

Impact of AI on Corporate Governance, Risk Management and Internal Audit Survey Results



The Institute of
Internal Auditors
Singapore

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Survey Objectives




Impact of AI on corporate governance and risk management practices



How internal audit is adapting their skillsets in response to the integration of AI in organisations



Relevance of traditional risk-based audit approach due to the use of AI in risk management

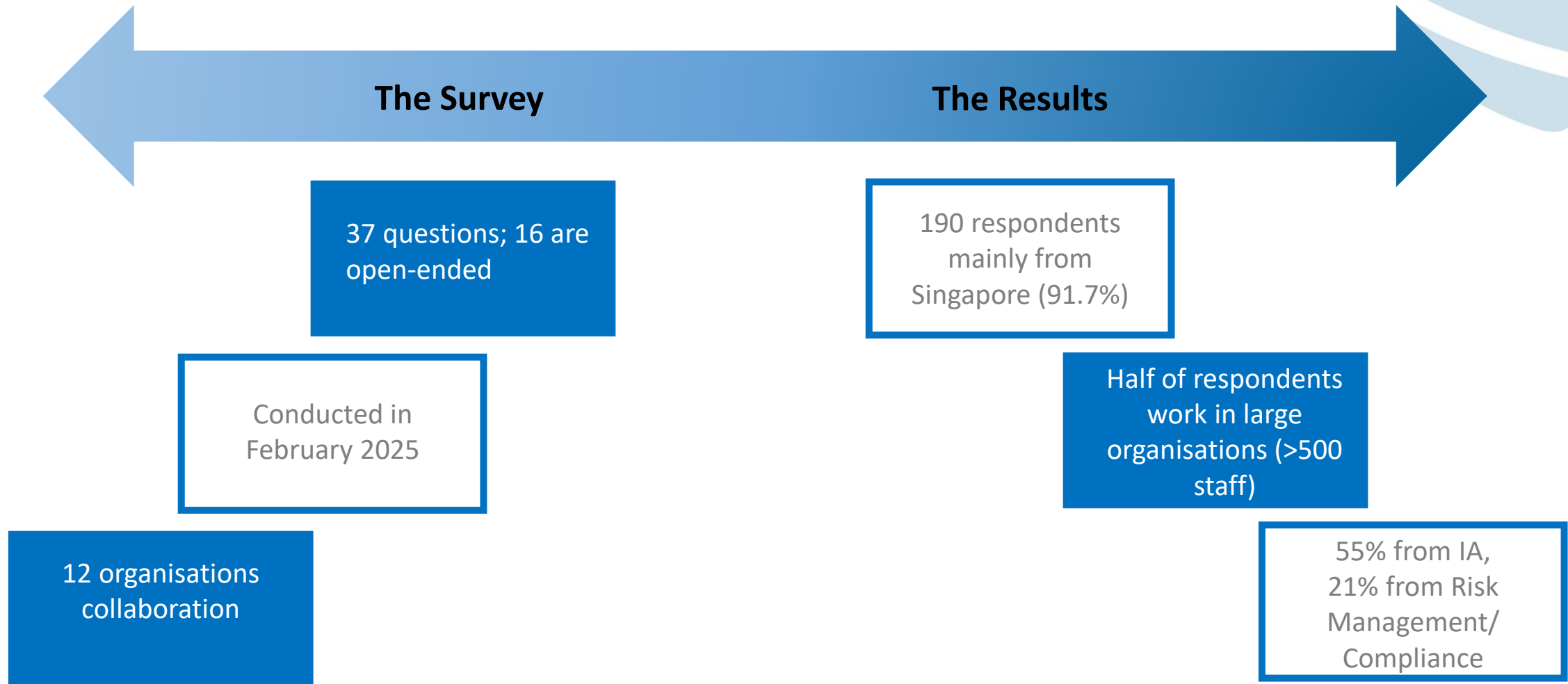


How the use of AI is changing how internal audit reports are communicated and utilised



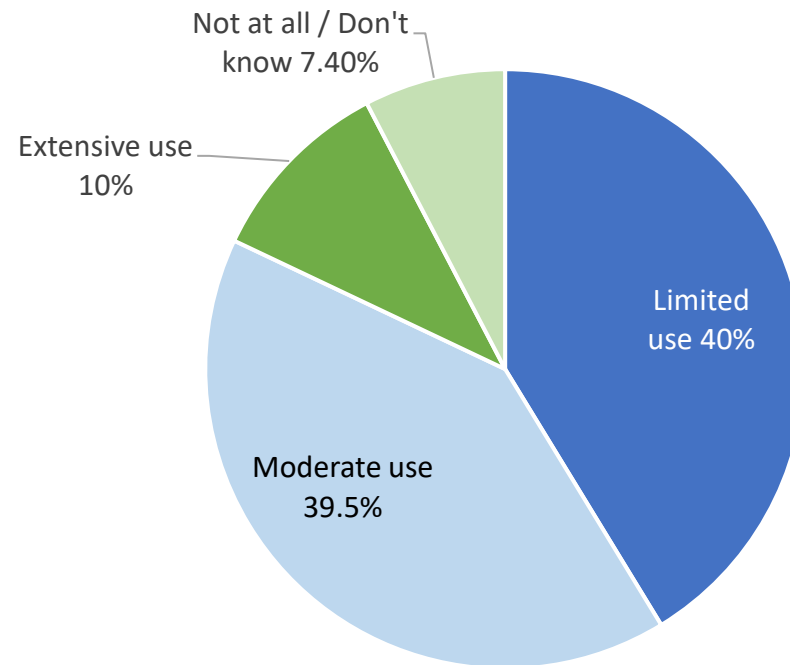
How stakeholder expectations of internal audit are evolving due to AI's impact on business

Survey Statistics

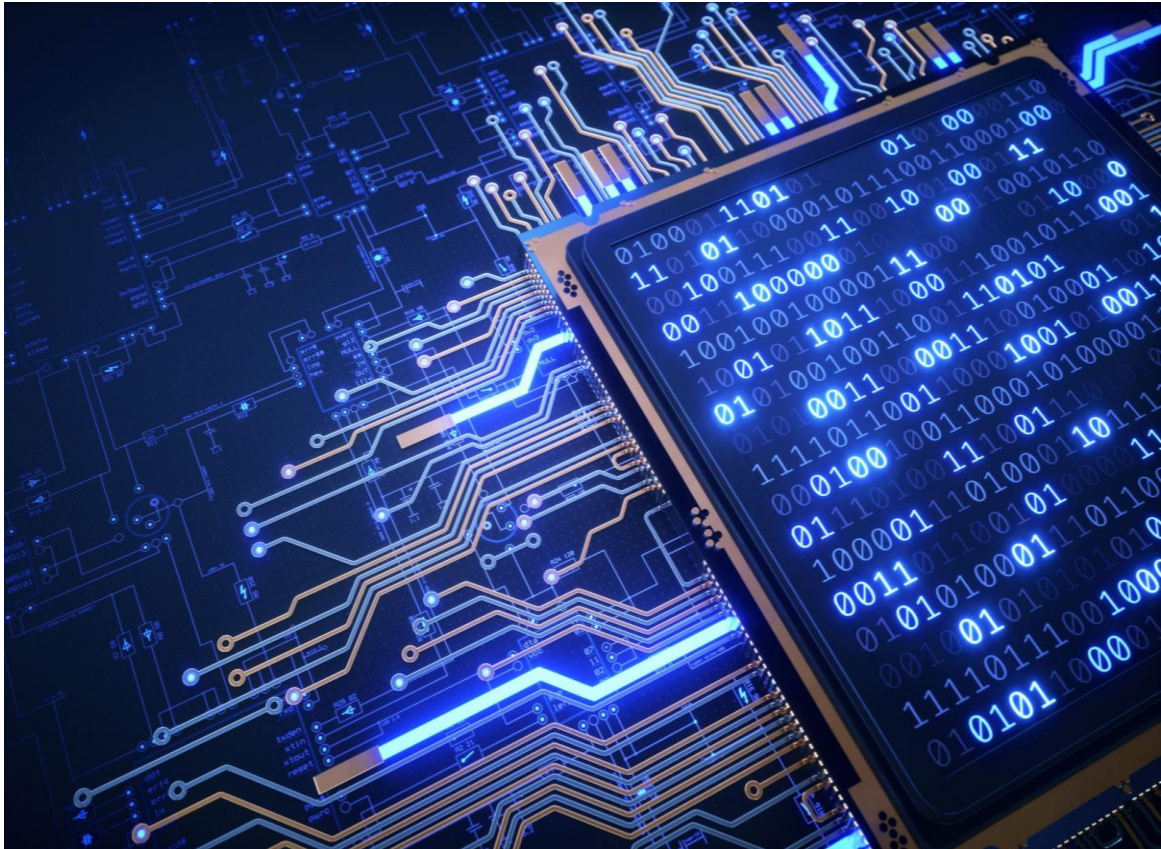


AI Adoption and Impact

A significant percentage of organisations have either “Limited” (40%) or “Moderate” (39.5%) AI adoption. Only 10% reported “Extensive Use”.



AI Adoption and Impact



The impact of AI on decision-making processes is unclear

- 34.9% of respondents indicated “Don’t Know”
- Among those who reported an impact - increased speed and improved accuracy of decisions were most frequently cited

AI Adoption and Impact

There is a mixed response on whether AI has changed how organisations identify and assess risks

Yes	33.7%
No	31.6%
Don't know	34.7%

Enabled more efficient and comprehensive risk assessment by automating data analysis and identifying patterns

Continuous monitoring and real-time risk identification

Concern: Potential for bias in AI algorithms and the need for human oversight

Internal Audit and AI



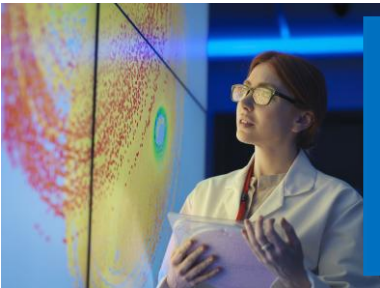
Audit of AI systems and processes

- 39.5% of internal audit functions have not started auditing AI systems and processes
- 30.5% planning for it



AI knowledge and skills

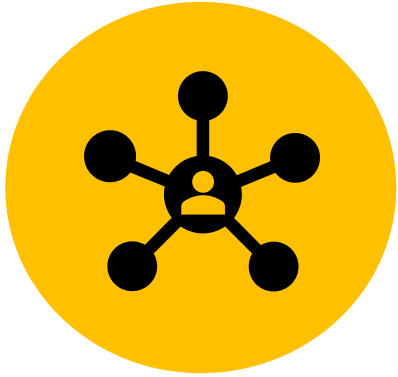
- There is a lack of training on AI auditing
- 45.2% have not received training



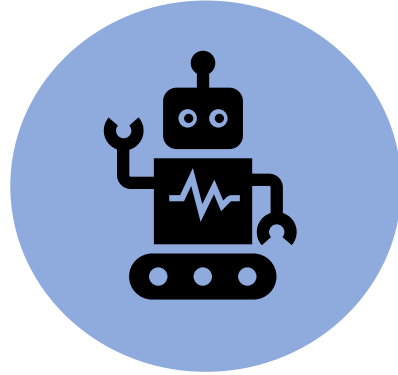
Receptiveness of internal auditors to incorporate AI in auditing

- Internal auditors appear to be somewhat receptive to incorporating AI in auditing
- 48.4% reported “Challenges faced but manageable”
 - Further 15.8% indicating “Very receptive”

AI & Risk-Based Audit Approach



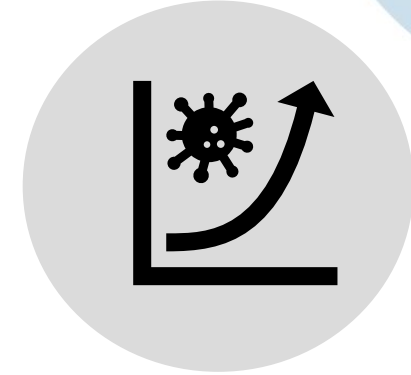
54.2% of respondents believe the traditional risk-based audit approach is still effective in an AI-driven environment



Use of AI tools for risk assessment or audit planning is relatively low, with 39% indicating they do not use such tools



Most common tools mentioned are data analytics platforms, AI-powered audit management software, and natural language processing tools



Experiences in using AI tools in internal audit are generally positive, with respondents highlighting increased efficiency, improved accuracy, and better risk identification

Stakeholder Expectations

There is uncertainty about stakeholder expectations regarding AI



“Don’t know” when asked about changes in expectations (52.1%)

The need for assurance on ethical implications of AI (42.6%)

The expectation for internal audit to assess AI algorithms (38.4%)

- Respondents mentioned increased expectations for assurance on the ethical implications of AI, reliability & bias of AI algorithms, and overall governance & control of AI systems.
- Stakeholders are not really engaging internal audit for advice and insights when developing AI projects (33.7%) with only 11.6% being engaged.

Stakeholder Expectations

Key challenges internal auditors face in meeting stakeholder expectations in AI driven landscape



Keeping pace with the rapid advancements in AI



Providing assurance on emerging AI risks



Understanding complex AI technologies

Thank You



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