



Women in Internal Auditing: Perspectives from Around the World

By Dr. Margaret Christ

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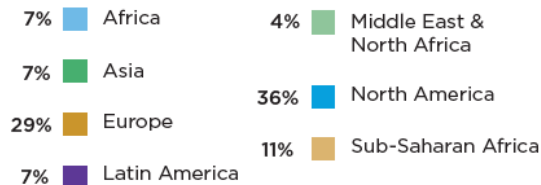
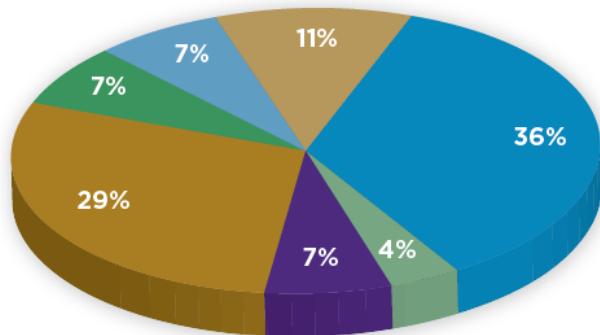
- Associate Professor of Accounting at UGA
- Research focus: control systems and internal audit
- Teaching focus: accounting information systems (including risk & control)
- Member of IIA since 1999
- Serves IIA as a member of CREA

Introduction

- Women provided 38% of CBOK responses (31% of CAE responses)
- This study:
 1. Describes how women currently fit into the internal audit landscape using CBOK 2015
 2. Shares perspectives for achieving success as a woman in internal audit, using interviews with CAEs from around the world

Advice from the Top

Exhibit 1 Global representation of Interviewees and Roundtable Participants

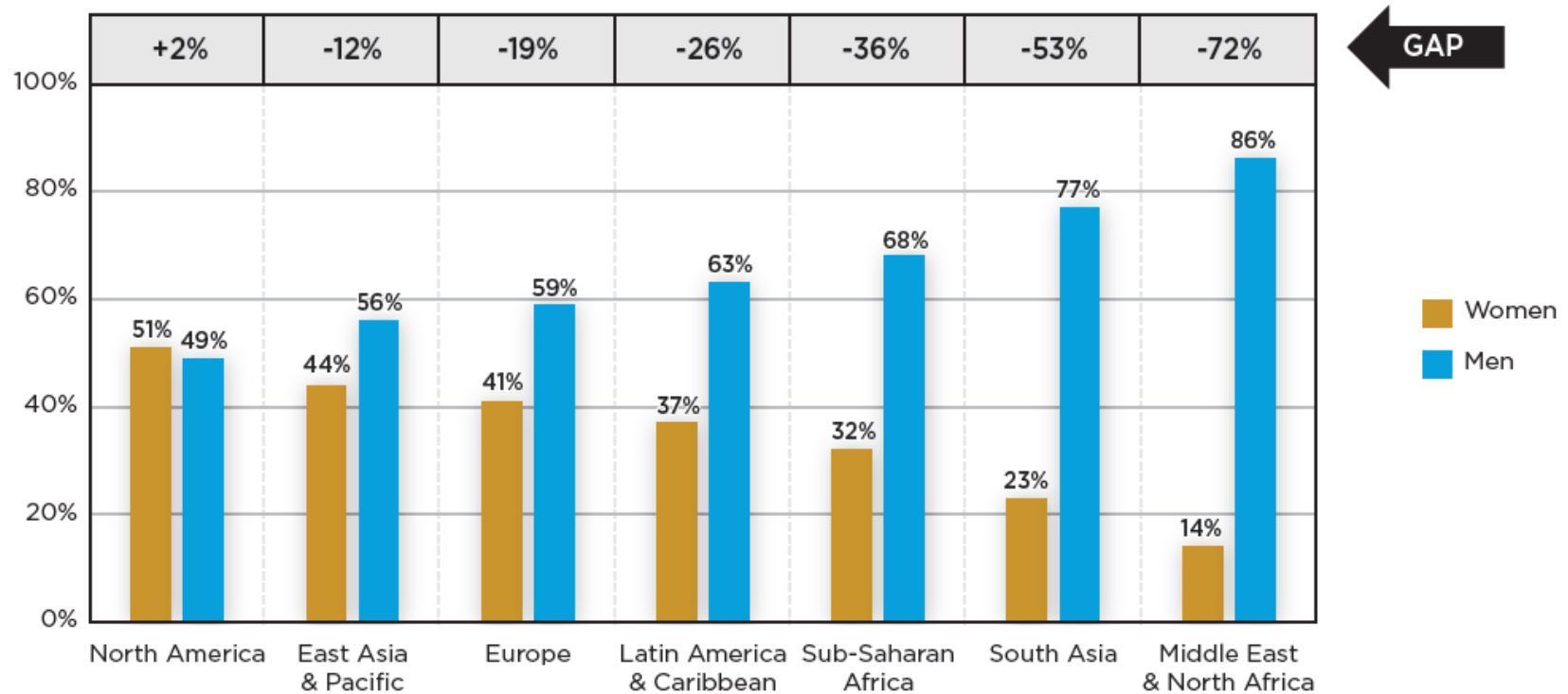


- Be Seen; Be Heard; Be Felt
- Speak Up; Seek Mentors
- Network, Network, Network
- Plan Your Career Deliberately
- Seek Diverse Experience
- Go for it!

The Gender Gap: Non-CAEs

Key Point: There are fewer women than men in internal audit in all regions except North America

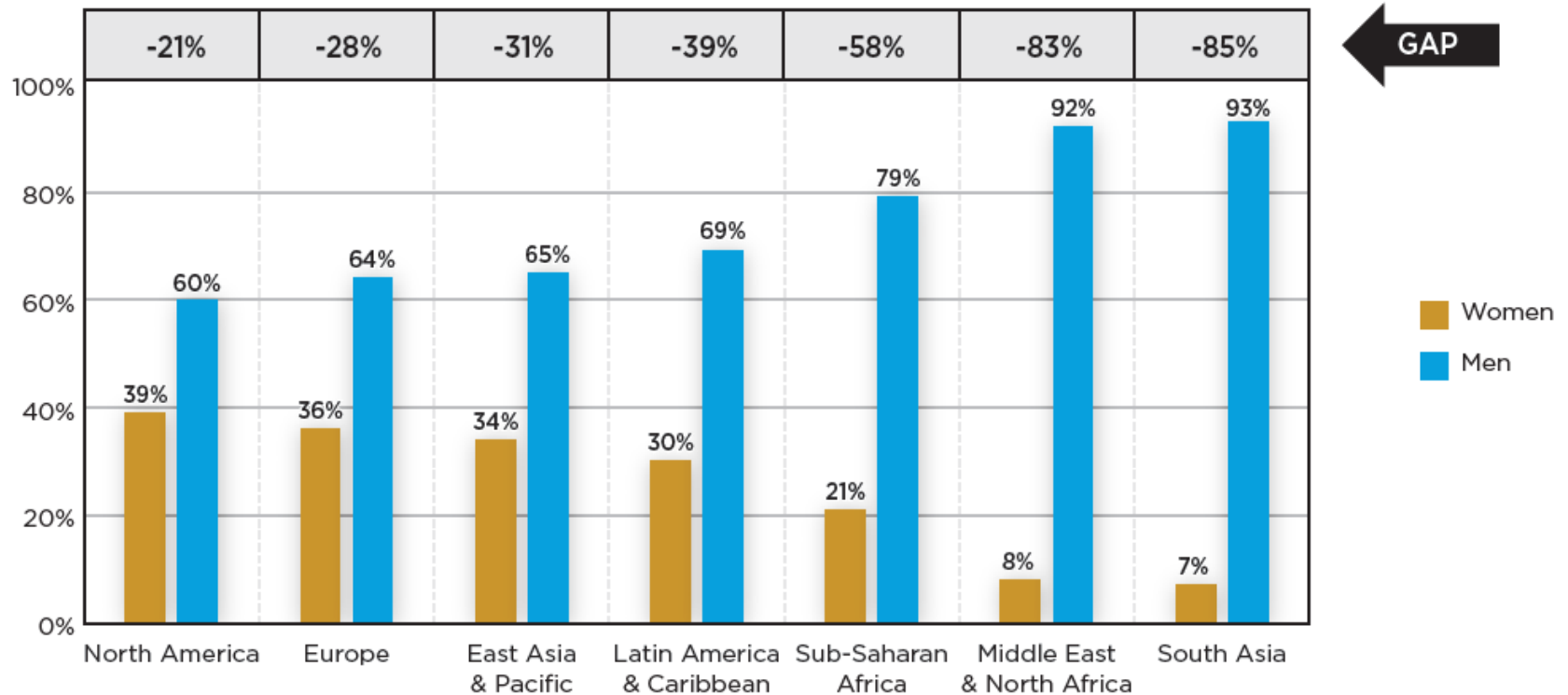
Exhibit 2 The Gender Gap: Regional Differences among Non-CAEs



The Gender Gap: CAE Level

Key Point: In all regions there are fewer women than men at the CAE level.

Exhibit 4 The CAE Gender Gap: Regional Differences

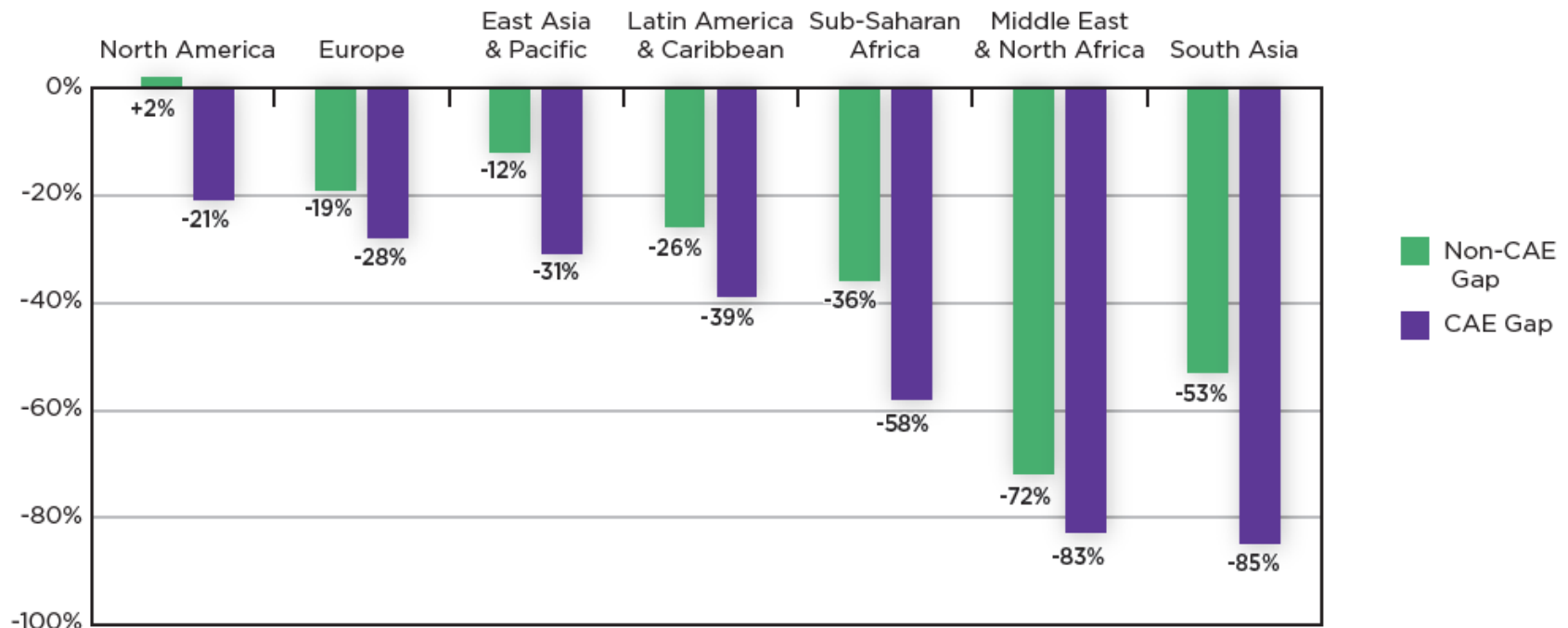


Note: Q6: In what region are you based or primarily work? $n = 3,272$; Global average: Women = 31%; Men = 69%.

The Gender Gap: CAE vs. Other Positions

Key Point: The gap is larger at the CAE level than for all other levels in each region.

Exhibit 5 The Gender Gap: CAEs vs. Non-CAEs

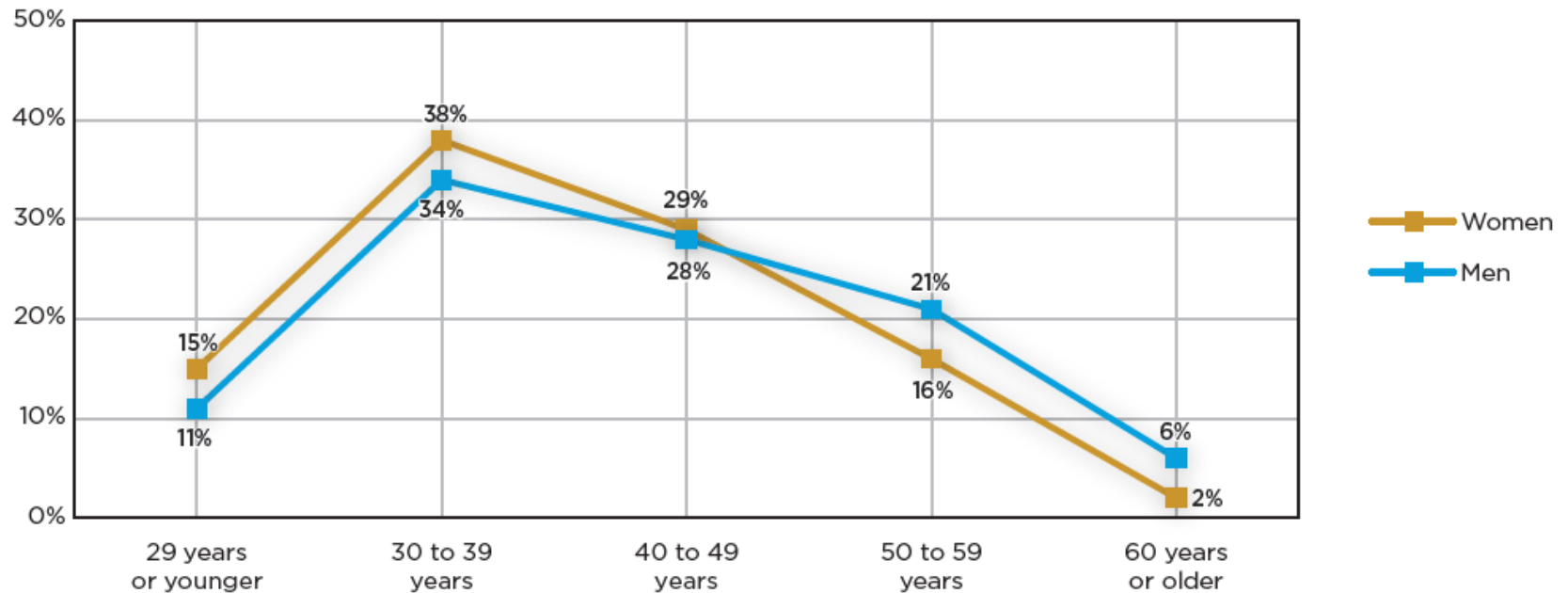


Note: Q6: In what region are you based or primarily work? $n = 12,579$ (non-CAE levels); $n = 3,272$ (CAE levels).

Average Age of Women vs Men

Key Point: Female internal auditors are younger than their male counterparts.

Exhibit 6 Average Ages of Women and Men Internal Auditors

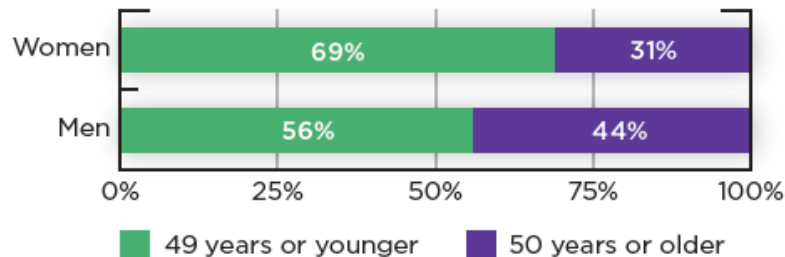


Note: Q3: What is your age? $n = 12,744$.

Age & Experience of CAEs

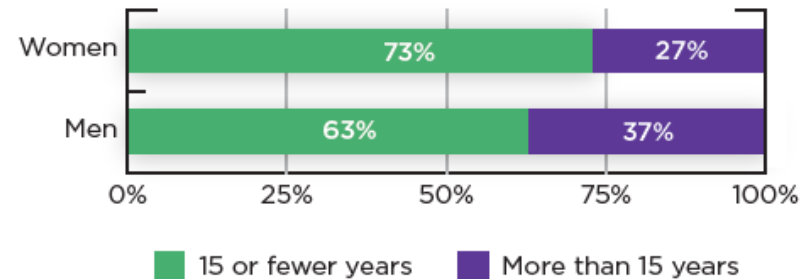
Key Point: Female CAEs are generally younger and have fewer years of experience than male CAEs.

Exhibit 7 Average Ages of Female and Male CAEs



Note: Q3: What is your age? $n = 2,968$.

Exhibit 8 CAE Years of Experience (Global Average)

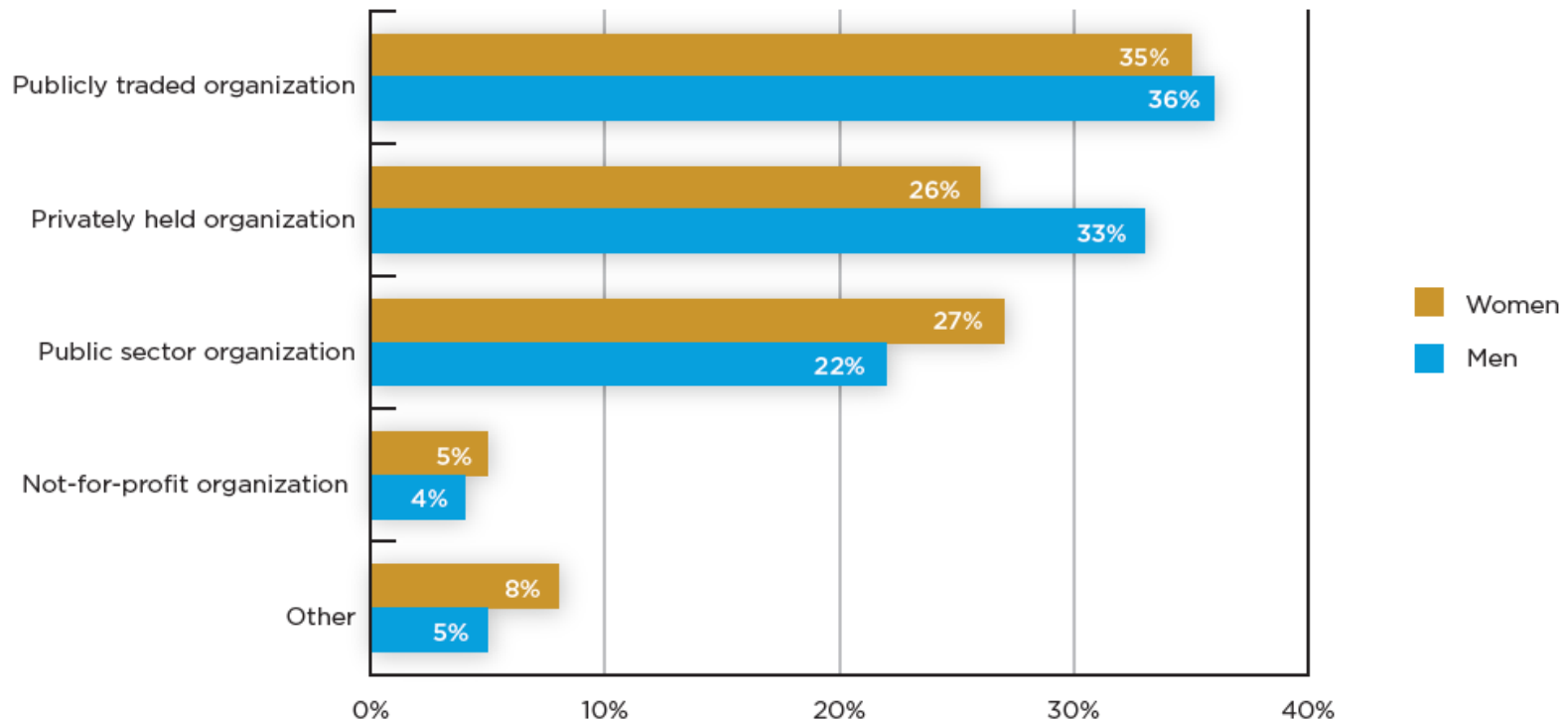


Note: Q10: Total years of experience for internal audit: $n = 3,316$.

Where are men & women most likely to work?

Key Point: Women are more likely than men to work in public sector and not-for-profit organizations.

Exhibit 9 Organization Types and the Gender Gap (all internal audit positions)

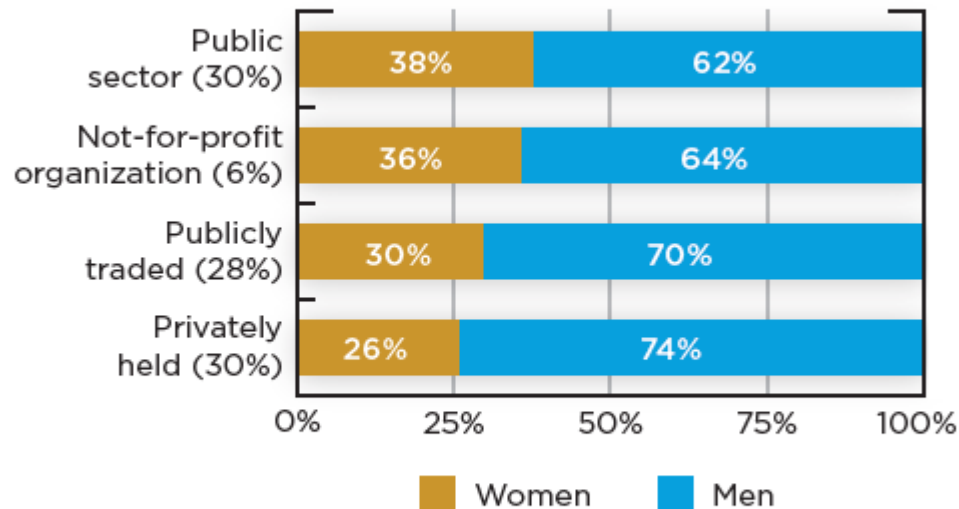


Note: Q24: What is the type of organization for which you currently work? $n = 12,889$.

CAE Gender by Organization Type

Key Point: In all sectors, CAEs are most often held by men.

Exhibit 10 The CAE Gender Gap and Organization Type



Note: Q24: What is the type of organization for which you currently work? Filtered by CAE $n = 3,323$.

Gender Comparison by Industry

Exhibit 11 The Gender Gap: Industry Differences

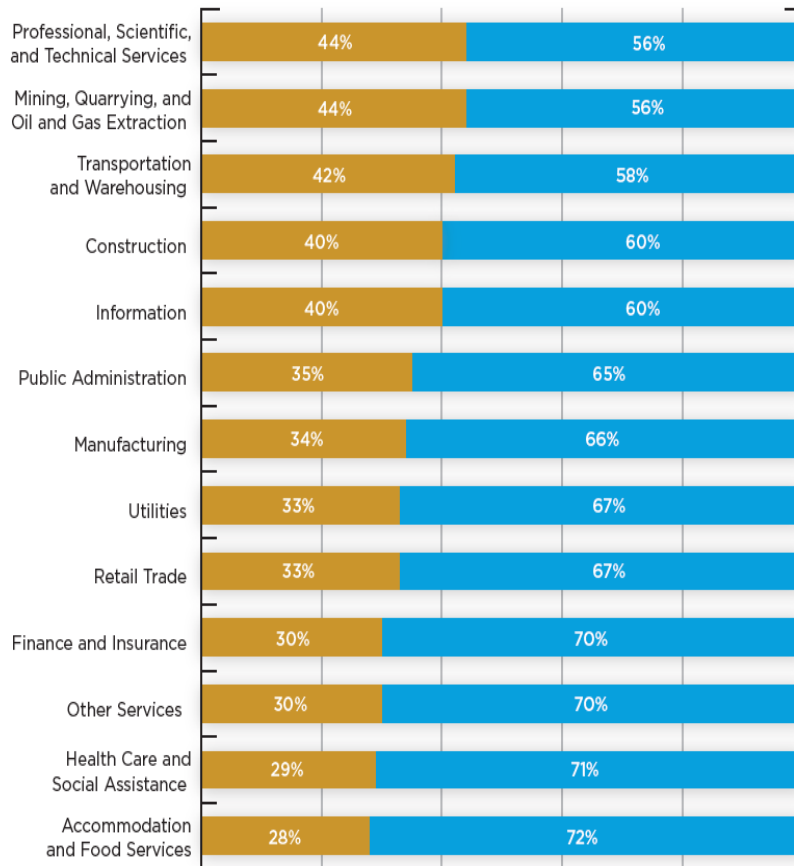
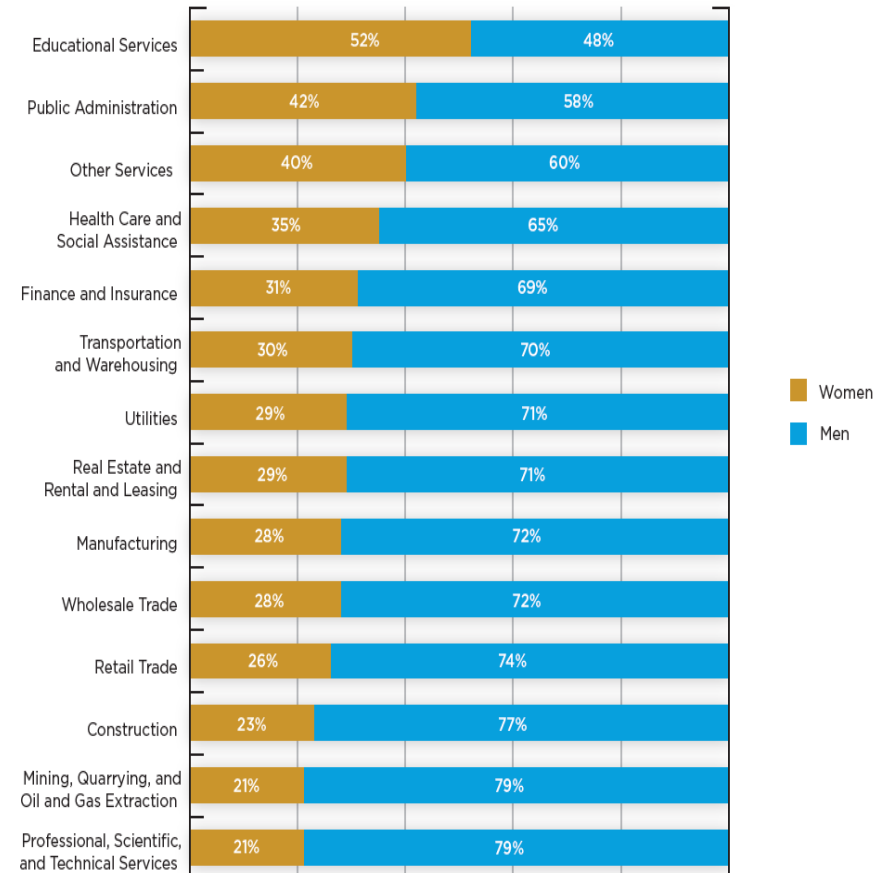
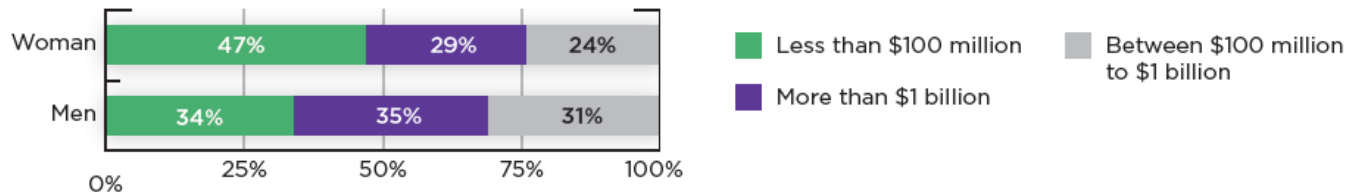


Exhibit 12 The CAE Gender Gap: Industry Differences



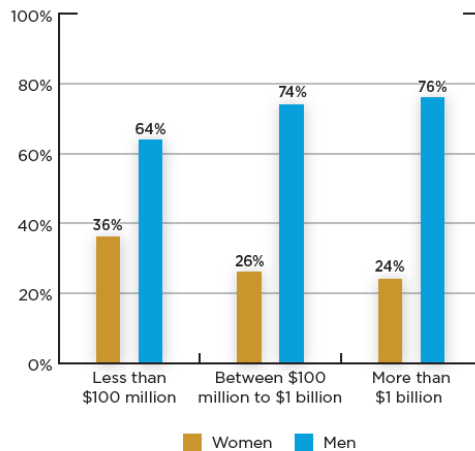
Gender Comparison by Organization Size

Exhibit 13 The Gender Gap and Organization Size (total revenue in U.S. dollars)



Note: Q21: What was the approximate total revenue of your organization in U.S. dollars for the previous fiscal year? $n = 2,330$.

Exhibit 14 The CAE Gender Gap and Organization Size (total revenue in U.S. dollars)



Key Point: Almost $\frac{1}{2}$ of all female internal auditors work at organizations with less than \$100m total revenue. The largest percentage of female CAEs manage internal audit functions in those organizations.

Note: Q21: What was the approximate total revenue of your organization in U.S. dollars for the previous fiscal year? $n = 2,330$.

Use of Internal Audit Quality Assessment Tools

- Male & female CAEs are equally likely to describe QAIPs as “well-defined” or “in development.”
- Male CAEs more likely to report use of balanced scorecards, client surveys, and peer reviews to assess quality.

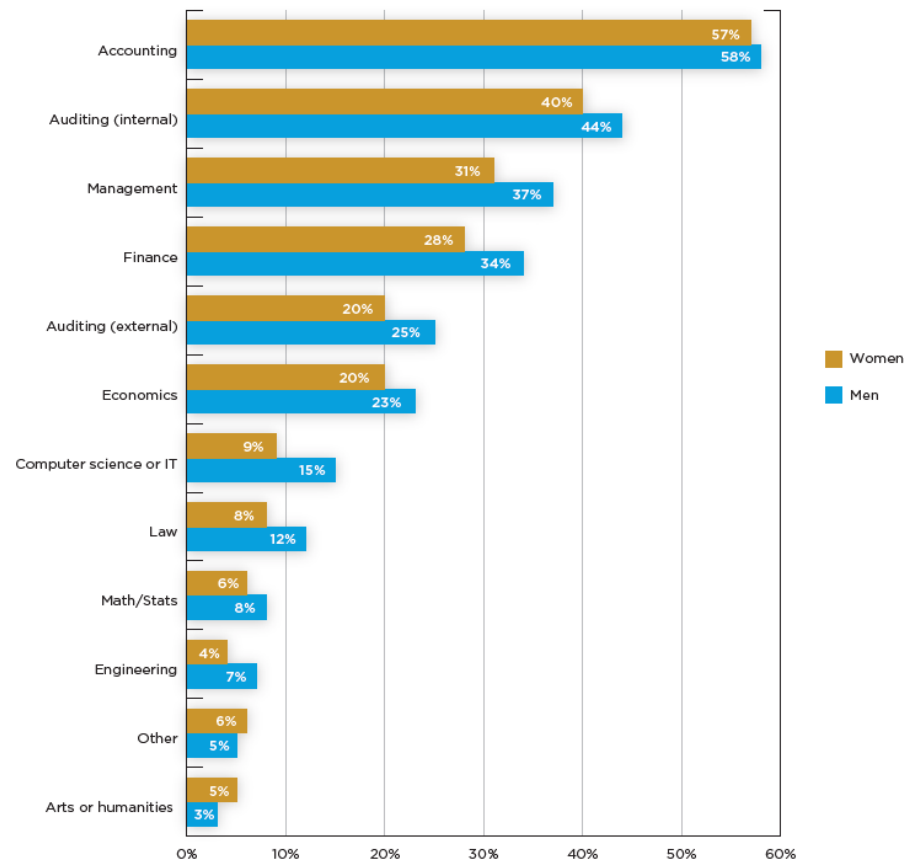
Use of Internal Audit Tools

- No significant differences in the tools or documentation used.
- No significant difference in the resources allocated to assurance & consulting activities.
- Similar levels of internal audit formalization & training

Academic Majors of Men and Women

Key Point: While an equal percentage of men and women claim an accounting major (or focus) in college, men are more likely to also report another academic focus.

Exhibit 16 The Gender Gap: Academic Majors and Significant Fields of Study

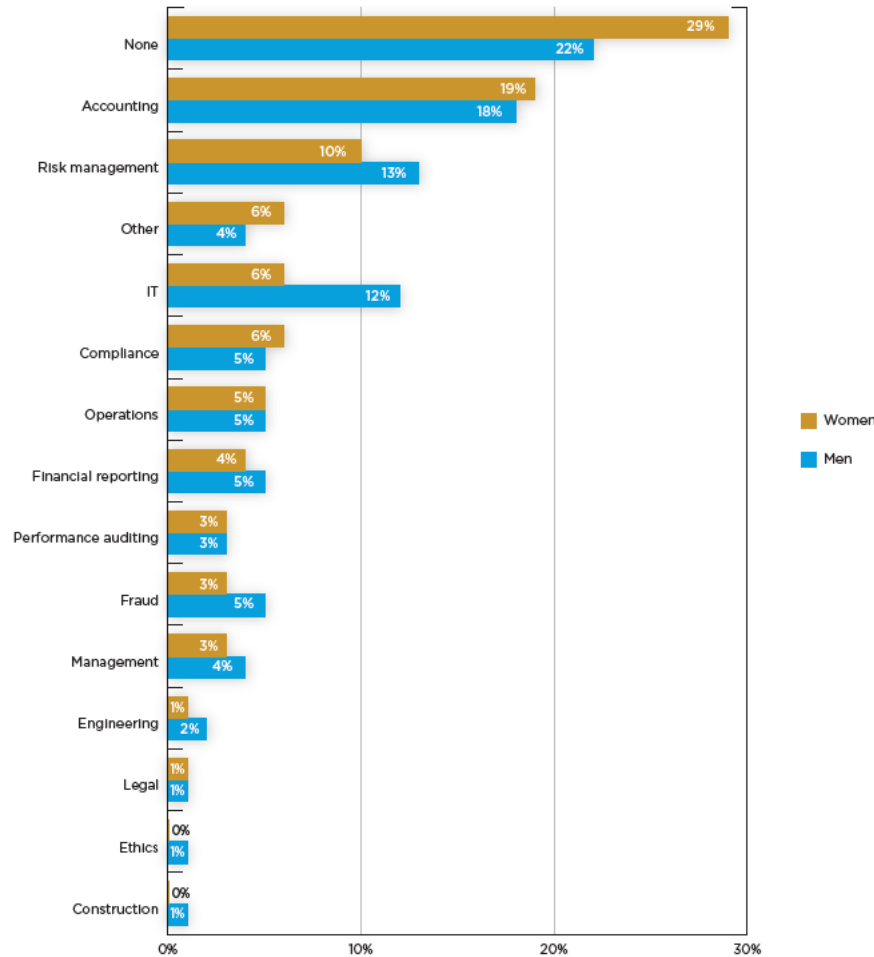


Note: Q5: What were your academic major(s) or your most significant fields of study (Choose all that apply)? n = 14,073.

Technical Specializations of Men & Women

Key Point: Women are more likely than men to report that they have no additional technical specialization. Men are more likely to diversify their expertise.

Exhibit 17 The Gender Gap and Additional Areas of Specialization

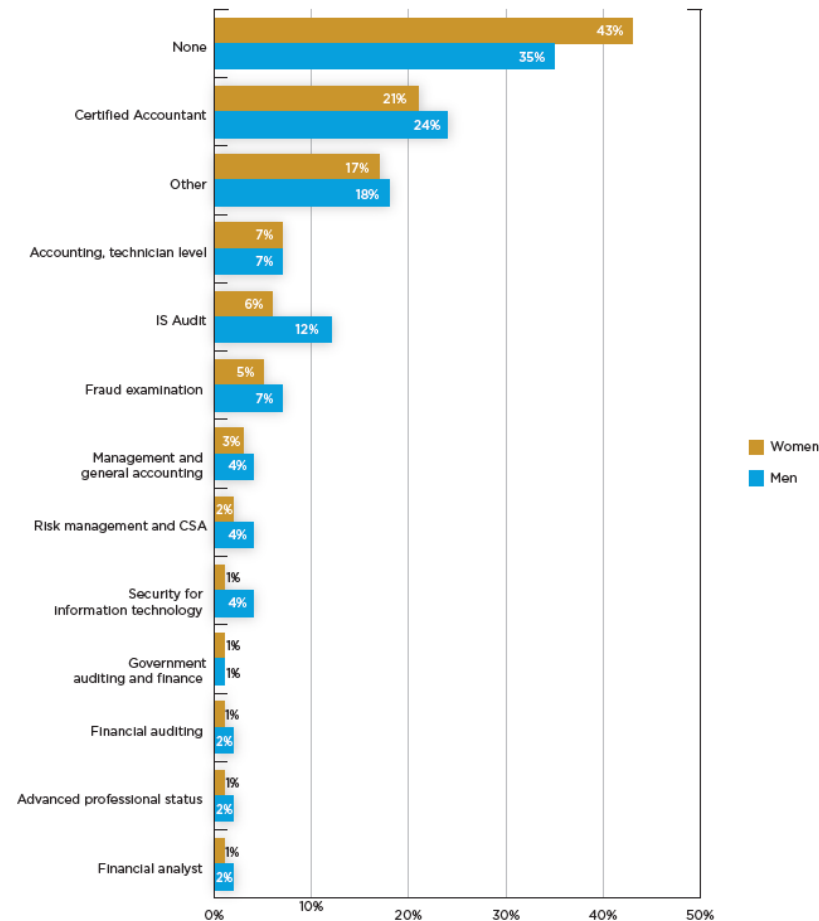


Note: Q20: In addition to performing general internal audit activities, do you have an area of technical specialization for which you have had formal training AND in which you spend a majority of your time working? n = 13,000.

Certifications of Men and Women

Key Point: Men & women are equally likely to hold internal audit-related certifications; but fewer women hold other types of professional certifications.

Exhibit 19 Non-Internal Audit Certification Rates



Note: Q22: Which professional certifications do you have in areas other than internal auditing? n = 13,012.

Self-Assessments of Core Competencies

Key Point: Men & women are equally likely to hold internal audit-related certifications; but fewer women hold other types of professional certifications.

Exhibit 20 The Gender Gap: Self-Assessed Core Competencies

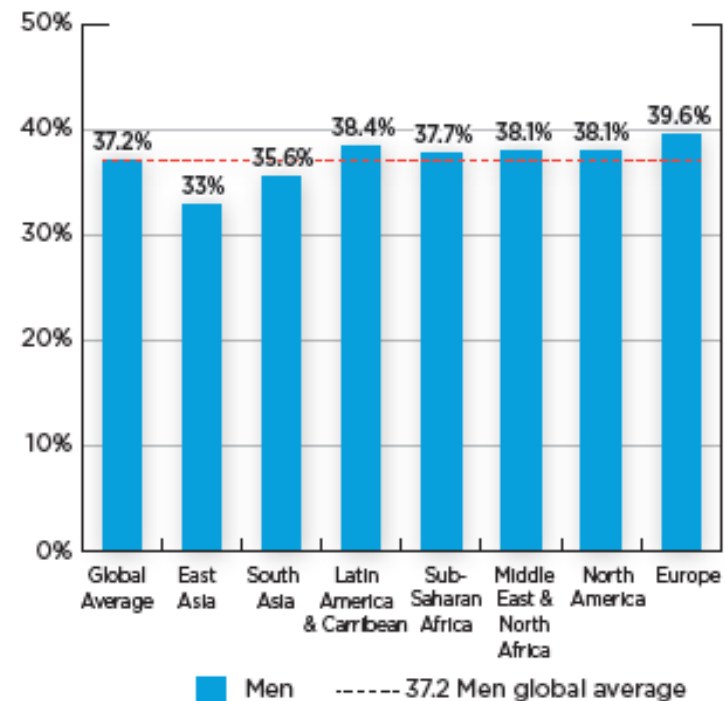
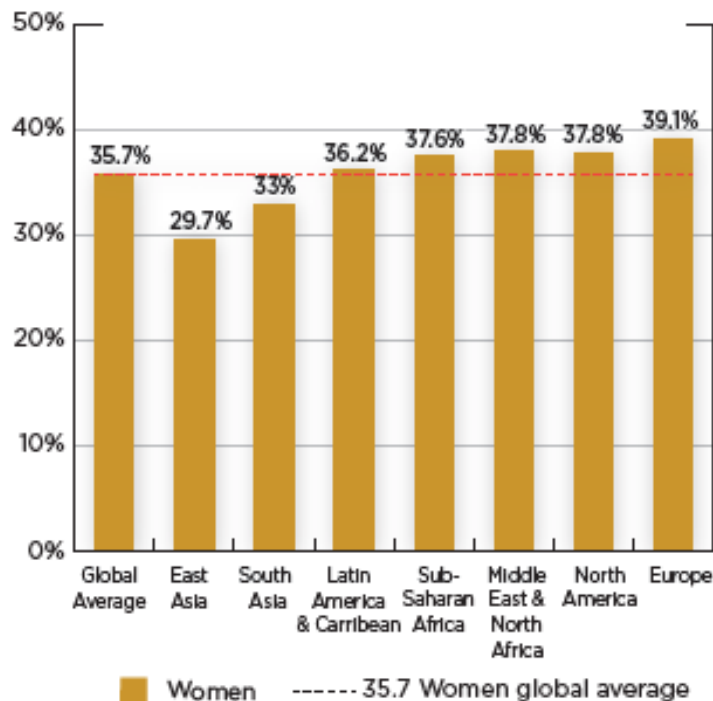
The 10 Core Competencies	Women	Men	GAP	Percentage of Deficit
IPPF (Standards)	3.07	3.19	-0.12	4%
Governance, Risk, and Compliance	3.32	3.49	-0.17	5%
Business Acumen (Judgment)	3.36	3.58	-0.22	7%
Internal Audit Management	3.42	3.68	-0.25	7%
Improvement and Innovation	3.46	3.64	-0.18	5%
Critical Thinking	3.51	3.68	-0.17	5%
Internal Audit Delivery	3.69	3.84	-0.15	4%
Persuasion and Collaboration	3.72	3.85	-0.13	3%
Communication	3.76	3.89	-0.13	3%
Ethics	3.85	3.99	-0.13	3%

Note: Q79-Q88: Estimate your proficiency for each competency. $n = 11,233$.

Self-Assessments of Core Competencies: Overall by Region

Key Point: Overall assessments vary by region. Women generally self-assess lower than men.

Exhibit 21 Self-Assessed Competencies: Regional Variations



Note: Q79-Q88: Estimate your proficiency for each competency. n = 11,233.

Significant Differences of Self-Assessments by Region

Key Point: In certain regions (e.g. East Asia, Latin America) women self-assess lower than men for all competencies. In Africa and the Middle East, self-assessments are no different.

Exhibit 22 Significant Differences between Male and Female Self-Assessments

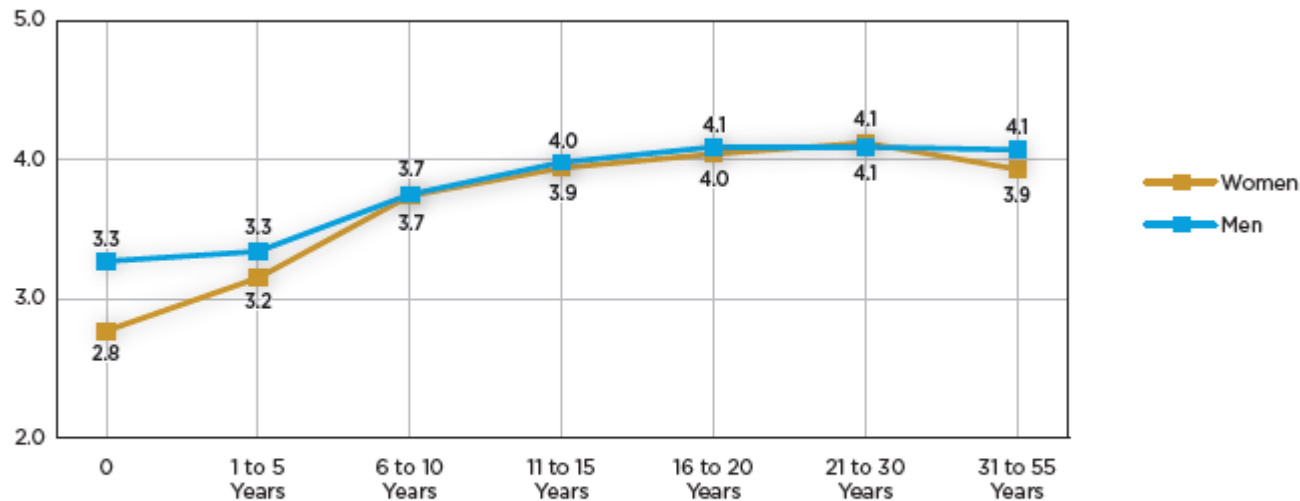
Competency	East Asia	South Asia	Latin America & Caribbean	North America	Europe	Sub-Saharan Africa	Middle East & North Africa
Ethics	X	X	X				
Communication	X		X				
Persuasion and Collaboration	X		X				
Internal Audit Delivery	X		X				
Critical Thinking	X	X	X				
Internal Audit Management	X	X	X				
Improvement and Innovation	X	X	X	X	X		
Business Acumen (Judgment)	X	X	X		X		
Governance, Risk, and Compliance	X		X	X	X		
IPPF (Standards)	X	X	X				
Overall Competency Self-Assessment	X	X	X				

Note: Q79-Q88: Estimate your proficiency for each competency. n = 11,233.

Self-Assessments of Core Competencies by Experience

Key Point: Global differences in core competencies are driven by internal auditors in the earliest and latest points in their career.

Exhibit 23 Core Competencies and Years of Internal Audit Experience



Note: Q79-Q88: Estimate your proficiency for each competency using the following scale: 1-Novice; 2-Trained; 3-Competent; 4-Advanced; 5-Expert. The scores in the exhibit are averages of multiple measures used for each of the 10 core competencies; $n = 3,792$ for Women; $n = 6,457$ for Men.

Note: Adapted from "Mapping Your Career," a component of the CBOK study.

Women may benefit from mentoring

Key Point: Effective mentoring can be a key tool to help female internal auditors develop and direct their careers.

“Having a strong mentor relationship—possibly with multiple people—is absolutely critical because it is someone safe that you can bounce ideas off of... Your mentor can be someone who has already done it before... who can share insights into work-life balance, [knows] how to ask for things...be able to negotiate... very important.”

— Sue Ulrey, CEO, SDU Consulting (United States)

“I benefited a lot from mentoring—[actually] from a man. I found it quite useful. It is helpful when we embed [mentoring] into the program.”

—Sally Ogwo Okey-Umahi, PwC (Nigeria)

“Mentoring hasn’t been an objective so far, but I think that it will be in the future. We need to provide that to the new generation... We need to be able to guide them.

—Maritza Villanueva, Unicomer Group (El Salvador)

Benefits Experienced by Women in Internal Audit

1. Personal Attributes and Work Style

- Collaborative, empathetic, good listeners and team focused; Important for client interactions, supervising teams, communicating with management

"[Women] have great listening skills. They hear beyond the words. And I think when we're doing internal audit, that's really important. I think women have the ability to deliver less than great news with a bit of optimism... 'This'll be okay.' We don't downplay the super important, [but], 'This isn't the end of the world. This is how we'll fix it.' We do tend to be much more nurturing, understanding, and compassionate. We tend to take their point of view into account before we rain on their parade. We see the world broadly—in a more collective sense... so [internal auditing] is a good fit for us."

—Sue Ulrey, CEO, SDU Consulting (United States)

Benefits Experienced by Women in Internal Audit

2. Personal Attributes and Work Style

- Women can provide a different perspective & diverse perspectives add value

"In the strong technical environment that I've been in, for the most part, I've found [being a woman] to be an advantage. The different perspectives woman bring to the table create rich dialogue, to add value and drive better results..."

*- Mary Ludford, VP Audit and Controls,
Exelon (United States)*

"... [Women] have the [same] skills and experience [as men]; however, they often bring a different perspective to things, which helps us all think differently. Diversity of thought, experience, country, discipline, etc., all contribute to better outcomes."

Benefits Experienced by Women in Internal Audit

3. Promoting Work-Life Balance

- When women supervise departments, they often recognize the importance of work-life balance for all employees.

"...When women come in, you are allowed to talk about your kids.... It is easier to talk not only about the business side of work, but also the softer issues.... Most women will try to get a good conversation going that gives everyone the comfort to say what they want to say. Sometimes for women, it is a more natural way of working and acting."

"Work-life balance: there is a bit more sensitivity and awareness, and maybe innovation in trying to make sure that we're retaining the talented women who might have different priorities that must be balanced with the demands of their careers."

*- Mary Ludford, VP Audit and Controls,
Exelon (United States)*

Benefits Experienced by Women in Internal Audit

4. Gender Diversity

- Many organizations recognize the importance of having internal audit departments that reflect the clients they serve.

“One of the things that’s driving more equality between men and women in the workforce is [we’re] really taking a look at the diversity of the populations that we do business in, and making sure that we are driving for the same view of diversity. And many times, that drives to more gender equality. So it’s a bit of a deliberate approach to make sure that we are slating and attracting talent based on the geographies that we do business in.”

—Mary Ludford, VP Audit and Controls, Exelon
(United States)

“In a perfect world, internal audit will reflect the organization’s stakeholders. The makeup of a good internal audit function will reflect society at large: race, religion, language, gender, etc. This implies about 50% female, but it also implies much more.... Reflection is much more than simple representation.... Engaging an appropriate gender mix is clearly a step in the right direction.”

—Michael Parkinson, Internal Audit Consultant
Michael Parkinson Consulting (Australia)

Challenges Experienced by Women in Internal Audit

1. Balancing Work and Family & Adapting
 - For many women, it is difficult to juggle family responsibilities with a fast-paced, often travel-intensive career in Internal Audit.

“How did [I] manage to do all of this, and bring up children and travel the world? It’s entirely due to the fact that my husband gave up his career a long time ago...”

- Clare Brady, CAE (United States)

BOK

Challenges Experienced by Women in Internal Audit

2. Travel

- Internal audit is often a travel-intensive career.
- Females internal auditors may be more likely to leave travel-intensive industries

“Because the travel demands are so heavy, as [internal auditors] progress up the ladder... as women begin to have families, they leave the profession... And the women that I see [progressing] generally aren't raising families. Sometimes when they come back to the profession, which they do, it is because their kids are grown and they have that ability to travel again.”

—Valerie Wolbrueck, Director,
Lennox International, Inc. (United States)

Challenges Experienced by Women in Internal Audit

2. Travel

- Internal audit is often a travel-intensive career.
- Females internal auditors may be more likely to leave travel-intensive industries
- But...

“Looking to the future, I’m not worried for women, because technology does not require that a CAE be physically in an office. A female who is at home or in another office can be a CAE, and she can make sure that she takes care of everyone who is looking at the data without being physically present.”

Challenges Experienced by Women in Internal Audit

3. Challenges due to Work Style

- Assertiveness – Women tend to be less assertive than men, and can project less confidence

“...[Women] tend to be a little more reflective at times [which] can convey a misconception about our capabilities of being able to make tough calls, being able to take a stand in the face of opposition... So it is incumbent upon us as we grow as leaders, to make sure we are flexing those muscles as well as some of our more natural [tendencies].”

Challenges Experienced by Women in Internal Audit

3. Challenges due to Work Style

- **Givers, not takers:** Givers contribute without seeking anything in return

"I think a lot of it stems from how young women—young girls—play and learn as opposed to boys... Girls play more social games, and so they develop those skills and are very supportive. So early on in the workforce, [women] are very successful. And these are really good skills to have as an auditor because you are able to take in a lot of information and non-verbal cues and really understand and listen well. But the disadvantage comes when young men in the workforce pick up [social skills] over time, but aren't afraid of being competitive and confrontational; those seem like better leadership skills. So they tend to advance faster. And young women in the workforce want to get along, and they are uncomfortable with those types of skills; they are seemingly okay with stepping back because they don't want to cause difficulties."

—Keri Rogers, Assistant Vice President,
Manulife (United States)

Challenges Experienced by Women in Internal Audit

4. Cultural/Historical Issues

- Cultural norms play a role in the acceptance of women in the workforce & in management positions.

“[In some cultures] women are viewed as subservient, and cultural issues have a big impact on women actually stepping up.”

Challenges Experienced by Women in Internal Audit

5. Organizational Politics

- Women can be less adept than men at office politics, which may put them at a disadvantage for career advancement and growth opportunities.

"Females, in general, are not so strong on politics... Male auditors do a great job compared to female auditors [in this area]."

—*Sakiko Sakai, Owner, Infinity Consulting (Japan)*

"A woman might not be able to play the type of politics that men play, and that is a very serious disadvantage for women. "

Challenges Experienced by Women in Internal Audit

5. Organizational Politics

- Women can be less adept than men at office politics, which may put them at a disadvantage for career advancement and growth opportunities.

"Let's face it; men and women are different, and it is a predominately male workforce. It's very difficult to break into the "club." Not that men are trying to be exclusionary... but there's an awful lot of business that gets done on the golf course... there is an awful lot of business that gets done in a sports setting. That's just the reality... And those things may or may not appeal to [women], so you lose out on those opportunities for camaraderie. Our interests are different and are probably going to remain different for a long time.

Conclusion

- Women are making an important impact on the internal audit profession.
- Women bring a different perspective, skillset and personality traits that add value to internal audit.
- Women should be confident in themselves, their skills, and in the career they desire.

Let's continue the conversation!

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