

# 2026

## RISK IN FOCUS

Hot topics  
for internal  
auditors

# AFRICA



Internal Audit  
**FOUNDATION**



African Federation of  
**Institutes of Internal Auditors**

# ABOUT GLOBAL RISK IN FOCUS

## Know Your Risks. Plan Strategically.

Risk in Focus is the Internal Audit's Foundation's premier annual initiative to identify the five most significant risks impacting organizations around the world.

Learn what internal auditors are saying about the:

- Five highest risks in their region
- Five top priorities for internal audit effort
- Key considerations for boards and audit committees

Risk in Focus uses survey results, regional roundtables, and interviews with local experts to reveal key insights about regional risks along with perspective on risks worldwide.

The [Internal Audit Foundation](#) gratefully acknowledges the work of IIA Institutes and IIA regional bodies who make this research possible: African Federation of Institutes of Internal Auditors ([AFIIA](#)), Arab Confederation of Institutes of Internal Auditors (ARABCIIA), Asian Confederation of Institutes of Internal Auditors (ACIIA), European Confederation of Institutes of Internal Auditing ([ECIIA](#)), and Fundación Latinoamericana de Auditores Internos ([FLAI](#)).

Special appreciation goes to the European Institutes Research Group (EIRG), who developed the Risk in Focus research approach in 2016 and continues to publish the report for Europe through the [ECIIA](#).

Reports and board briefings are free to the public for:

- Africa
- Asia Pacific
- Europe
- Latin America
- Middle East
- North America
- Global Summary

Visit the [Risk in Focus Knowledge Center](#) for reports and more information.



Visit the [Risk in Focus Knowledge Center](#) for free reports and board briefings ([theiia.org/RiskInFocus](http://theiia.org/RiskInFocus)).



### WORLDWIDE RESEARCH PARTICIPATION

**131**  
countries/  
territories

**4,073**  
survey  
responses

**18**  
roundtables with  
**182**  
participants

**24**  
in-depth  
interviews



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# EXECUTIVE SUMMARY

## Balancing Digital Investment with Financial Challenges

**Growth through digitalization promises to expand social inclusion, improve tax revenues, and boost competitiveness. But to win, organizations in Africa must navigate a complex maze of inter-connected challenges. An acute lack of money, fraud, extreme weather, and cybersecurity risks stand in the way.**

While cybersecurity remained the top risk for Africa, digital disruption risk increased the most from the prior year, rising in rank from sixth to third (Exhibits 1 and 3). Businesses are responding by building resilience, and CAEs are supporting those efforts by integrating assurance work across risk areas.

Financial and liquidity risks are ranked higher in Africa than the global average, ranking fourth for Africa while ranking seventh globally (Exhibit 2). Many countries in the region depend on stable flows of foreign investment, which causes increased financial and liquidity risks when these cash flows are constrained. While these investments are focused on much-needed infrastructure and digitalization initiatives, fraud, corruption, and extreme weather are a constant drain on resources. Internal auditors are responding by providing assurance and advisory services for liquidity controls and the quality of the underlying financial data.

As AI (artificial intelligence) proliferates along with mobile financial technologies, cybercrime has become an even bigger threat. With literacy rates low in some countries, cultural awareness of cybersecurity threats can be hard to establish. Regulations around data security and data privacy are sometimes lacking, adding to the challenge.

On the other hand, Africa has one of the most dynamic fintech (financial technology) sectors globally, and government agencies are investing heavily to automate systems and documentation. CAEs are investing in better internal auditing tools to increase automation of controls and take advantage of AI.

In addition to findings from 1,043 survey responses in Africa and 4,073 worldwide, the Africa Risk in Focus 2026 report features practical ways to address the unique risk environment in Africa, based on multiple roundtables and interviews with leaders in the region.

### Key Points

- CAEs in Africa report high financial/liquidity risks more frequently than the global average – 43% for Africa compared with 31% globally (Exhibit 2).
- While cybersecurity remained a top risk for Africa, digital disruption risk increased the most from the prior year, rising in rank from sixth to third (Exhibits 1 and 3).
- Financial and liquidity risks are a unique challenge for the region, fueled by lack of local resources, extreme weather crises, and dependency on foreign currency.
- Digital implementation is progressing throughout Africa, but many new users are vulnerable to cyberfraud.
- CAEs are providing traditional assurance services, but also rebalancing audit plans to incorporate faster advisory services to respond to rapidly emerging risks.

## AFRICA RESEARCH PARTICIPATION

- **1,043**  
survey responses
- **39**  
countries participating
- **3**  
roundtables with  
**17**  
participants
- **3**  
in-depth interviews



[See more details in Acknowledgments.](#)



# SECTION 1. AFRICA'S RISK ENVIRONMENT

## Technology Risks Rise

**Organizations build business resilience to meet a complex network of inter-related challenges – from cybersecurity to climate change.**

Cybersecurity was the top risk for African CAEs, with 62% rating it as their number one risk (Exhibit 1) – and 60% as the highest priority for their internal audit functions (Exhibit 5). While digital disruption was the fastest climbing threat – up by 10 percentage points to 44% – it joined a tight cluster of risks near the top of organizational agendas in the region, including business resilience, fraud, and financial/liquidity (Exhibit 3). Risk levels for digital disruption in Africa are now at nearly the same level as the global average (44% compared to 48%, Exhibit 2).

### AI enables more cyberattacks

To understand the unique challenges facing organizations and to gain insights from leading practitioners across Africa, CAEs gathered online at three regional roundtable events. Rapid digitalization was a key theme in roundtables this year.

Cyberattacks have intensified in Africa – and globally – as AI models make the creation and production of hacks easier and more sophisticated. CAEs at the roundtable events said that while hackers tended to be early adopters of advanced technology, cybersecurity awareness among

customers and businesses can be low, especially in areas of low literacy.

Discussing the survey results, most CAEs agreed that four of the top five risks – cybersecurity, business resilience, fraud, and digital disruption – were intimately linked. As digital systems proliferate, cybersecurity weaknesses increase both fraud risk and the ability of organizations to survive if hacked. The impact of power outages grows in magnitude for businesses dependent on computerized

“Risk levels for digital disruption in Africa are now nearly the same level as the global average.”



# AFRICA'S RISK ENVIRONMENT

systems. On the other hand, government agencies and financial institutions are implementing digital strategies to slash fraud, create efficiencies, and extend social and financial inclusion, demonstrating a range of threats and upside risks within these overlapping areas.

## Business resilience addresses multiple risks

Business resilience can be the key to tackling multiple risks together. “First and foremost, organizations and internal auditors should be building business resilience in all of these areas because they are interconnected,” Ruth Doreen Mutebe, CAE at Ugandan energy company Umeme, said in an interview for this report. “If you do not do so, every time these risks spike, you will always be in crisis mode.”

In fact, CAEs in the region seem to be doing just that: business resilience was the second highest area of audit effort in this report, with 54% saying it was a Top 5 priority – in line with the global average of 53% (Exhibit 6). For government agencies, having strong resilience processes can mean the difference between being able to feed people when disaster strikes or not. For those countries that depend on food imports, supply chain resilience is therefore a major focus.

Standalone audits of business resilience would be unlikely to capture the inter-related nature of the risks

and controls in enough detail, said Dr. Aissatou Ndiaye, CEO of the consultancy NAD Audit & Conseils in Senegal, in an interview for this report. Instead, she has found it to be more effective to include a resiliency dimension into most of the audits she does – including in areas such as finance, human resources, and supply chains. Strong corporate governance can also help. Listed companies in Senegal must have an audit committee. That has provided additional board-level support for CAEs seeking to provide assurance over the adequacy of business continuity and disaster recovery plans.

## Money is an ever-present issue

Hanging over those challenges is an acute lack of money to fund major projects, invest in technology, and improve business resilience. According to the [Economic Development in Africa Report 2024](#), the success of such projects is essential for improving trade between countries in the region. But many key infrastructure initiatives depend on working with foreign partners. Persistently high foreign exchange rates push up costs and, in some cases, delay projects.

African CAEs reported higher financial/liquidity risks than the global average – 43% for Africa compared with 31% globally (Exhibit 2). Risk ranking and audit priority for financial/liquidity risks in Africa were well-aligned – 43% compared to 47% (Exhibit 9). At the same time, audit priority for financial/liquidity risk dropped by 8 percentage points compared with last year, as audit



“African CAEs reported higher financial/liquidity risks than the global average – 43% for Africa compared with 31% globally.”



# AFRICA'S RISK ENVIRONMENT

priority shifted toward digital disruption and climate change (Exhibit 7). (For more details, see Section 5, Hot Topics – Financial and Liquidity Risks.)

## Climate change must be addressed

This is also a region where extreme weather can derail government budgets and threaten the existence of businesses as natural resources, infrastructure, and markets are disrupted or destroyed. Although climate-related risk ranked twelfth in the survey (Exhibit 1), efforts on the potential impact of extreme weather feed into the top risk categories. For example, the drought induced by El Niño in Southern Africa during the 2023-24 rain season resulted in six countries in the region declaring a [state of emergency](#). In fact, CAEs in the region were the only group globally to say they had increased audit effort on climate change this year – up 5 percentage points to 14% (Exhibit 7).

## Governance/corporate reporting risk

Governance/corporate reporting risks were seen as higher in Africa (33%) than they were globally (24%) (Exhibit 2). CAEs at the Africa roundtables explained that improving corporate reporting was crucial for verifying representations (or statements of facts) from management in their organizations' reports. Better controls around corporate reporting would strengthen compliance with regulations and enable internal audit functions to provide assurance for the integrity of data and data systems,

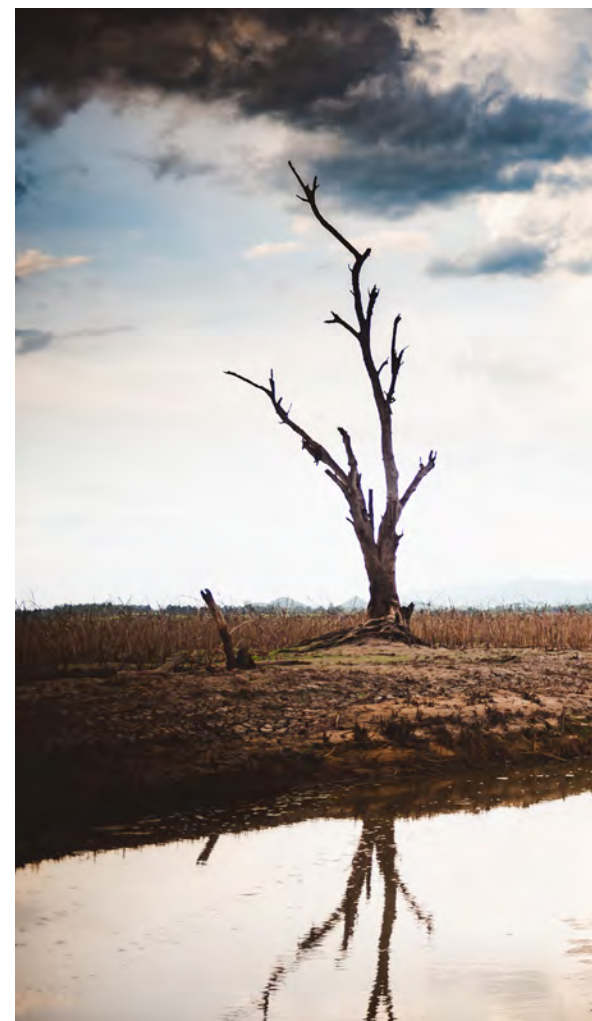
which in turn would enable internal audit to provide more effective assurance. Additional pressure for improved governance has come from [international ESG reporting standards](#), adopted by some countries in the region.

In addition, providing assurance over the quality of data that underpin corporate reporting was vital. CAEs at the roundtables agreed that providing assurance for corporate reporting was a key priority in order to support their organizations' efforts to improve governance structures.

## Fraud and corruption

Fraud is a persistent challenge in the region, rated as high risk by 43% in Africa, compared to the global average of 23% (Exhibit 2). From an internal audit perspective, effective ways to help reduce fraud and corruption are to assess transparency within procurement processes, provide whistleblower protection, and set a clear tone at the top, Mutebe said.

“CAEs in the region were the only group globally to say they had increased audit effort on climate change this year.”





# AFRICA'S RISK ENVIRONMENT

## Skills shortages

Talent and skills shortages are a major challenge for the region, which is why several CAEs at the roundtable events expressed surprise that human capital risks did not feature in the top five risks for the region. Human capital risks for Africa placed sixth (35%), compared with the global ranking of fourth (43%) (Exhibit 2). One CAE from a construction business in Cameroon said that this year had seen a significant migration of qualified professionals from the region to Canada, with many people abandoning their jobs in pursuit of “greener pastures.” Not only had organizations been seeking to stem the tide of key personnel leaving their organizations, but financial institutions in the region had also started including “Canada risk” in their assessment when granting loans – essentially evaluating the risk that borrowers might emigrate to Canada before repaying their debts.

The decrease in risk ranking for human capital is more about the nature of the survey, which requires people to choose their five highest risks, than a change in the actual risk. As more respondents this year chose digital disruption, geopolitical uncertainty, and market changes as one of their five highest risks, fewer chose human capital and business resilience (Exhibit 3).

## Risk and audit priority alignment

In general, the highest-ranking risks and the highest-ranking audit priorities were well-aligned. The only exception was digital disruption, which rose to third for risk level for

Africa this year (44%), but was ninth for audit priority (30%) (Exhibit 9).

Similarly, at a global level, digital disruption was ranked second for risk (48%) and eighth for audit priority (32%) (Exhibit 10). CAEs at the roundtables said that this gap was perhaps because internal auditors often do not have the skills to provide assurance on such issues.

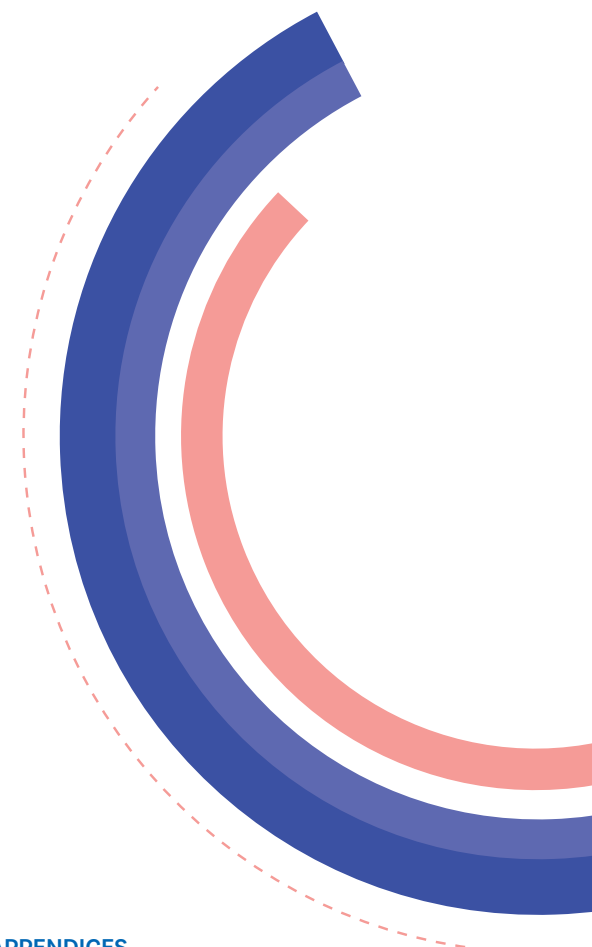
## Rapid response

Because of rapidly emerging risks, such as natural disasters and AI, many CAEs have rebalanced their audit plans to incorporate faster advisory services to help businesses respond at speed.

“Our emerging advisory work is growing bigger and bigger,” said Mutebe. Traditional audits now take up only 60% of her function’s time. “Every time we get into a zone of uncertainty, the proportions flip in favour of advisory because that is what management and the board need if we are to add value.”

## A closer look at urgent risks

Based on survey results and roundtables, the featured topics for the Africa Risk in Focus report this year are 1) financial and liquidity risks and 2) cybersecurity and digital disruption. See Section 5 for insights into how internal audit and their organizations are meeting challenges in these high-risk areas. In addition, see Appendix C for analysis of survey results by subregion, and Appendix D for analysis by industry.



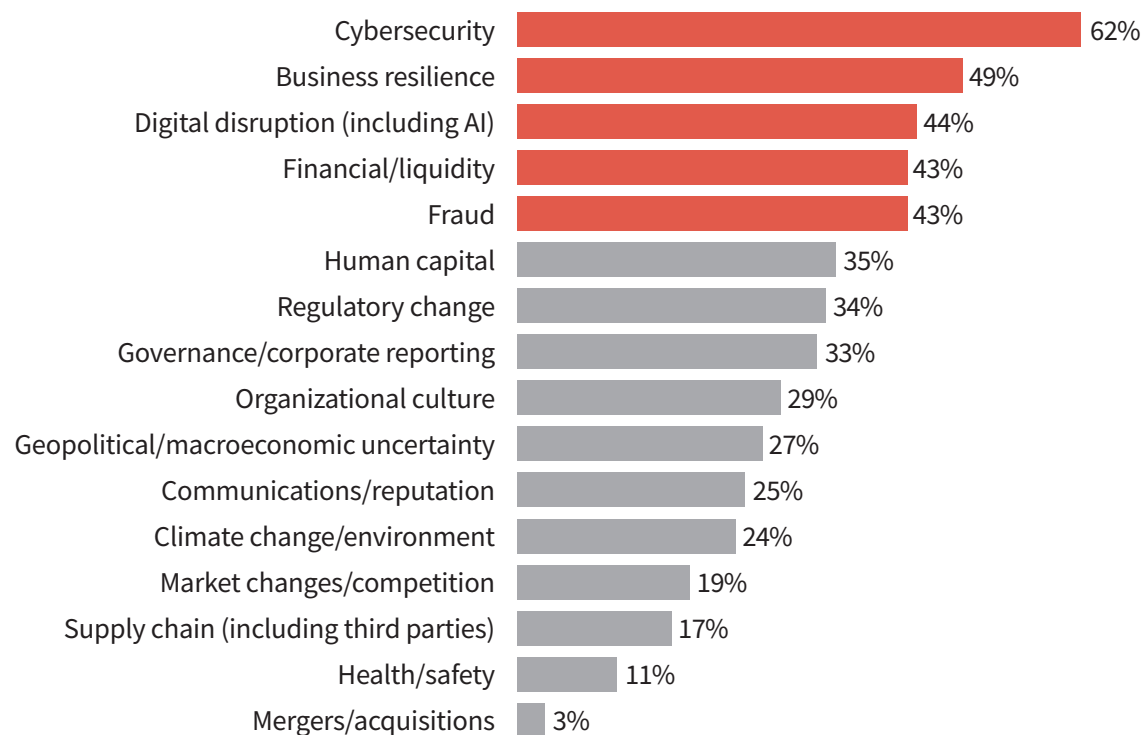


# SECTION 2. RISK LEVELS

## Exhibit 1. Africa – Highest Risks

Survey question: What are the Top 5 risks your organization currently faces? (Choose 5.)

### Africa – Highest Risks



■ Highest risks

Note: Risk in Focus survey conducted online from April 28 to June 6, 2025, by the Internal Audit Foundation and partners.  $n = 1,043$  for Africa.

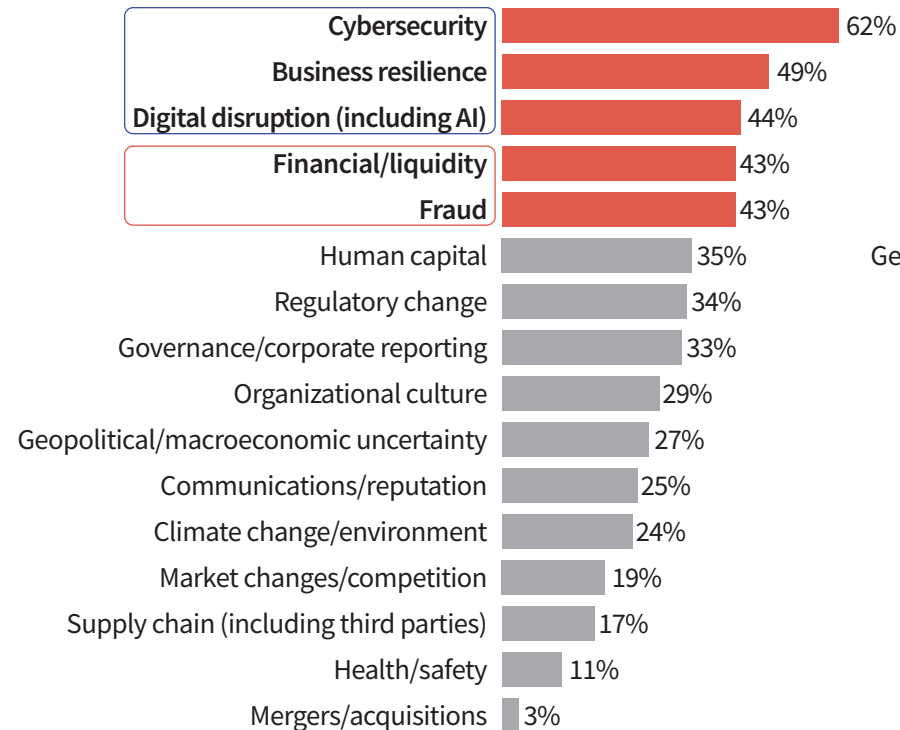


# RISK LEVELS

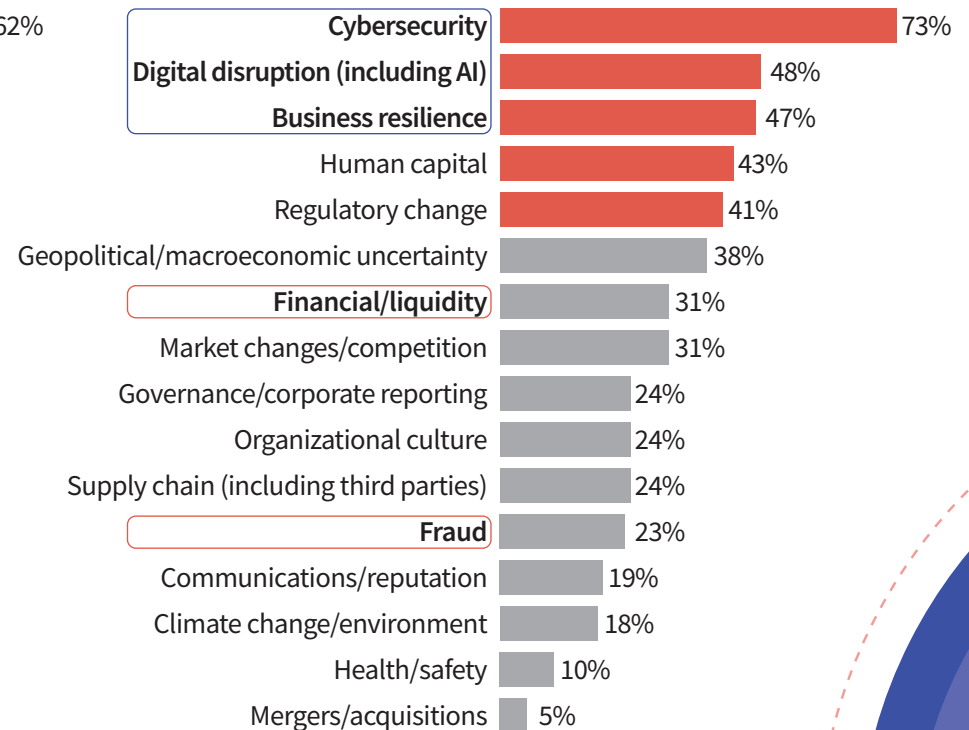
## Exhibit 2. Africa vs. Global – Highest Risks

Survey question: What are the Top 5 risks your organization currently faces? (Choose 5.)

### Africa – Highest Risks



### Global – Highest Risks



■ Highest risks
 Areas with high risk levels for both the region and global
Areas with high risk for the region but lower risk for global

Note: Risk in Focus survey conducted online from April 28 to June 6, 2025, by the Internal Audit Foundation and partners.  $n = 1,043$  for Africa.  $n = 4,073$  for global.



# RISK LEVELS

## Exhibit 3. Africa – Risk Level Trend

Survey question: What are the Top 5 risks your organization currently faces? (Choose 5.)

2023	2024	2025	Change from 2024 to 2025	Change	Risk area
58%	64%	62%		-2	Cybersecurity
52%	57%	49%		-8	Business resilience
33%	34%	44%		+10	Digital disruption (including AI)
47%	42%	43%		+1	Financial/liquidity
46%	42%	43%		+1	Fraud
39%	44%	35%		-9	Human capital
32%	32%	34%		+2	Regulatory change
36%	31%	33%		+2	Governance/corporate reporting
34%	34%	29%		-5	Organizational culture
25%	23%	27%		+4	Geopolitical/macroeconomic uncertainty
27%	26%	25%		-1	Communications/reputation
19%	25%	24%		-1	Climate change/environment
21%	15%	19%		+4	Market changes/competition
19%	16%	17%		+1	Supply chain (including third parties)
10%	10%	11%		+1	Health/safety
3%	4%	3%		-1	Mergers/acquisitions

Increased risk level compared to prior year Decreased risk level compared to prior year

Note 1: Risk in Focus survey conducted online from April 28 to June 6, 2025, by the Internal Audit Foundation and partners.  $n = 1,043$  for Africa.

Note 2: The orange and blue bars show the difference in risk level ratings from 2024 to 2025. The column labeled "change" shows the percentage point difference between 2024 and 2025. The areas are listed from the highest to lowest risk level rating for 2025. The years indicate the year the survey was conducted.






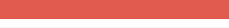














# RISK LEVELS

## Exhibit 4. Global – Risk Level Trend

Survey question: What are the Top 5 risks your organization currently faces? (Choose 5.)

2023	2024	2025	Change from 2024 to 2025	Change	Risk area
73%	71%	73%		+2	Cybersecurity
34%	39%	48%		+9	Digital disruption (including AI)
47%	54%	47%		-7	Business resilience
51%	49%	43%		-6	Human capital
39%	37%	41%		+4	Regulatory change
30%	28%	38%		+10	Geopolitical/macroeconomic uncertainty
32%	32%	31%		-1	Financial/liquidity
32%	32%	31%		-1	Market changes/competition
27%	26%	24%		-2	Governance/corporate reporting
26%	25%	24%		-1	Organizational culture
26%	22%	24%		+2	Supply chain (including third parties)
24%	27%	23%		-4	Fraud
21%	21%	19%		-2	Communications/reputation
19%	21%	18%		-3	Climate change/environment
11%	11%	10%		-1	Health/safety
6%	6%	5%		-1	Mergers/acquisitions

 Increased risk level compared to prior year  Decreased risk level compared to prior year

Note 1: Risk in Focus survey conducted online from April 28 to June 6, 2025, by the Internal Audit Foundation and partners.  $n = 4,073$  for global.

Note 2: The orange and blue bars show the difference in risk level ratings from 2024 to 2025. The column labeled "change" shows the percentage point difference between 2024 and 2025. The areas are listed from the highest to lowest risk level rating for 2025. The years indicate the year the survey was conducted.

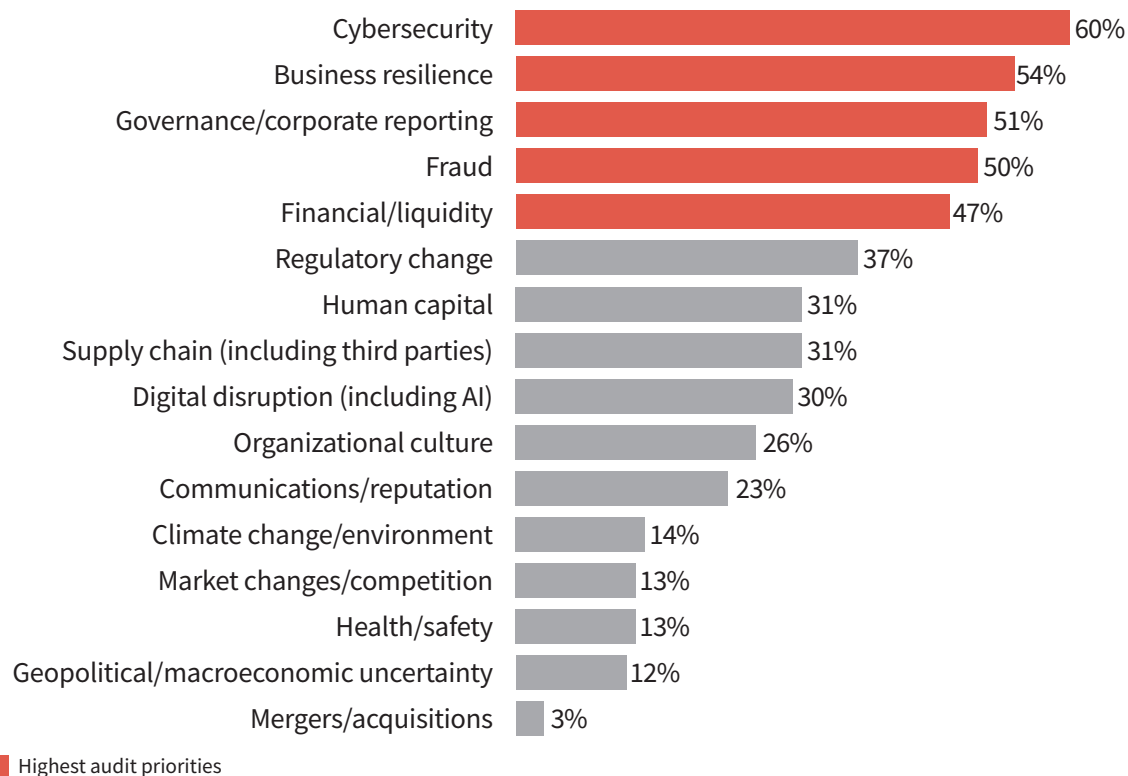


# SECTION 3. AUDIT PRIORITIES

## Exhibit 5: Africa – Highest Audit Priorities

Survey question: What are the Top 5 audit areas on which internal audit spends the most time and effort? (Choose 5.)

### Africa – Highest Audit Priorities



Note: Risk in Focus survey conducted online from April 28 to June 6, 2025, by the Internal Audit Foundation and partners.  $n = 1,043$  for Africa.

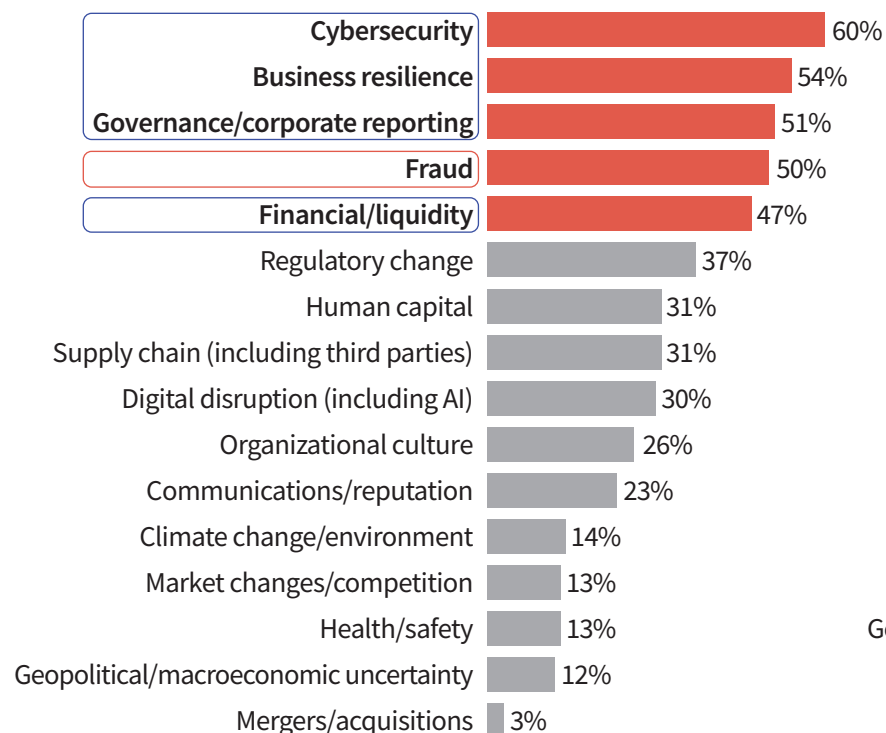


# AUDIT PRIORITIES

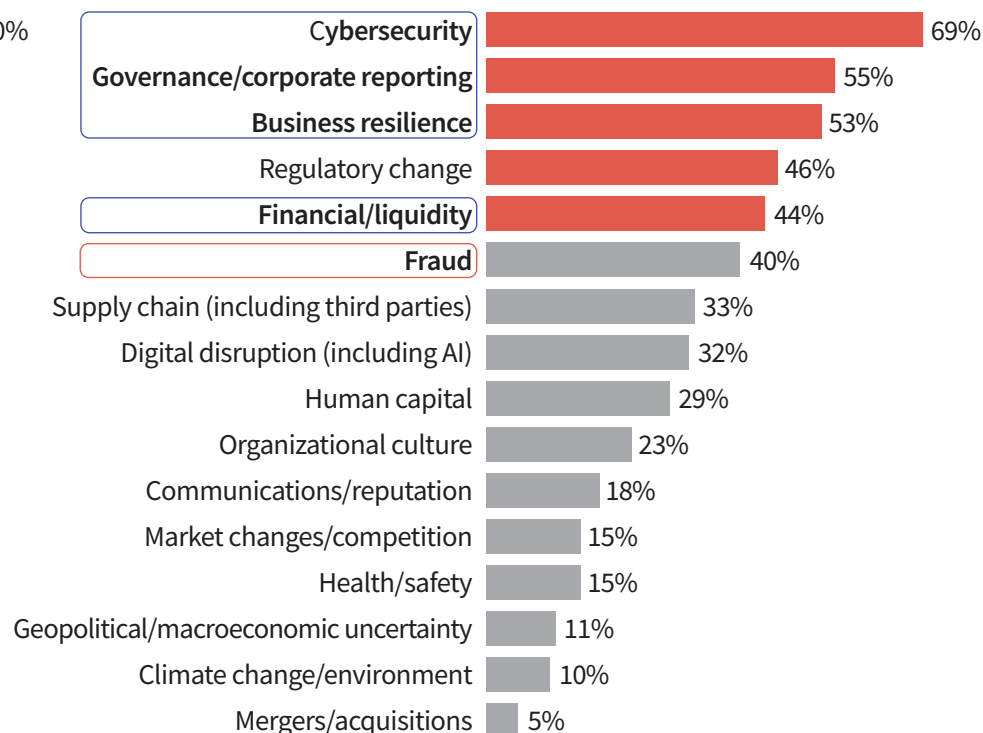
## Exhibit 6. Africa vs. Global – Highest Audit Priorities

Survey question: What are the Top 5 audit areas on which internal audit spends the most time and effort? (Choose 5.)

### Africa – Highest Audit Priorities



### Global – Highest Audit Priorities



■ Highest audit priorities

■ Areas with high audit priority for both the region and global

■ Areas with high audit priority for the region but lower audit priority for global

Note: Risk in Focus survey conducted online from April 28 to June 6, 2025, by the Internal Audit Foundation and partners.  $n = 1,043$  for Africa.  $n = 4,073$  for global.





# AUDIT PRIORITIES

## Exhibit 7. Africa – Audit Priority Trend

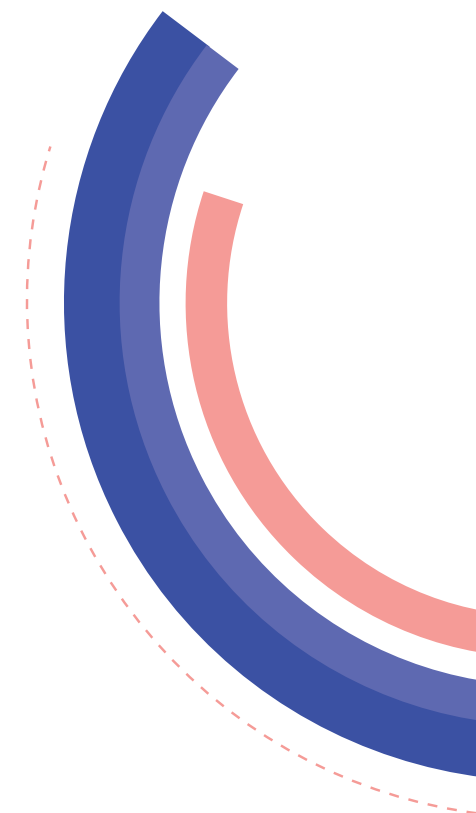
Survey question: What are the Top 5 audit areas on which internal audit spends the most time and effort? (Choose 5.)

2023	2024	2025	Change from 2024 to 2025	Change	Risk area
54%	57%	60%		+3	Cybersecurity
56%	58%	54%		-4	Business resilience
52%	54%	51%		-3	Governance/corporate reporting
57%	49%	50%		+1	Fraud
53%	55%	47%		-8	Financial/liquidity
35%	39%	37%		-2	Regulatory change
33%	36%	31%		-5	Human capital
32%	29%	31%		+2	Supply chain (including third parties)
24%	24%	30%		+6	Digital disruption (including AI)
27%	25%	26%		+1	Organizational culture
25%	25%	23%		-2	Communications/reputation
11%	9%	14%		+5	Climate change/environment
15%	12%	13%		+1	Market changes/competition
13%	14%	13%		-1	Health/safety
12%	10%	12%		+2	Geopolitical/macroeconomic uncertainty
2%	4%	3%		-1	Mergers/acquisitions

■ Increased audit priority compared to prior year ■ Decreased audit priority compared to prior year

Note 1: Risk in Focus survey conducted online from April 28 to June 6, 2025, by the Internal Audit Foundation and partners.  $n = 1,043$  for Africa.

Note 2: The orange and blue bars show the difference in audit priority ratings from 2024 to 2025. The column labeled "change" shows the percentage point difference between 2024 and 2025. The areas are listed from the highest to lowest audit priority rating for 2025. The years indicate the year the survey was conducted.



# AUDIT PRIORITIES

## Exhibit 8. Global – Audit Priority Trend

**Survey question: What are the Top 5 audit areas on which internal audit spends the most time and effort? (Choose 5.)**

2023	2024	2025	Change from 2024 to 2025	Change	Risk area
68%	69%	69%		0	Cybersecurity
55%	56%	55%		-1	Governance/corporate reporting
54%	55%	53%		-2	Business resilience
46%	46%	46%		0	Regulatory change
45%	45%	44%		-1	Financial/liquidity
42%	41%	40%		-1	Fraud
34%	31%	33%		+2	Supply chain (including third parties)
22%	25%	32%		+7	Digital disruption (including AI)
30%	31%	29%		-2	Human capital
24%	23%	23%		0	Organizational culture
20%	20%	18%		-2	Communications/reputation
16%	16%	15%		-1	Market changes/competition
17%	16%	15%		-1	Health/safety
9%	8%	11%		+3	Geopolitical/macroeconomic uncertainty
11%	12%	10%		-2	Climate change/environment
6%	6%	5%		-1	Mergers/acquisitions

■ Increased audit priority compared to prior year ■ Decreased audit priority compared to prior year

*Note 1:* Risk in Focus survey conducted online from April 28 to June 6, 2025, by the Internal Audit Foundation and partners.  $n = 4,073$  for global.

*Note 2:* The orange and blue bars show the difference in audit priority ratings from 2024 to 2025. The column labeled "change" shows the percentage point difference between 2024 and 2025. The areas are listed from the highest to lowest audit priority rating for 2025. The years indicate the year the survey was conducted.



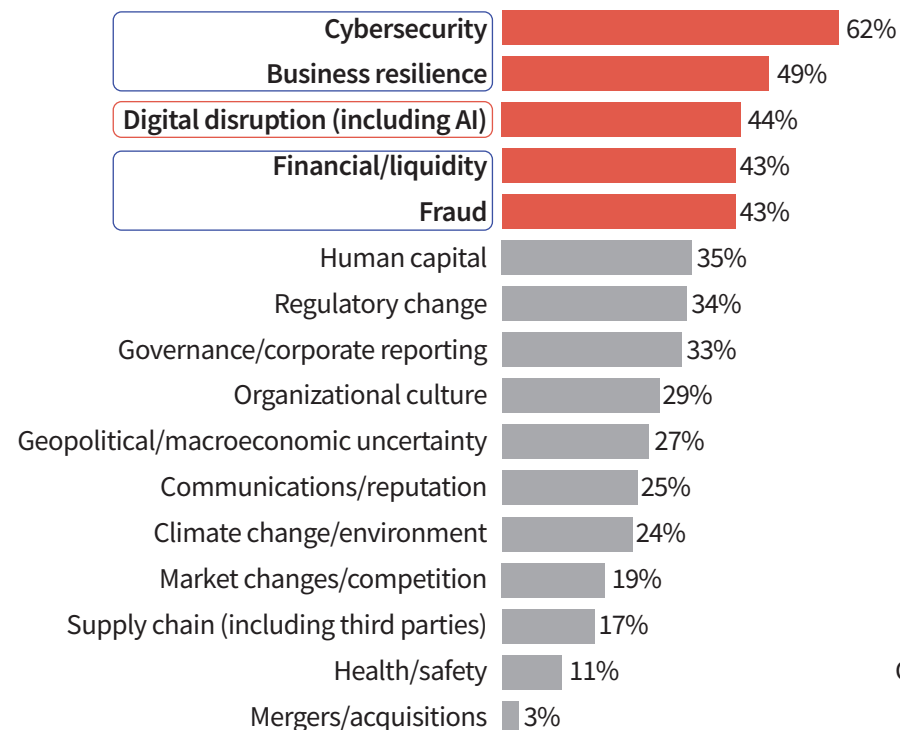
# SECTION 4. RISK VS. AUDIT PRIORITIES

## Exhibit 9. Africa – Risk vs. Audit Priorities

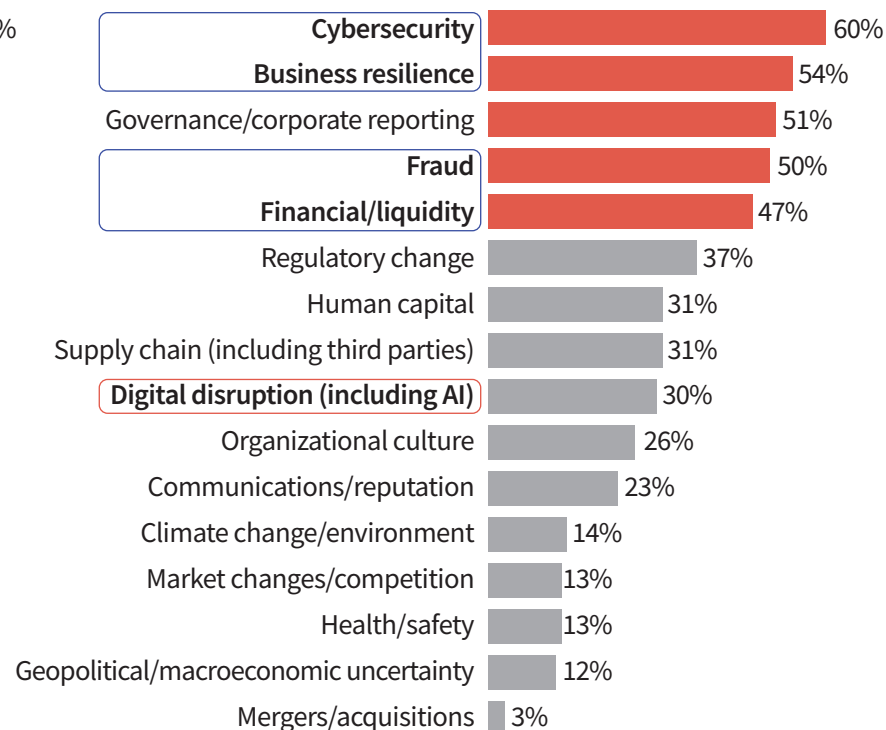
Survey questions: What are the Top 5 risks your organization currently faces? (Choose 5.)

What are the Top 5 audit areas on which internal audit spends the most time and effort? (Choose 5.)

### Africa – Highest Risks



### Africa – Highest Audit Priorities



■ Highest risks and audit priorities    ■ Areas with both high risk and high audit priority    ■ Areas with high risk but lower audit priority

Note: Risk in Focus survey conducted online from April 28 to June 6, 2025, by the Internal Audit Foundation and partners. *n* = 1,043 for Africa.





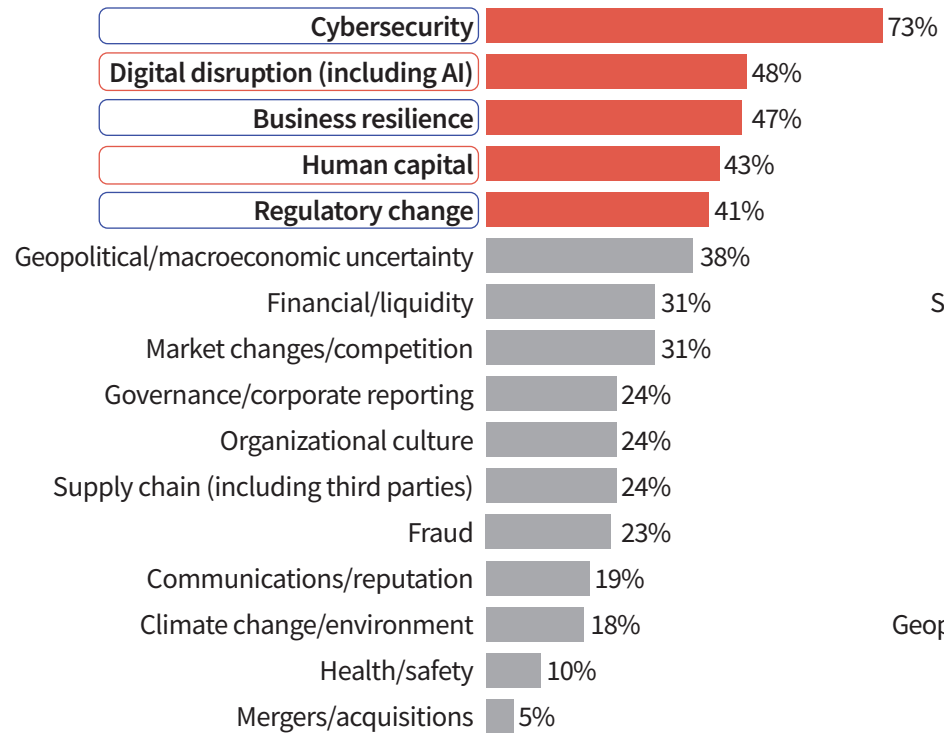
# RISK VS. AUDIT PRIORITIES

## Exhibit 10. Global – Risk vs. Audit Priorities

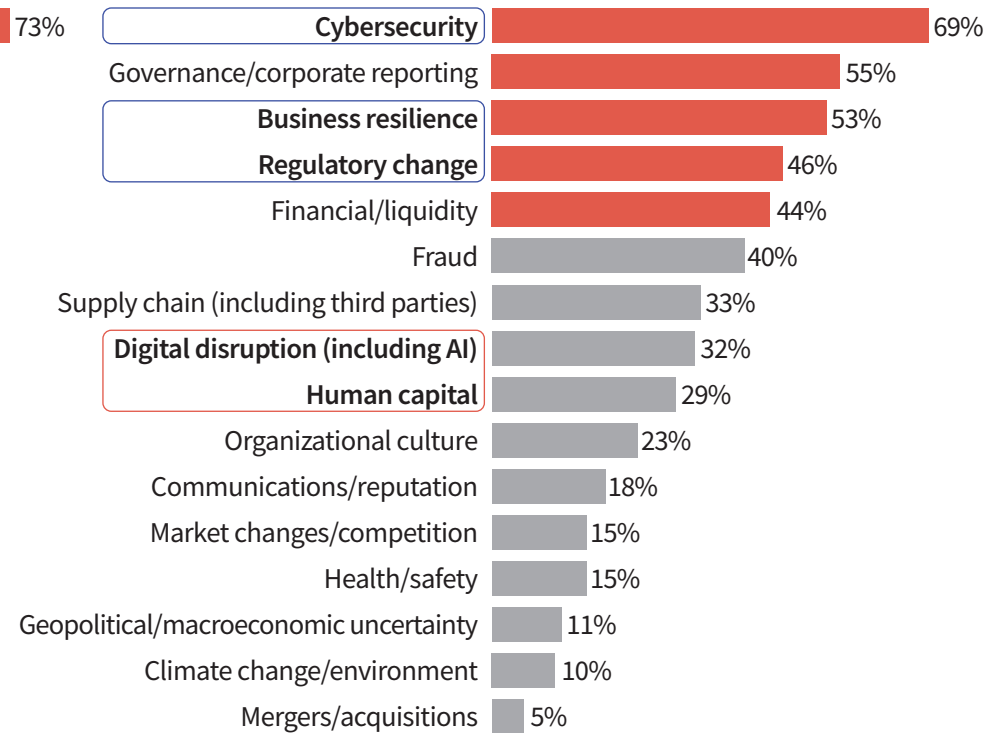
**Survey questions:** What are the Top 5 risks your organization currently faces? (Choose 5.)

What are the Top 5 audit areas on which internal audit spends the most time and effort? (Choose 5.)

### Global – Highest Risks



### Global – Highest Audit Priorities



■ Highest risks and audit priorities
 Areas with both high risk and high audit priority
Areas with high risk but lower audit priority

Note: Risk in Focus survey conducted online from April 28 to June 6, 2025, by the Internal Audit Foundation and partners. *n* = 4,073 for global.



# SECTION 5. HOT TOPICS

## FINANCIAL AND LIQUIDITY RISKS

### Exchange Rate Volatility and Extreme Weather Costs

**Organizations are tightening controls around financial and liquidity risks to escape from a cycle of short-term decision making and improve their resilience.**

Financial and liquidity risks were particularly high for certain industries, such as education, manufacturing, mining/energy/water, professional/technical services, and transport/storage. (See Appendix D for a full view of risk differences per industry.)

#### Foreign currency

Exchange rates for foreign currencies are a significant challenge for many countries in Africa, where 5 out of 10 of the world's weakest currencies are located, according to [BNN Bloomberg](#). While globally, numerous emerging-market currencies benefited from a dip in the value of the dollar, several countries in Africa did not benefit. In particular, many banks have been struggling with foreign currency liquidity in 2024 and 2025, the report said. Economic challenges, such as high inflation, dependency on oil price stability, and poor currency management all played a role, the agency said.

Without adequate foreign currency, banks risk not being able to help clients who need to convert local money to trade or secure supplies and services from overseas. In

addition, because foreign currency liquidity is an ongoing issue, local banks end up paying more for the foreign currency they buy and receiving less for the local currency they sell.

Some African governments are striving to invest in large-scale, foreign-backed infrastructure projects, so having reliable access to overseas currency is critical. But “foreign denominated funds are usually not available locally,” a CAE from a manufacturer based in Cameroon said at a Risk in Focus roundtable. That impacts everything from organizational expansion programs to maintenance activities that are dependent on foreign partners. Given highly volatile exchange rates and the poor creditworthiness of some countries in the region, companies are often unable to go to the market to raise funds to meet these domestic needs, leaving infrastructure and digitalization plans on the shelf, he said.

For example, even where government pension funds are available to be used for investment in infrastructure, the process is often hampered by credit and liquidity risks – a



# FINANCIAL AND LIQUIDITY RISKS

situation governments such as Nigeria are attempting to address, according to a [Reuters](#) article. Because of a shortage of funds, “some companies cannot focus on the medium or long-term timeframe,” a CAE at a bank in Gabon explained.

## U.S. policy impacts

Recent geopolitical conditions created by U.S. tariff threats could hit some countries hard, although others may benefit from increased trade opportunities in areas such as textiles if Asian companies are hit harder, according to the [Carnegie Endowment for International Peace](#), a U.S. think tank. Countries such as Malawi, Zambia, Tanzania, and Zimbabwe could also lose significant funding because of cuts to USAID budgets, the Carnegie analysis indicated. While China has been a long-term investor in infrastructure in the region under its Belt and Road Initiative, according to the [Institute for Security Studies](#), financial backing from the United Arab Emirates has recently reached \$110 billion, according a [Dubai Times](#) article.

## High costs from climate change

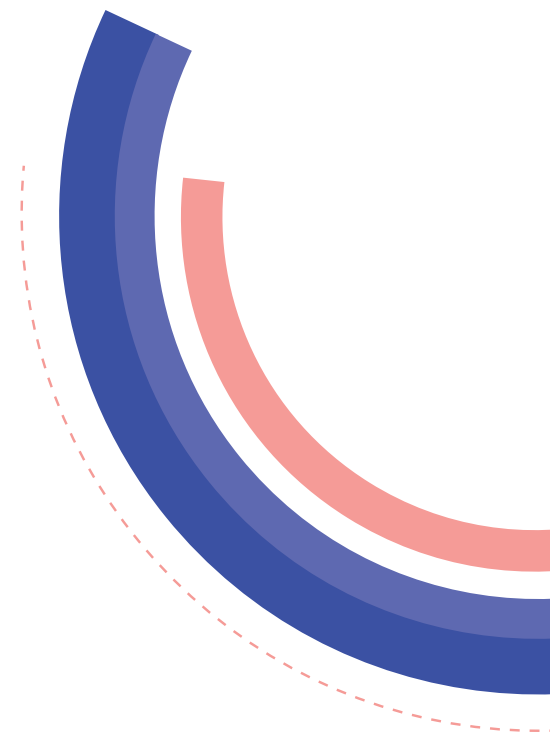
Some governments are being forced into large-scale, emergency expenditure because of the impact of climate change. For example, in 2024, Zambia faced one of the worst droughts in the country’s history. It affected over 9.8 million people – about 48% of the population. Inflation rose to 14.7%, the trade balance went into deficit, and the agricultural sector shrunk almost 20%, according to [Transparency International Zambia](#).

A CAE in the public sector in Zambia explained that these climate-related shocks force governments into crisis management, and best practices for Public Financial Management (PFM) are often neglected because of the pressure to solve immediate problems. This further exacerbates the country’s financial difficulties. (For more details, see the [Analysis of the Public Finance Management Act of 2018](#), produced by the Policy Monitoring and Research Centre in Zambia.)

Understandably, governments often find themselves in situations where they want to spend money they do not have in order to improve their countries’ growth prospects and protect public health. The pressure to spend comes from both necessity and political will. But ultimately, without adequate funds, those desires are merely wishful thinking. One CAE at a roundtable event summed up the situation this way: “They want to eat before they kill.”

## Financial and liquidity controls

Financial institutions are naturally focused on financial and liquidity risks because of regulatory requirements in



# FINANCIAL AND LIQUIDITY RISKS

the region. Those require organizations to conduct stress testing scenarios to prove that businesses can weather drastic, external economic shocks and to test whether banks' internal controls are robust. In addition, financial institutions must also ensure their liquidity ratios are adequate to assure investors and clients that the bank can quickly access money to meet its short-term debts. But the ground rules can change unexpectedly. "Each time there is a shock within the financial services industry, regulators introduce an additional buffer on capital thresholds," a CAE from a bank in Uganda said at one roundtable.

However, the financial services sector is not the only industry that needs strong and up-to-date control frameworks around financial/liquidity risks. All industries need to implement liquidity controls and make sure the underlying data is robust and reliable. CAEs in nonfinancial industries can adapt financial regulations and frameworks to their needs, according to Thokozile Kuwali, CAE at the financial services firm NICO Holdings in Malawi.

"Banks generally have directives and guidance from central banks on the policies, processes, and controls needed in this area, so the first thing for CAEs to do is to check those policies and see how they are implemented and managed," Kuwali said. In unregulated industries, she said that CAEs could benchmark against their own sectors and others to identify gaps in their risk and control frameworks.

But with lack of capacity and talent shortages in some industries, it is important to provide training about financial and liquidity risks. "Organisations must train staff in the internal audit function and in management [about these risks]," she said. "Board training is also key so that they are aware of what is expected of them when providing oversight."

## More effective audit reports

When internal auditors write reports on financial/liquidity risks, they need to make sure their key messages are communicated clearly, Kuwali added. "Reports are not compelling enough to command action because they are not clear on what needs to be done," she explained. Internal auditors can become too bogged down in technical issues and fail to adequately communicate the risks to board members, especially those without a background in finance. She believes specific training in report writing should be compulsory.

## Board communication

In both the financial services sector and government, CAEs at the Risk in Focus roundtables agreed that internal audit functions needed to both provide assurance to the board that the company complied with regulations and to be honest when skills were lacking. "The board needs to know how best to support those skills that are most needed," a CAE from a financial services firm said. That could result in the board having to invest in assistance from external experts to support the audit function and help it improve its maturity over time.



"All industries need to implement liquidity controls and make sure the underlying data is robust and reliable."





# FINANCIAL AND LIQUIDITY RISKS

## Key Points

### Survey findings

- African CAEs reported high financial/liquidity risks more frequently than the global average – 43% for Africa compared with 31% globally (Exhibit 2).
- Risk ranking and audit priority for financial/liquidity risks in Africa were well-aligned – 43% compared to 47% (Exhibit 9).
- Audit priority for financial/liquidity risks dropped by 8 percentage points compared with last year, as audit priority shifted toward digital disruption and climate change (Exhibit 7).

### Internal audit strategies

- Provide assurance that control frameworks around financial/liquidity risks are in place and up to date.
- Provide assurance that the processes for stress testing and scenario planning take into account the inter-connected nature of regional and global risks.
- Review the governance framework around liquidity risk management and ensure governing bodies, management, and assurance providers are aligned.
- In regions with emerging corporate governance structures, advise the board on the need for and role of audit committees and on the importance of building risk resilience.
- Benchmark with peers, other sectors, and globally to strengthen best practice processes and procedures.
- Assess the maturity of expertise and training across governing bodies, management, and assurance providers, and recommend areas for improvement.
- Inform the board on the maturity of internal audit's skills and competencies and recommend investment to address any deficiencies.
- Advise the board on the right balance for internal audit's provision of assurance and consultancy services based on the organization's strategic objectives, emerging risks, and digital transformation goals.





# DIGITAL DISRUPTION AND CYBERSECURITY

## Digitalization Threatened by Cyber-Risks

**Digitalization is picking up pace, but cultural awareness of cyber-risks must improve if organizations are to achieve their goals.**

Cybercrime is hitting countries in Africa hard. In 2023, the continent was estimated to have lost \$10 billion USD to the financial cost of cybersecurity, according to the [Africa Cybersecurity Report by SERIANU](#). Given that the region has 11 of the world's 20 fastest growing economies (according to the [African Development Bank Group](#)), it is not surprising that its governments and organizations are becoming targets for hackers.

CAEs at the Risk in Focus roundtables for Africa agreed that increasing digitalization has made organizations more vulnerable to cyberattacks. Growing risks for Africa include the impersonation of identities (fueled by advances in AI) and other schemes, according to the [2025 Digital Identity Fraud in Africa Report](#), published by Smile ID.

Roundtable participants also said that hackers had discovered weaknesses in multi-factor authentication (MFA) processes in Africa. Often considered a gold standard among cyber-defense teams, MFA requires users to go through multiple steps of verification to access data or financial records. But hackers have discovered techniques

to bypass those barriers to trick systems into giving them access to valuable data, according to [Cyber Security News](#). These attacks have proven to be difficult to detect and prevent.



# DIGITAL DISRUPTION AND CYBERSECURITY

Three of the five highest risks for Africa this year are related to technology and fraud (Exhibit 1).

- Cybersecurity (62%)
- Digital disruption (44%)
- Fraud (43%)

Digital disruption risks were high across industries, with the exception of agriculture/forestry/fishing, manufacturing, and transport/storage. (See Appendix D for a full view of risk differences per industry.)

## Cybersecurity culture

Cultural awareness of cybercrime techniques is low in the region, CAEs at the roundtable agreed. In some countries, literacy levels generally can be low and technology is often introduced without adequate information provided to customers. “People receive calls from fraudsters pretending to be from the mobile company and they hand over the security code because they don’t understand the risks,” a consultant from the Central Africa subregion said. With poor cyber awareness, the risk of data breaches could rise.

Internal auditors can work with management to help their organizations develop and improve cybersecurity culture, according to Thokozile Kuwali, CAE at the financial services firm NICO Holdings in Malawi. Organizations that can define the culture they wish to create, communicate that vision clearly, and embed key performance indicators can turn things around, Kuwali said. Simple things can be

## RESOURCE: The IIA’s Cybersecurity Topical Requirement

The new [IIA Cybersecurity Topical Requirement](#) (February 2025) provides guidance for internal auditors to follow when auditing cybersecurity. Available free to download from The IIA global headquarters website.

The Cybersecurity Topical Requirement directs those working on cybersecurity audits to assess at minimum:

Governance	Risk Management	Controls
Strategy/objectives	Cyber risk assessment/risk management	Internal/vendor controls
Policies/procedures	Risk management scope	Talent management controls
Roles/responsibilities	Accountability/responsibility	Monitoring controls
Stakeholder engagement	Escalation process	Lifecycle inclusion
	Risk awareness process	Continuous improvement
	Incident response/recovery	Network controls
		Endpoint communications

[Topical Requirements](#) are available to download for free from The IIA global headquarters website.

very effective, including mandatory training. “All of our staff have to go through a quiz and, if they don’t complete or they fail, their computer is frozen to compel them to complete or retake the quiz,” she said, “because they have not shown sufficient awareness of what cybersecurity is about.” The results of such awareness initiatives are reported to the board on a quarterly basis.



# DIGITAL DISRUPTION AND CYBERSECURITY

In addition to standalone cybersecurity assignments, she embeds cybersecurity elements in every technology audit to check how well data is protected. She also sees those assessments as an opportunity to improve awareness across the business.

## African fintech boom

With a tech-savvy, youthful population and a high take-up of mobile technologies, the region is in the middle of a fintech boom – a sector in Africa that [McKinsey & Company](#) described as “one of the most dynamic in the world.” Their report estimated that growth in the African fintech sector could increase fivefold from 2023 to 2028, bringing Africa’s fintech penetration in line with North America and European countries.

More broadly, governments and businesses are hoping that the [African Continental Free Trade Area](#) (AfCFTA), agreed in 2021, will help increase regional trade through strengthening the digital economy and decreasing regulatory fragmentation. But the absence of national and regional data governance frameworks is a problem that must be addressed.

## Positive social change

Digitalization also creates a huge opportunity for positive social change. “Mobile money in villages creates social inclusion,” a CAE from a bank in Zambia said. “If I send money home at the moment, my mother would have to get on a bus to go and draw the money from a city bank.” Mobile payments make such transactions much easier and cheaper.

In addition, digitalization can help reduce fraud and increase efficiency in the public sector, according to CAEs at the Risk in Focus roundtables. Institutions are working hard to digitalize documentation, payment, and human resources processes and automate data systems. “We are collecting more revenue because there are fewer leakages,” a GRC consultant from Kenya noted. Cloud adoption strategies are a key component of those initiatives.

Despite the advantages of technology implementation, there are some who prefer the old ways, a CAE in the Central Africa subregion said. Some officials have been reluctant to push ahead with new systems that would provide more transparency over financial transactions, but they are in a diminishing minority.

## Culture of integrity

Preventing cyber-fraud entails having policies within the company that create a culture of integrity, said Dr. Aissatou Ndiaye, CEO of the consultancy NAD Audit & Conseils in Senegal, in an interview for this report. She encourages CAEs to step out of their comfort zone and help support efforts to improve corporate governance and organizational culture through targeted consulting activities. In fact, it can be relatively cheap to implement the basics, such as anti-fraud training, creating ethical conduct policies, enhancing transparency through whistleblowing mechanisms, and establishing a control environment with internal control mechanisms that can be evaluated.



# DIGITAL DISRUPTION AND CYBERSECURITY

The most difficult part is convincing an organization to invest in a digital anti-fraud system, Dr. Ndiaye said. “Until the company is hit with a big fraud, they don’t react,” she said.

## AI usage and data privacy

Take-up of AI tools is relatively low in the region and is estimated to be the smallest market globally, according to an article in [Business Tech Africa](#). AI innovation is concentrated in just a few regions, particularly, Kenya, Nigeria, and South Africa.

While lack of funds is a major reason for this slow growth, CAEs at the roundtables also raised concerns that internal controls at most organizations are often not designed to maintain data integrity – adding to the risk that large language models (LLMs), such as ChatGPT, will be used by employees in unauthorized ways.

About three-quarters of countries in the region have data privacy regulations, according to the [UN report](#), Data Protection and Privacy Legislation Worldwide.

## Boosting internal audit’s toolkit

In general, software for internal audit would be initially purchased and then not replaced for many years – a strategy that has become unsuited to the pace of development of cheaper, more powerful tools. “The board needs to be aware that auditing technology is changing, and the long-term horizon we have had for our tools and

skills is rapidly shortening,” said a CAE from a utilities company in Ghana. At the same time, many internal auditors in the region are still over-dependent on Excel, said a CAE at a fintech business in Nigeria.

CAEs at the roundtables said that emerging technologies could provide a potential boost to their own digital internal auditing capabilities, in particular popular LLMs like ChatGPT and AI tools embedded into existing programs, such as Microsoft’s Copilot. These technologies are less expensive than the more sophisticated legacy internal auditing software that organizations had been purchasing. While internal auditors generally welcome new technology, its usage requires additional work to ensure that those systems are compliant with their organizations’ cybersecurity posture.

## RESOURCE: Auditing IT Governance and IT Management, 3rd Edition

This [Global Technology Audit Guide](#) (GTAG) from The IIA helps internal auditors:

- Identify gaps in IT governance
- Evaluate alignment with organizational objectives
- Provide recommendations to bolster IT oversight and resilience

Updated in August 2025 and aligned with the latest IIA Standards, this [GTAG](#) is available to IIA members for free from The IIA global headquarters website.





# DIGITAL DISRUPTION AND CYBERSECURITY

## Key Points

### Survey findings

- While cybersecurity remained a top risk for Africa, digital disruption risk increased the most from the prior year, rising in rank from sixth to third (Exhibits 1 and 3).
- Risk levels for digital disruption in Africa are now at nearly the same level as the global average (44% compared to 48%) (Exhibit 2).
- While digital disruption rose to third for risk level for Africa this year (44%), it was ninth for audit priority (30%) (Exhibit 9).
- Similarly, at a global level, digital disruption was ranked second for risk (48%) and eighth for audit priority (32%) (Exhibit 10).

### Internal audit strategies

- Provide assurance that organizational policies and procedures around cybersecurity are in place and effective.
- Provide assurance that the business culture around cybersecurity is well-defined, communicated, and backed up with key performance indicators and regular board updates.
- Provide assurance that the cybersecurity strategy has clearly allocated responsibilities in technical, governance, and cultural dimensions.
- Provide assurance that the organization's fraud risk environment has policies and procedures that help to improve transparency and create a culture of integrity.
- Provide assurance that policies and procedures around data privacy are sound and robust and, where local regulations do not exist, benchmark against an international standard.
- Assess how regulations and policies are impacting audit automation efforts and report associated risks to the board.
- Assess internal auditing procurement timelines for legacy technologies and inform the board of investment and training needs to support digitalization at the organization.





# CONCLUSION

## Adapting for New Challenges

**Organizations in Africa face a complex maze of interconnected risks. Finding a way to success will depend on securing sufficient funding to build much-needed infrastructure while digitalizing and reducing fraud and cybersecurity risks.**

CAEs are adapting to help their organizations meet these challenges. As well as pushing for greater training and better auditing technologies, CAEs are also adopting new strategies. Because of rapidly emerging risks, such as natural disasters and AI, many CAEs have rebalanced their audit plans to incorporate faster advisory services to help businesses respond at speed.

A persistent trend that will require those skills has emerged repeatedly in this report – the need to improve culture. From fraud risk to cybersecurity, organizations are striving to strengthen awareness and build integrity in order to create environments in which governance and internal controls become more effective.

These are difficult areas for internal auditors to support, often lacking clear data and obvious controls. But simple steps can get the ball rolling – from cybersecurity quizzes to awareness raising during audit assignments. In fact, constant stakeholder engagement and communication to keep up to speed with what is happening in the business and beyond could be a key strategy for success.



# APPENDIX A: METHODOLOGY

## Survey, Roundtables, and Interviews

The survey was conducted by the Internal Audit Foundation and the European Institutes Research Group (EIRG) from April 28 to June 6, 2025, and received 4,073 responses. The survey was conducted online through contacts associated with IIA Institutes and regional bodies.

The 16 risk areas used in the survey are shown below. Respondents were asked two key questions related to these areas: What are your five highest risks, and what are the five areas where internal audit spends the most time and effort? The survey research was enhanced by roundtables and interviews with internal audit leaders in each region.

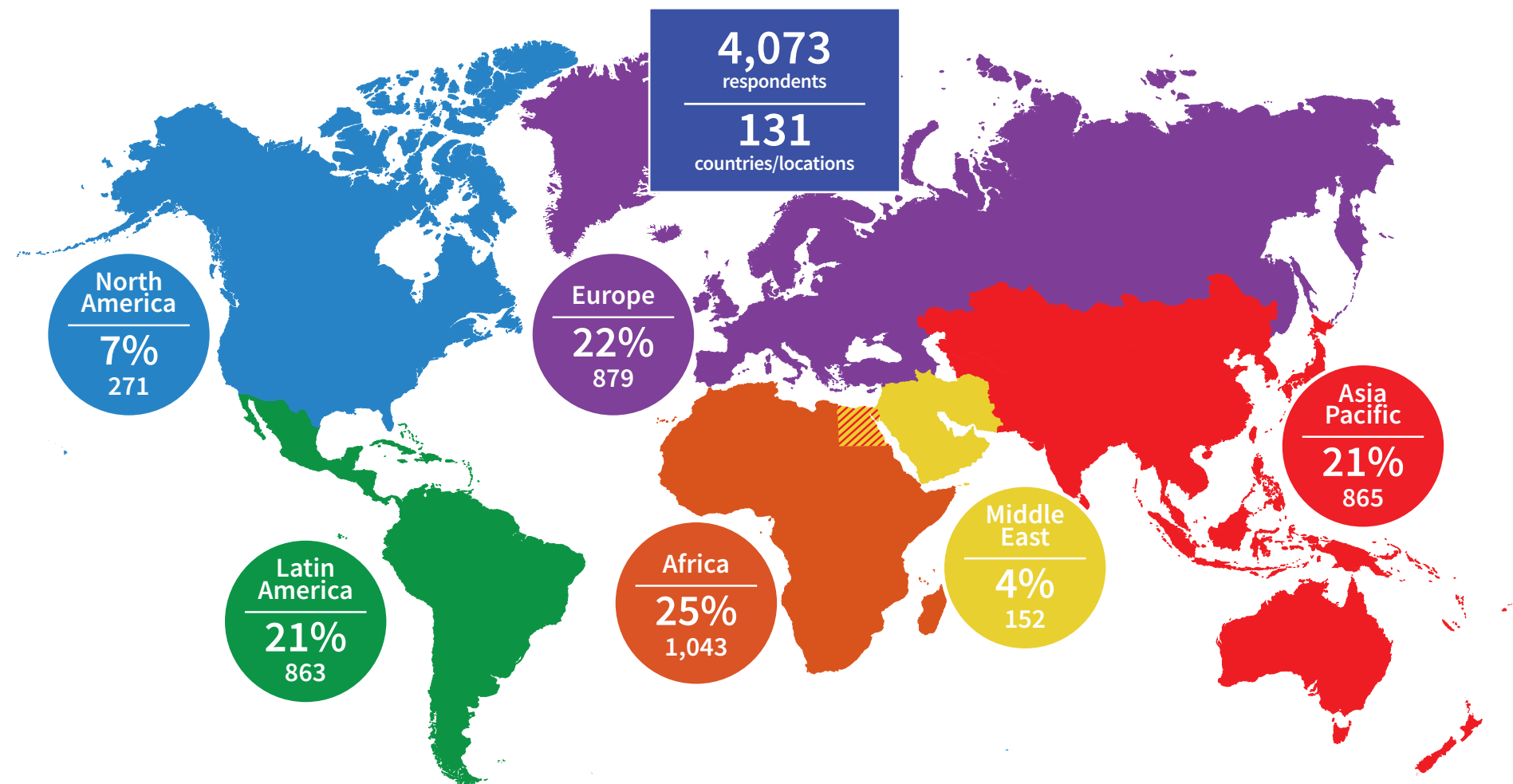
### Risk Areas Used in the Survey

Risk Name	Risk Description Used in the Survey
Business resilience	Business continuity, operational resilience, crisis management, and disaster response
Climate change/environment	Climate change, biodiversity, and environmental sustainability
Communications/reputation	Communications, reputation, and stakeholder relationships
Cybersecurity	Cybersecurity and data security
Digital disruption (including AI)	Digital disruption, new technology, and AI (artificial intelligence)
Financial/liquidity	Financial, liquidity, and insolvency risks
Fraud	Fraud, bribery, and the criminal exploitation of disruption
Geopolitical/macroeconomic uncertainty	Macroeconomic, social, and geopolitical uncertainty
Governance/corporate reporting	Organizational governance and corporate reporting
Health/safety	Health, safety, and security
Human capital	Human capital, diversity, and talent management and retention
Market changes/competition	Market changes/competition and customer behavior
Mergers/acquisitions	Mergers/acquisitions
Organizational culture	Organizational culture
Regulatory change	Change in laws and regulations
Supply chain (including third parties)	Supply chain, outsourcing, and ‘n <sup>th</sup> ’ party risk



# APPENDIX B: DEMOGRAPHICS

## Exhibit 1. Global – Response Rate



Note 1: Risk in Focus survey conducted online from April 28 to June 6, 2025, by the Internal Audit Foundation and partners.  $n = 4,073$ .

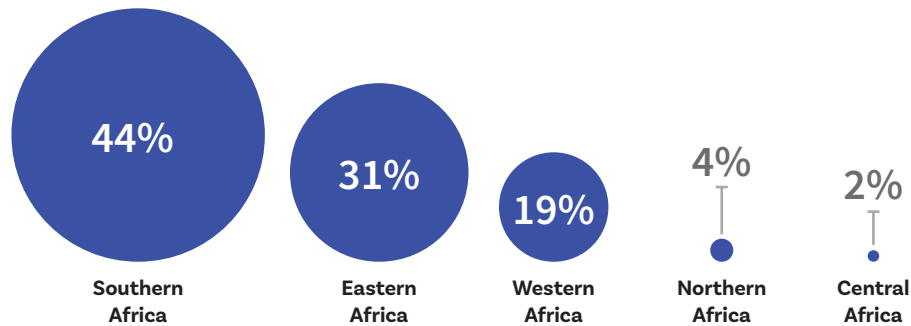
Note 2: The map shows regional groups used by The IIA for operational purposes. The regional groups do not represent any political position for The IIA or IIA Institutes.

Note 3: Egypt is shaded orange and gold to show its respondents are divided between Africa and the Middle East.



# DEMOGRAPHICS

## Exhibit 2. Africa – Response Rate



## Africa – Countries per Subregion

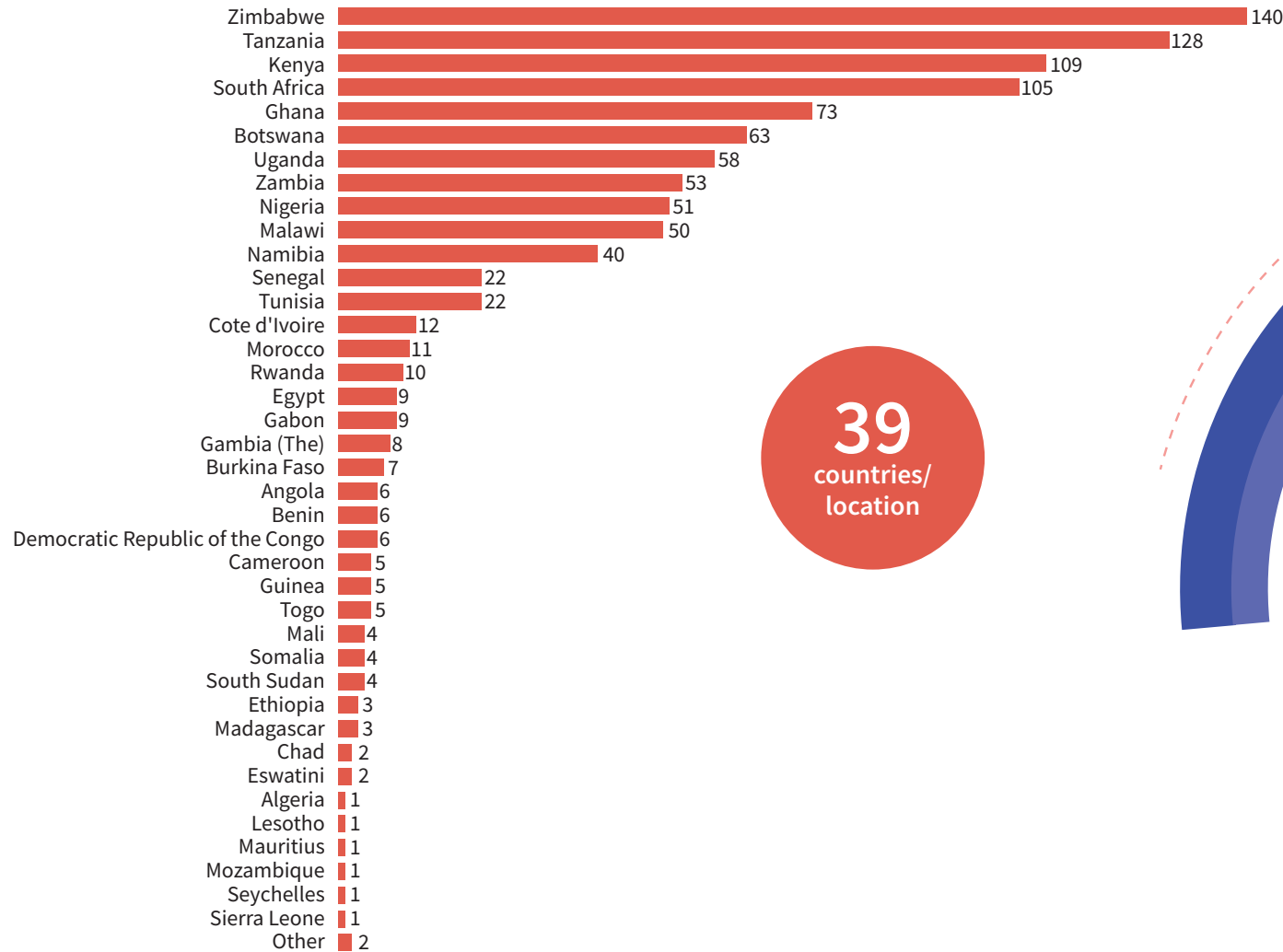
Southern Africa		Eastern Africa		Western Africa		Northern Africa		Central Africa	
Zimbabwe	140	Tanzania	128	Ghana	73	Tunisia	22	Gabon	9
South Africa	105	Kenya	109	Nigeria	51	Morocco	11	Democratic Republic of the Congo	6
Botswana	63	Uganda	58	Senegal	22	Egypt	9	Cameroon	5
Zambia	53	Rwanda	10	Cote d'Ivoire	12	Algeria	1	Chad	2
Malawi	50	Somalia	4	Gambia (The)	8	<b>Total</b>	<b>43</b>	Other	2
Namibia	40	South Sudan	4	Burkina Faso	7			<b>Total</b>	<b>24</b>
Angola	6	Ethiopia	3	Benin	6				
Eswatini	2	Madagascar	3	Guinea	5				
Lesotho	1	Seychelles	1	Togo	5				
Mauritius	1	<b>Total</b>	<b>320</b>	Mali	4				
Mozambique	1			Sierra Leone	1				
<b>Total</b>	<b>462</b>			<b>Total</b>	<b>194</b>				

Note: Risk in Focus survey conducted online from April 28 to June 6, 2025, by the Internal Audit Foundation and partners. n = 1,043 for Africa.



# DEMOGRAPHICS

## Exhibit 3. Africa – Responses per Country/Location



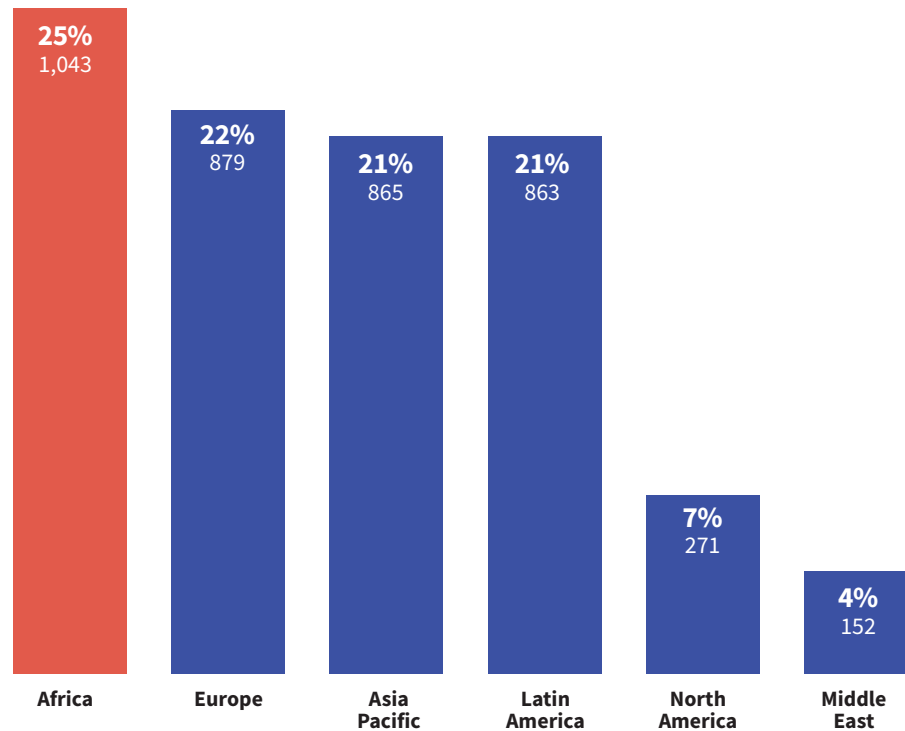
Note: Risk in Focus survey conducted online from April 28 to June 6, 2025, by the Internal Audit Foundation and partners.  $n = 1,043$  for Africa.





# DEMOGRAPHICS

## Exhibit 4. Global – Responses per Region



Note: Risk in Focus survey conducted online from April 28 to June 6, 2025, by the Internal Audit Foundation and partners.  $n = 4,073$  for global.



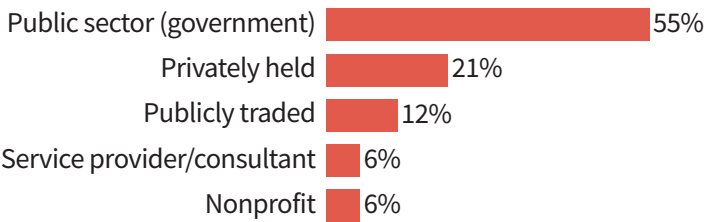
# DEMOGRAPHICS

## Exhibit 5. Industry, Organization Type, Size

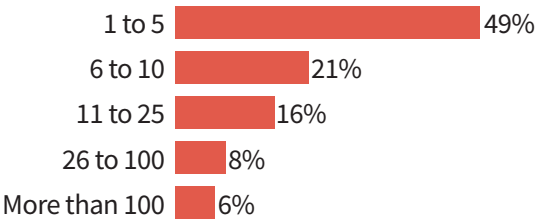
### Africa – Industry



### Africa – Organization Type



### Africa – Function Size

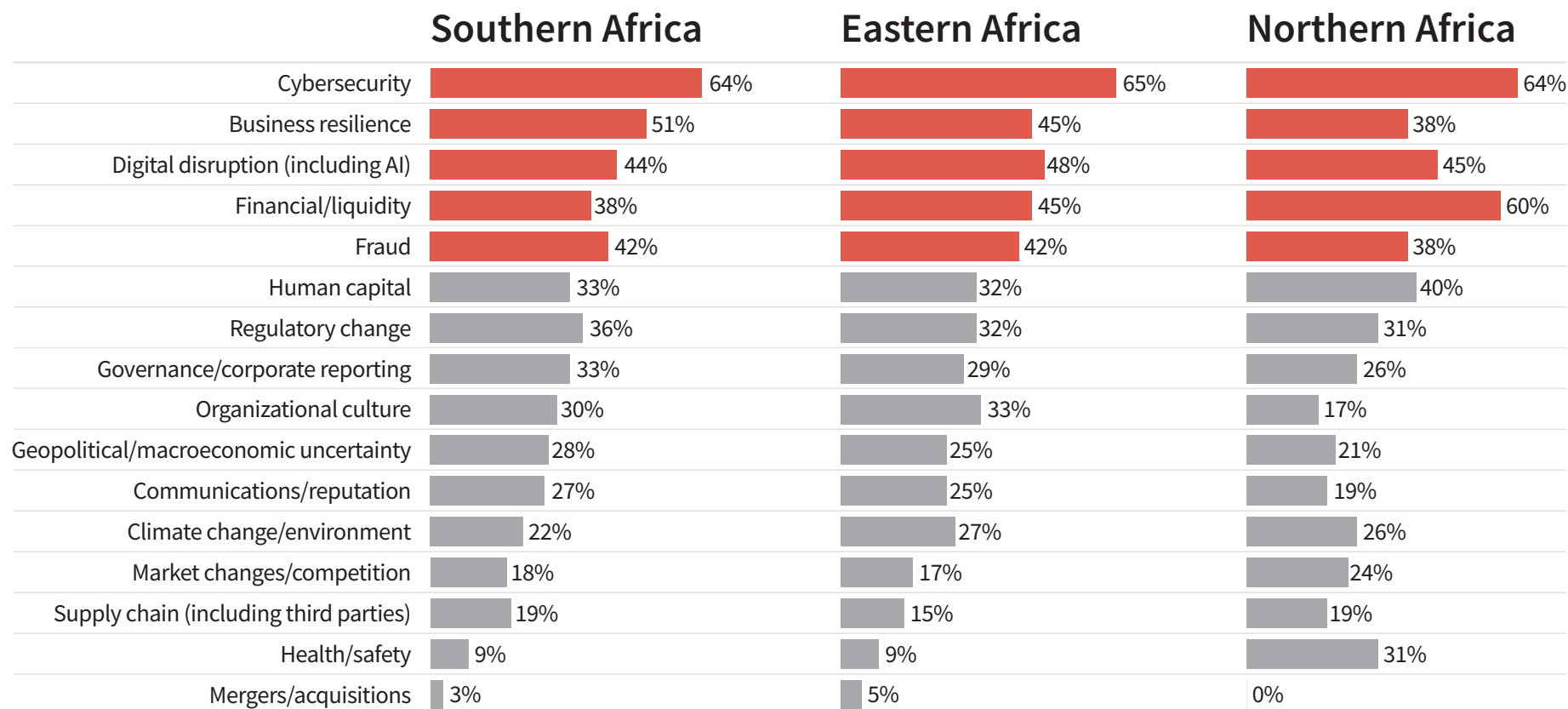


Note: Risk in Focus survey conducted online from April 28 to June 6, 2025, by the Internal Audit Foundation and partners. n = 1,043 for Africa.



# APPENDIX C: AFRICA SUBREGION ANALYSIS

## Exhibit 1. Africa Subregions – Highest Risks (Part 1)



■ Highest risks

Note: Risk in Focus survey conducted online from April 28 to June 6, 2025, by the Internal Audit Foundation and partners. *n* = 1,043 for Africa.



# AFRICA SUBREGION ANALYSIS

## Exhibit 1. Africa Subregions – Highest Risks (Part 2)

	Western Africa	Central Africa	Africa – All
Cybersecurity	53%	32%	62%
Business resilience	48%	55%	49%
Digital disruption (including AI)	35%	27%	44%
Financial/liquidity	49%	55%	43%
Fraud	45%	68%	43%
Human capital	41%	36%	35%
Regulatory change	33%	32%	34%
Governance/corporate reporting	40%	64%	33%
Organizational culture	23%	32%	29%
Geopolitical/macroeconomic uncertainty	30%	18%	27%
Communications/reputation	22%	23%	25%
Climate change/environment	22%	9%	24%
Market changes/competition	20%	18%	19%
Supply chain (including third parties)	17%	14%	17%
Health/safety	16%	14%	11%
Mergers/acquisitions	2%	5%	3%

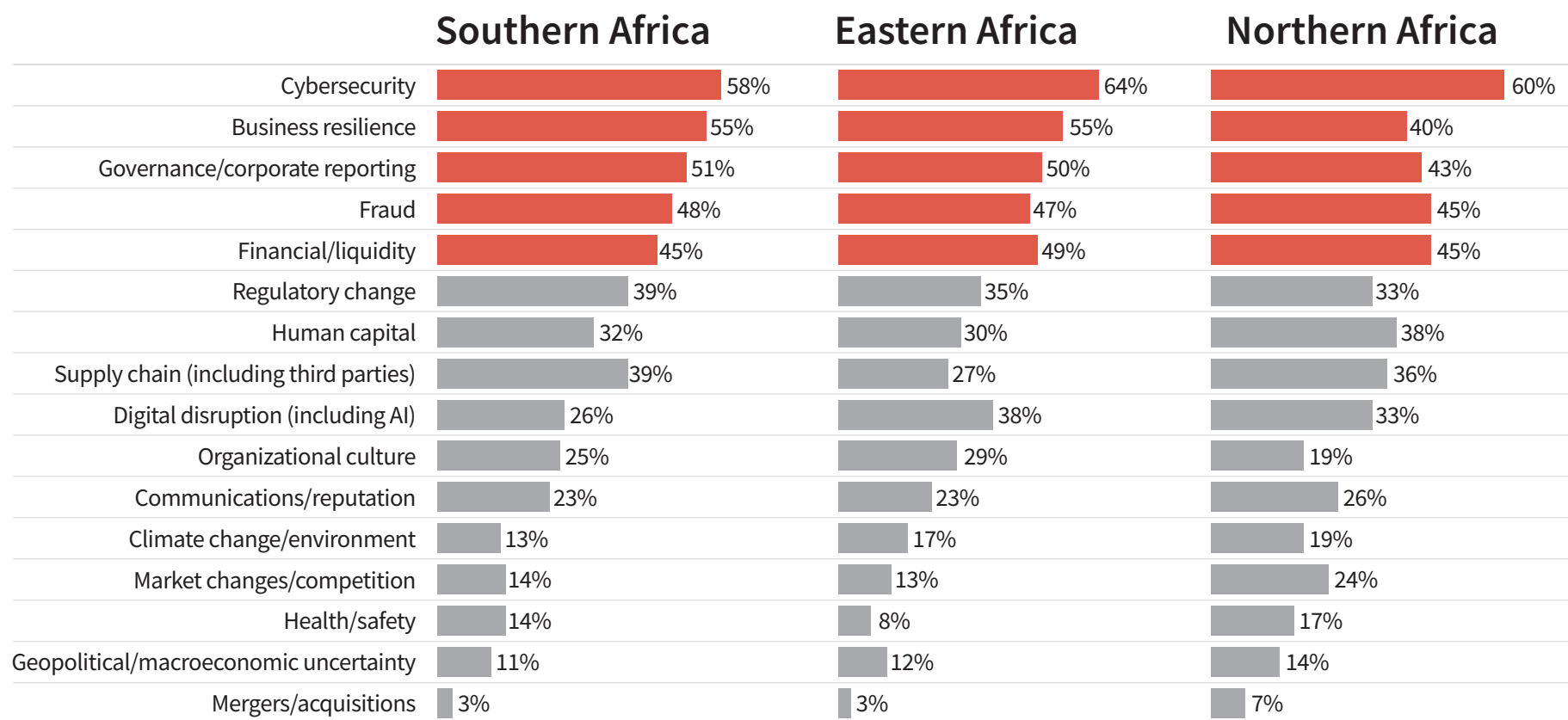
■ Highest risks

Note: Risk in Focus survey conducted online from April 28 to June 6, 2025, by the Internal Audit Foundation and partners. n = 1,043 for Africa.



# AFRICA SUBREGION ANALYSIS

## Exhibit 2. Africa Subregions – Highest Audit Priorities (Part 1)



■ Highest risks

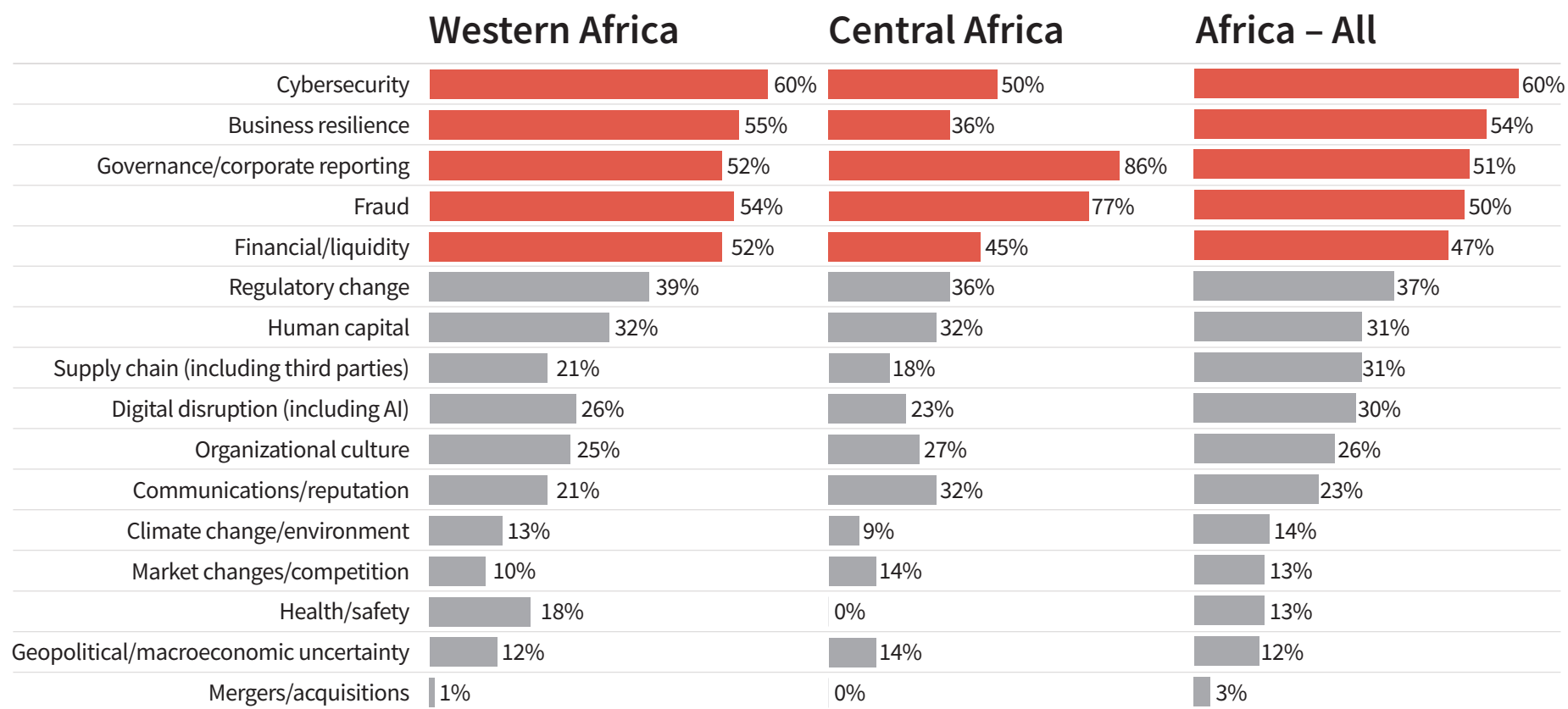
Note: Risk in Focus survey conducted online from April 28 to June 6, 2025, by the Internal Audit Foundation and partners. n = 1,043 for Africa.





# AFRICA SUBREGION ANALYSIS

## Exhibit 2. Africa Subregions – Highest Audit Priorities (Part 2)



■ Highest risks

Note: Risk in Focus survey conducted online from April 28 to June 6, 2025, by the Internal Audit Foundation and partners. *n* = 1,043 for Africa.



# APPENDIX D: AFRICA INDUSTRY ANALYSIS

## Exhibit 1. Africa – Highest Risks per Industry

Survey question: What are the Top 5 risks your organization currently faces? (Choose 5.)

Risk area	All	Financial services	Public sector (government)	Education	Mining/energy/water	Professional/technical	Agriculture/forestry/fishing	Health/social work	Manufacturing	Transport/storage	Information/communication
Cybersecurity	62%	79%	57%	59%	48%	64%	46%	71%	34%	51%	73%
Business resilience	49%	52%	41%	43%	55%	56%	44%	38%	53%	46%	52%
Digital disruption (including AI)	44%	56%	41%	53%	37%	52%	23%	40%	26%	30%	61%
Financial/liquidity	43%	41%	34%	56%	52%	54%	29%	48%	55%	65%	39%
Fraud	43%	44%	50%	35%	28%	36%	56%	57%	32%	46%	39%
Human capital	35%	34%	34%	41%	34%	40%	33%	26%	37%	32%	36%
Regulatory change	34%	41%	34%	25%	20%	46%	31%	19%	39%	24%	39%
Governance/corporate reporting	33%	25%	42%	43%	31%	18%	35%	38%	29%	30%	21%
Organizational culture	29%	19%	40%	33%	30%	30%	25%	31%	18%	30%	27%
Geopolitical/macroeconomic uncertainty	27%	31%	19%	24%	34%	34%	21%	19%	47%	30%	18%
Communications/reputation	25%	17%	38%	26%	24%	26%	13%	29%	16%	22%	33%
Climate change/environment	24%	17%	27%	17%	36%	14%	63%	21%	21%	14%	12%
Market changes/competition	19%	23%	7%	19%	19%	14%	27%	7%	47%	24%	21%
Supply chain (including third parties)	17%	11%	17%	9%	25%	10%	13%	26%	18%	32%	21%
Health/safety	11%	3%	11%	10%	20%	6%	19%	26%	21%	24%	3%
Mergers/acquisitions	3%	5%	2%	0%	5%	0%	2%	2%	5%	0%	3%

■ Highest risks per industry

■ If there is a tie for the fifth highest percentage, the tied percentages are highlighted in a lighter color

Note 1: Risk in Focus survey conducted online from April 28 to June 6, 2025, by the Internal Audit Foundation and partners.  $n = 1,043$  for Africa.

Note 2: Industries with the highest response rates are shown. The column labeled “All” shows the average of all respondents.




# AFRICA INDUSTRY ANALYSIS

## Exhibit 2. Africa – Highest Audit Priorities per Industry

**Survey question: What are the Top 5 audit areas on which internal audit spends the most time and effort? (Choose 5.)**

Audit area	All	Financial services	Public sector (government)	Education	Mining/energy/water	Professional/technical	Agriculture/forestry/fishing	Health/social work	Manufacturing	Transport/storage	Information/communication
Cybersecurity	60%	75%	51%	57%	64%	62%	52%	52%	50%	46%	73%
Business resilience	54%	66%	47%	43%	59%	48%	50%	50%	53%	49%	61%
Governance/corporate reporting	51%	43%	59%	61%	47%	48%	54%	50%	50%	59%	39%
Fraud	50%	51%	53%	48%	35%	38%	65%	64%	53%	54%	52%
Financial/liquidity	47%	48%	39%	53%	52%	54%	44%	55%	58%	65%	30%
Regulatory change	37%	51%	41%	27%	22%	42%	25%	24%	21%	22%	33%
Human capital	31%	26%	33%	43%	28%	46%	29%	31%	24%	41%	27%
Supply chain (including third parties)	31%	20%	35%	24%	42%	30%	29%	43%	50%	43%	36%
Digital disruption (including AI)	30%	37%	28%	31%	28%	30%	21%	21%	26%	27%	45%
Organizational culture	26%	17%	31%	30%	24%	24%	29%	40%	24%	19%	24%
Communications/reputation	23%	20%	28%	32%	23%	24%	15%	21%	11%	8%	12%
Climate change/environment	14%	11%	17%	13%	28%	6%	33%	2%	13%	5%	9%
Market changes/competition	13%	17%	6%	11%	12%	12%	19%	10%	29%	19%	24%
Health/safety	13%	5%	12%	11%	27%	10%	10%	24%	18%	24%	6%
Geopolitical/macroeconomic uncertainty	12%	10%	11%	8%	10%	14%	13%	12%	13%	19%	9%
Mergers/acquisitions	3%	3%	4%	2%	1%	2%	2%	0%	3%	0%	3%

 Highest audit priorities per industry

 If there is a tie for the fifth highest percentage, the tied percentages are highlighted in a lighter color

*Note 1:* Risk in Focus survey conducted online from April 28 to June 6, 2025, by the Internal Audit Foundation and partners. *n* = 1,043 for Africa.

*Note 2:* Industries with the highest response rates are shown. The column labeled “All” shows the average of all respondents.



# APPENDIX E: GLOBAL REGION ANALYSIS

## Exhibit 1. Highest Risks per Region

**Survey question: What are the Top 5 risks your organization currently faces? (Choose 5.)**

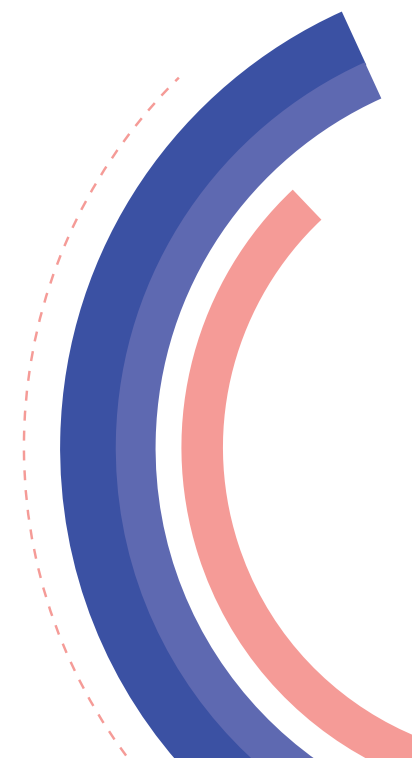
Risk area	Average of the regions	Africa	Asia Pacific	Europe	Latin America	Middle East	North America
Cybersecurity	73%	62%	62%	82%	76%	72%	86%
Digital disruption (including AI)	48%	44%	39%	47%	54%	50%	53%
Business resilience	47%	49%	58%	39%	35%	58%	46%
Human capital	43%	35%	56%	48%	40%	38%	42%
Regulatory change	41%	34%	38%	45%	49%	28%	51%
Geopolitical/macroeconomic uncertainty	38%	27%	35%	45%	45%	29%	45%
Financial/liquidity	31%	43%	19%	27%	32%	38%	27%
Market changes/competition	31%	19%	49%	32%	24%	29%	34%
Governance/corporate reporting	24%	33%	23%	20%	16%	38%	15%
Organizational culture	24%	29%	21%	19%	28%	26%	20%
Supply chain (including third parties)	24%	17%	28%	29%	15%	23%	30%
Fraud	23%	43%	20%	16%	32%	19%	11%
Communications/reputation	19%	25%	19%	12%	19%	19%	18%
Climate change/environment	18%	24%	17%	23%	25%	13%	7%
Health/safety	10%	11%	11%	12%	6%	11%	8%
Mergers/acquisitions	5%	3%	6%	5%	5%	6%	7%

■ Highest risks per region

■ If there is a tie for the fifth highest percentage, the tied percentages are highlighted in a lighter color

Note 1: The global average is calculated by summing the average from each region and dividing by the number of regions.

Note 2: Risk in Focus survey conducted online from April 28 to June 6, 2025, by the Internal Audit Foundation and partners.  $n = 4,073$  for global.



# GLOBAL REGION ANALYSIS

## Exhibit 2. Highest Audit Priorities per Region

**Survey question: What are the Top 5 audit areas on which internal audit spends the most time and effort? (Choose 5.)**

Audit area	Average of the regions	Africa	Asia Pacific	Europe	Latin America	Middle East	North America
Cybersecurity	69%	60%	63%	72%	69%	69%	83%
Governance/corporate reporting	55%	51%	55%	58%	48%	64%	53%
Business resilience	53%	54%	57%	50%	40%	59%	60%
Regulatory change	46%	37%	58%	49%	53%	30%	50%
Financial/liquidity	44%	47%	30%	43%	51%	47%	44%
Fraud	40%	49%	42%	37%	51%	30%	30%
Supply chain (including third parties)	33%	31%	32%	39%	24%	35%	37%
Digital disruption (including AI)	32%	30%	25%	29%	30%	36%	43%
Human capital	29%	32%	36%	27%	27%	35%	15%
Organizational culture	23%	26%	23%	21%	29%	19%	19%
Communications/reputation	18%	23%	18%	14%	21%	19%	14%
Market changes/competition	15%	13%	19%	13%	16%	14%	13%
Health/safety	15%	13%	17%	17%	12%	14%	15%
Geopolitical/macroeconomic uncertainty	11%	12%	8%	8%	16%	13%	10%
Climate change/environment	10%	14%	10%	16%	9%	8%	4%
Mergers/acquisitions	5%	3%	4%	5%	6%	4%	7%

■ Highest audit priorities per region

■ If there is a tie for the fifth highest percentage, the tied percentages are highlighted in a lighter color

Note 1: The global average is calculated by summing the average from each region and dividing by the number of regions.

Note 2: Risk in Focus survey conducted online from April 28 to June 6, 2025, by the Internal Audit Foundation and partners.  $n = 4,073$  for global.





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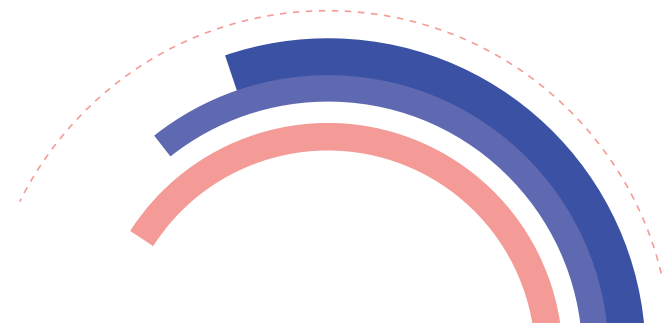
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- Ruth Doreen Mutebe, Immediate Past Chair, African Federation of Institutes of Internal Auditors (AFIIA); CAE, Umeme, Uganda
- Dr. Aissatou Ndiaye, President IIA–Senegal; CEO, NAD Audit & Conseils, Senegal

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- Alain-Serge Lubelo (Democratic Republic of the Congo)
- Amira Adeeb Soliman (Egypt)
- Igor Ulrich Amvene (Gabon)
- Joseph Zumasigee (Ghana)
- Dorothy Chepkoech (Kenya)
- Thokozile Kuwali (Malawi)
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