities of the internal audit function, including approval of the internal audit charter, the audit plan, evaluation of the CAE, and compensation for the CAE. **Administrative reporting** refers to oversight of day-to-day matters, expense approval, human resource administration, communication, internal policies, and procedures.

Exhibit 5.1. Functional and Administrative Reporting Relationships

Survey question: What is the primary functional/administrative reporting line for the chief audit executive (CAE) or head of internal audit in your organization?



Note: The Internal Audit Foundation's North American Pulse of Internal Audit Survey, Oct. 23 to Dec. 2, 2025. Questions 35 and 36. n = 370. Numbers less than 2% are not shown. * These sectors do not include financial services respondents. Financial services respondents are analyzed as a separate group.



Reporting Relationships – Audit Committee Meetings

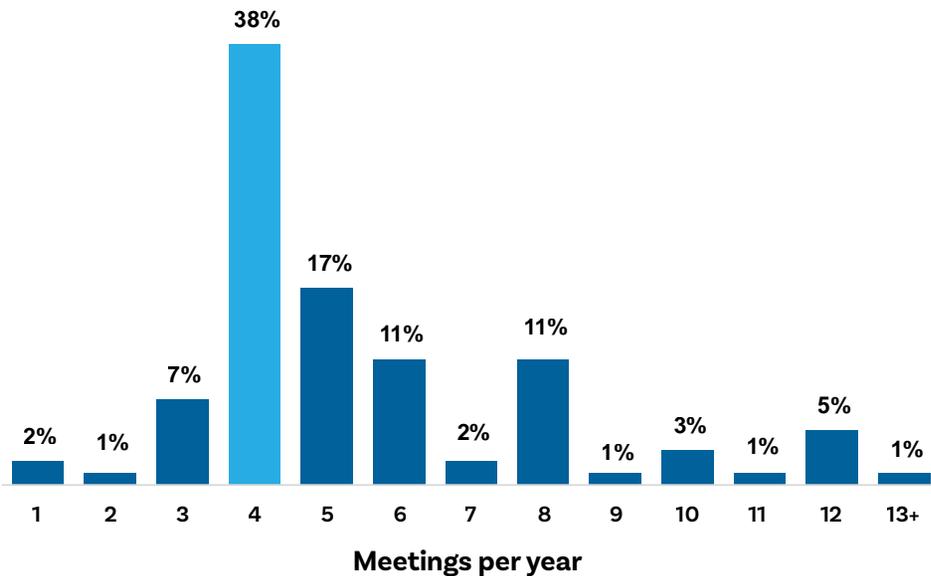
The vast majority of CAEs say they attended all audit committee meetings held in the past year (89%).

More than half of audit committees meet more than four times per year (52%).

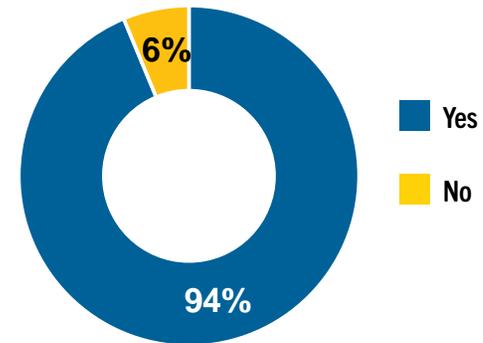
Exhibit 5.2. Audit Committee Activity

Survey questions: Does your organization have an audit committee, board, or similar oversight body? In the past 12 months, approximately how many times did your organization’s audit committee (or equivalent) meet? In the past 12 months, approximately how many audit committee meetings (or equivalent) were attended by internal audit?

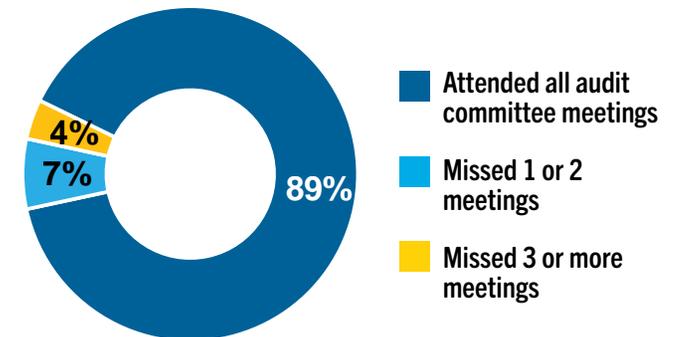
Number of Audit Committee Meetings per Year



Audit Committee Existence



Audit Committee Attendance



Note: The Internal Audit Foundation’s North American Pulse of Internal Audit Survey, Oct. 23 to Dec. 2, 2025. Questions 37, 38, and 39. n = 367.



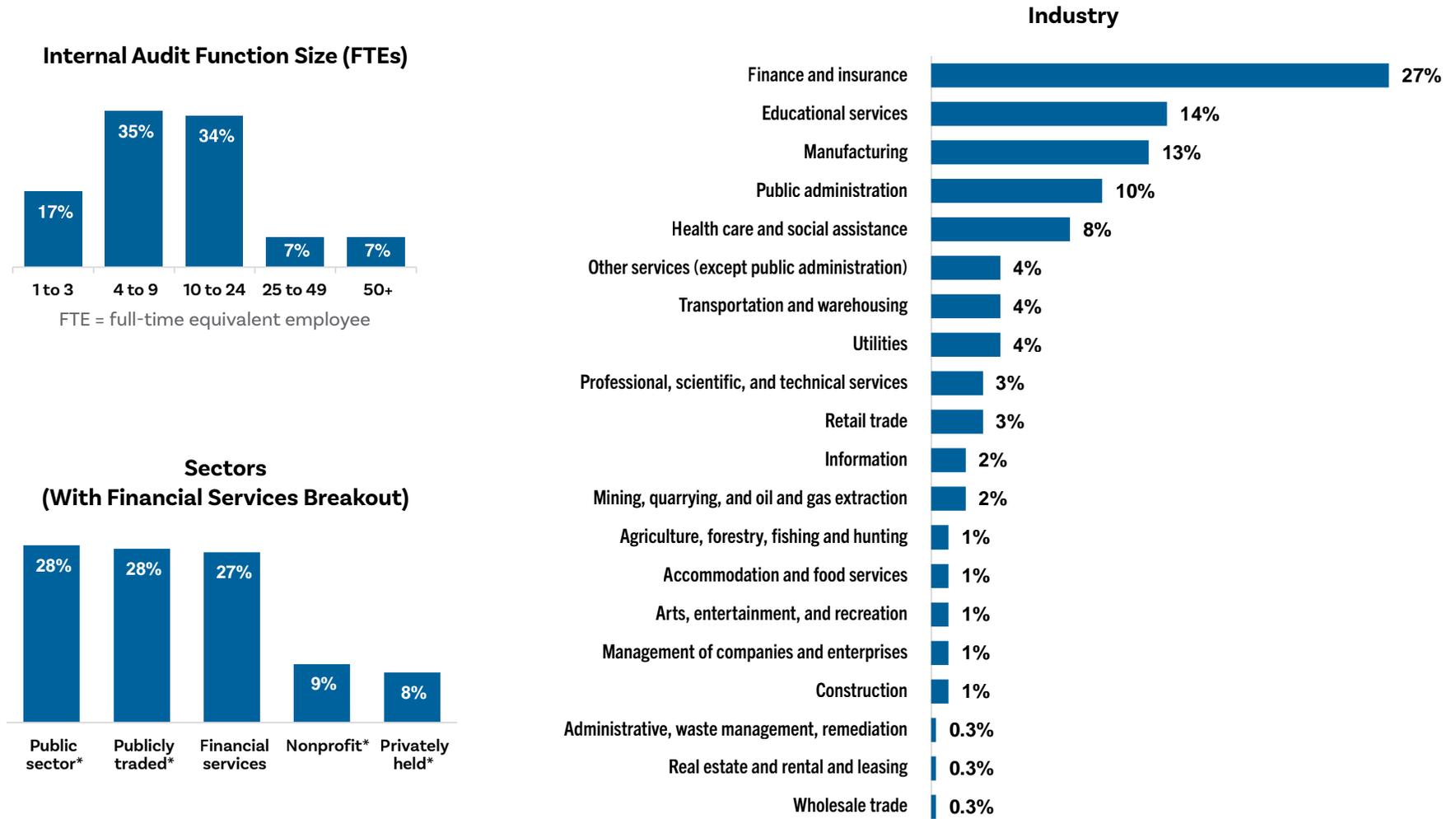
APPENDIX

Demographics



Demographics – Function Size, Sector, and Industry

Exhibit A.1. Internal Audit Function Size, Sector, and Industry



Note: The Internal Audit Foundation's North American Pulse of Internal Audit Survey, Oct. 23 to Dec. 2, 2025. Questions 45, 46, and 48. n = 366.

* These sectors do not include financial services respondents. Financial services respondents are analyzed as a separate group.



Demographics – Industries per Sector

Exhibit A.2. Industries per Sector

Survey question: What is the primary industry classification of the organization for which you work (or your primary client if you are a service provider)?

Note: For purposes of this report, financial services responses are extracted from the other sectors and analyzed separately.

Financial Services	
Financial institutions	53%
Insurance	32%
Asset management	7%
Broker-dealer	2%
Other	6%
Total	100%
Number of responses	99

Public Sector	
Public administration (government only)	35%
Educational services	29%
Health care and social assistance	9%
Transportation and warehousing	7%
Other	20%
Total	100%
Number of responses	103

Nonprofit	
Educational services	53%
Health care and social assistance	26%
Other	21%
Total	100%
Number of responses	34

Publicly Traded	
Manufacturing	37%
Health care and social assistance	11%
Utilities	9%
Retail trade	7%
Professional, scientific, technical services	7%
Transportation and warehousing	6%
Mining, quarrying, and oil/gas extraction	6%
Other	17%
Total	100%
Number of responses	101

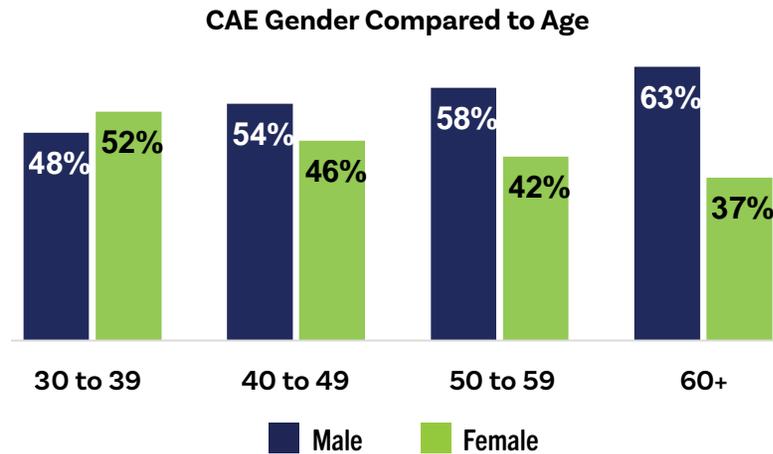
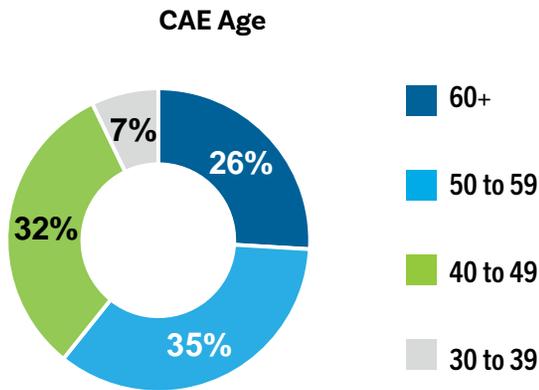
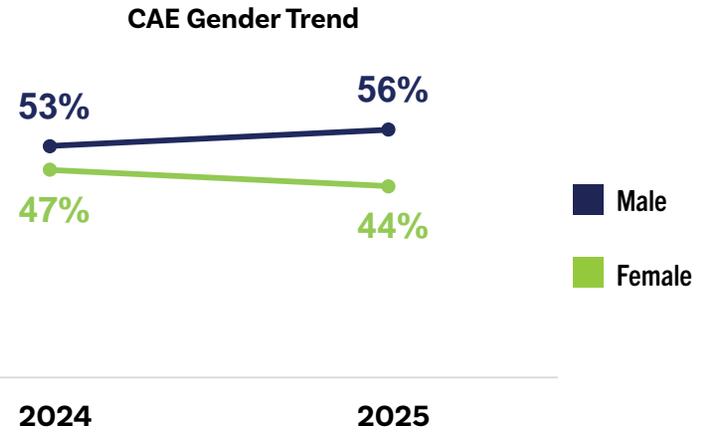
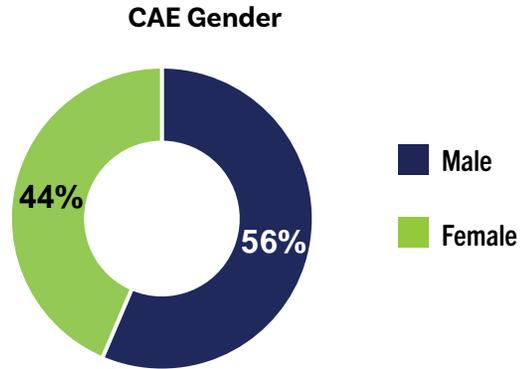
Privately Held	
Manufacturing	31%
Information	14%
Utilities	10%
Professional, scientific, technical services	10%
Retail trade	7%
Other	28%
Total	100%
Number of responses	29

Note: The Internal Audit Foundation's North American Pulse of Internal Audit Survey, Oct. 23 to Dec. 2, 2025. Question 48. n = 366.



Demographics – CAE Age and Gender

Exhibit A.3. CAE Age and Gender



Note: The Internal Audit Foundation's North American Pulse of Internal Audit Survey, Oct. 23 to Dec. 2, 2025. Questions 54 and 55. *n* = 292 for gender. *n* = 293 for age. (Those who chose "prefer not to answer" for gender or age were not included in this analysis.)





Acknowledgments



Internal Audit Foundation Partners and Donors

Diamond Partners



Platinum Partners



Gold Partners

Carr, Riggs & Ingram

Fundación Latinoamericana de Auditores Internos

IIA-Houston Chapter

IIA-Japan

IIA-New York Chapter

IIA-San Francisco Chapter

President's Circle (Individual Donors)

Larry Harrington, CIA, QIAL, CRMA

Keith Kahl, CIA, CRMA

Doug Mims, CIA, CRMA

Jessica Rodgers, CIA

Stacey Schabel, CIA

Michael A. Smith, CIA

Warren W. Stippich, Jr., CIA, CRMA



Internal Audit Foundation Board and Committee

2025–26 Board of Trustees

PRESIDENT

Glenn Ho, CIA, CRMA

SENIOR VICE PRESIDENT – STRATEGY

Shirley Livhuwani Machaba, CCSA, CRMA

VICE PRESIDENT – FINANCE AND DEVELOPMENT

Michael A. Smith, CIA

VICE PRESIDENT – CONTENT

Nora Zeid Kelani, CIA, CRMA

TRUSTEES

Mohammed Al Qahtani, CIA

Jose Gabriel Calderon, CIA, CRMA

Reyes Fuentes Ortea, CIA, CCSA, CRMA

Susan Haseley, CIA

Dawn Jones, CIA, CRMA

Anthony J. Pugliese, CIA

Nicholas C. Saracco, CIA

Bhaskar Subramanian

STAFF LIAISON

Laura LeBlanc, Senior Director, Internal Audit Foundation

2025–26 Committee of Research and Education Advisors

CHAIR

Nora Zeid Kelani, CIA, CRMA

MEMBERS

Tonya Arnold-Tornquist, CIA, CRMA

Christopher Calvin, Ph.D., CIA

Joseph Ian Canlas, CIA, CRMA

Andrew Dahle, CIA, CRMA

Andre Domingos

Christina Duquette, CRMA

Marc Eulerich, Ph.D., CIA

Dagmar Flores, CIA, CCSA, CRMA

Ivony Kudzayi Katsande-Zezekwa, D.B.L., CIA, CRMA

Ayaka Mitsunari, CIA

Ahmed Shawky Mohammed, D.B.A., CIA

Grace Mubako, Ph.D., CIA

Emmanuel Pascal, CIA, CRMA

Brad Schafer, Ph.D., CIA

Brian Tremblay, CIA

Koji Watanabe

Stacy Wright, CIA

STAFF LIAISON

Nicole Narkiewicz, Ph.D., IAP, Director, Academic & Research Strategy, Internal Audit Foundation



About The IIA

The Institute of Internal Auditors (IIA) is a nonprofit international professional association that serves more than 265,000 global members and has awarded more than 200,000 Certified Internal Auditor® (CIA®) certifications worldwide. Established in 1941, The IIA is recognized throughout the world as the internal audit profession's leader in standards, certifications, education, research, and technical guidance. For more information, visit theiia.org.

About the Internal Audit Foundation

The Internal Audit Foundation is the preeminent global resource, in strategic partnership with The IIA, dedicated to elevating and empowering the internal audit profession by developing cutting-edge research and programs. For 50 years, the Foundation has helped current and future internal auditors stay relevant by building and enhancing their skills and knowledge, ensuring organizations are equipped to create, protect, and sustain long-term value. For more information, visit theiia.org/Foundation.

About Optro (formerly AuditBoard)

Optro (formerly AuditBoard) is the leading AI-powered GRC platform transforming enterprise risk into opportunity. More than 50% of the Fortune 500 trust Optro to elevate their GRC teams and see risk before it happens. Optro is top-rated by customers on G2 and Gartner Peer Insights, and was named a Leader in the 2025 Gartner® Magic Quadrant™ for Governance, Risk and Compliance (GRC) Tools, Assurance Leaders, and was also named to the Deloitte Technology Fast 500™ for the seventh consecutive year. To learn more, visit optro.ai.

Disclaimer

The IIA publishes this document for informational and educational purposes. This material is not intended to provide definitive answers to specific individual circumstances and as such is only intended to be used as a guide. The IIA recommends seeking independent expert advice relating directly to any specific situation. The IIA accepts no responsibility for anyone placing sole reliance on this material.

Copyright

Copyright © 2026 by the Internal Audit Foundation. All rights reserved. For permission to reproduce, please contact Copyright@theiia.org.

March 2026





1035 Greenwood Blvd., Suite 401 | Lake Mary, FL 32746 USA
theiaa.org/Foundation | Copyright@theiaa.org