Chief Audit Executive Leadership Vision 2022

3 Strategic Actions for Success
From Chris Howard, Chief of Research, Gartner

As we head into 2022, we continue to feel the human toll of the global pandemic, but we already know it has been a watershed period in which attitudes and norms have permanently shifted — in our everyday lives and at work.

Living through COVID-19 has increased social awareness — as have growing demands for equity for those who are underrepresented.

Businesses have also changed. For many organizations, the pandemic has catalyzed digital business initiatives as we adapt to the demands of employees, customers and other stakeholders, who were forced into new digital options that they have now come to favor.

B2B purchasers are happy to buy digitally, without a sales representative; B2C consumers are buying off social media platforms; employees are physically distributed and communicating asynchronously — and IT infrastructures must secure the organization despite this “anytime, anyway, anywhere” way in which we’re operating.

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In your role as a leader, you’ve now spent months adapting to change and delivering new solutions at speed. You and your team may be burning out, and it’s never been more important to prioritize your time and energy. To help with that, Gartner Leadership Vision provides top-level guidance to leaders and their teams on where to focus — based on our data-driven research.

We’re providing detailed insights to our clients across dozens of roles, and we’re now excited to share excerpts with the business community beyond our clients. We hope this will help you to focus discussions with your teams, peers and other leaders, so you can more quickly and effectively diagnose priorities and actions, especially as you solidify your strategic plans for 2022.

Chris Howard
Chief of Research, Gartner
Focus Areas for the Chief Audit Executive (CAE) in 2022

Three challenges requiring CAE leadership

**Advancing audit’s use of technology**
Of audit departments, 60% plan to increase technology spend, but only 15% are confident that they can effectively leverage more advanced analytics applications. **CAEs must get more from their technology investments to keep up with growing assurance demands.**

**Influencing risk and control decision making**
Of CAEs, 95% report that organizational changes lead to control gaps, as senior leaders are increasingly emphasizing speed of digital change. **CAEs must improve their team’s ability to provide timely risk and control advice at the speed of business.**

**Attracting and retaining audit talent**
Evolving employee expectations of work and greater job mobility means audit departments need to rethink how they attract and retain needed talent. **CAEs must reinvent their employee value proposition (EVP) to create a more sustainable audit department.**

**CAE challenges**
- How do I accelerate digitalization of the audit department?
- How do I influence risk governance and decision making in the organization?
- How do I attract and retain talent in the current environment?

**CAE actions**
- Advance technology use to improve audit efficiency and quality of work.
- Improve real-time assurance to provide more timely support to the business.
- Make good on the “human deal” to improve EVP.

Source: Gartner
Three Ways to Advance Audit’s Use of Technology

To more effectively use technology to improve audit efficiency and quality of work, CAEs should:

- **Improve the data literacy of the entire audit department**
  Train all in the department to understand and speak data as a common language, including audit leaders who set the tone for a data-driven culture within the department.

- **Protect the time of specialized talent**
  Redesign auditor data-related responsibilities and expectations to free up specialized talent (for example, data specialists) to focus on high-value-added activities, such as automation and continuous auditing and monitoring.

- **Create dedicated, safe spaces for innovation**
  Carve out dedicated, uninterrupted time for staff to practice using new technology and analytics techniques, and provide a safe space for them to propose new ideas for digital projects.

Source: Gartner
Improve All Aspects of Real-Time Assurance

To improve their department’s ability to provide timely support to the business as changes are being implemented, CAEs should improve their ability to provide real-time assurance.

Audit collects risk information from a broad set of sources on an ongoing basis and distills it in real time:
- Process broader information inputs in real time.
- Task the entire audit team with risk-sensing responsibilities.
- Use data for real-time risk sensing.
- Encourage management to funnel more information to the audit team.

Audit allocates resources just in time, with a flexible set of coverage options:
- Enable real-time audit plan changes.
- Design a planning process that explicitly anticipates new risk information.
- Create and maintain a diverse set of assurance options.

Auditors adapt scope, even during fieldwork, based on the latest risk information from a broad set of sources:
- Enable real-time audit course corrections outside of linear audit scope.
- Engineer frequent review points where auditors incorporate real-time information adjustments.
- Build touchpoints into the methodology where auditors are required to consider other risk perspectives.

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Source: Gartner
The Human Deal Framework Caters to the Entirety of a Person’s Identity

Don’t just tinker with the existing EVP
Connect the organization with employees’ life and work experiences and drive more positive feelings in the following ways:

Create deeper connections
CAEs should help employees strengthen their family and community connections, not just work relationships.

Provide radical flexibility
CAEs should provide flexibility on all aspects of work, not just when and where employees work.

Enable personal growth
CAEs should help employees grow as people, not just professionals.

Focus on holistic well-being
CAEs should actively encourage employees to use holistic well-being offerings, not just ensure they are available.

Develop a shared purpose
CAEs should help the department take collective action on purpose, not just make statements.
Actionable, objective insight

Explore these additional complimentary resources and tools for audit leaders:

**Research**
- **Audit Plan Hot Spots**
  Effectively identify risks to your organization and highlight key audit risks for stakeholders.

**Research**
- **Build a Better Strategic Plan for Your Function**
  Turn your strategy into action with our tools and templates.

**Resource Hub**
- **Future of Work Reinvented**
  Reinvent where, when and how we work to maximize employees’ engagement and productivity.

**Journal**
- **Gartner Business Quarterly**
  Stay up to date with the most compelling research on organizational issues that cut across the C-suite.

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