

MIDDLE EAST | 2026

Risk in Focus

This Board Briefing is a summary of the Middle East Risk in Focus 2026 report, available at theiia.org/RiskInFocus



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Arab Confederation for Institutes of Internal Auditors



**Internal Audit
FOUNDATION**

About Risk in Focus

Know Your Risks. Plan Strategically.

01

An annual initiative to identify the world's five highest risks

02

Based on survey results, roundtables, and interviews with chief audit executives and directors

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Research facilitated by the Internal Audit Foundation and partners*



*Europe Risk in Focus reports are produced by the European Confederation of Institutes of Internal Auditing (ECIIA)



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- Global Summary

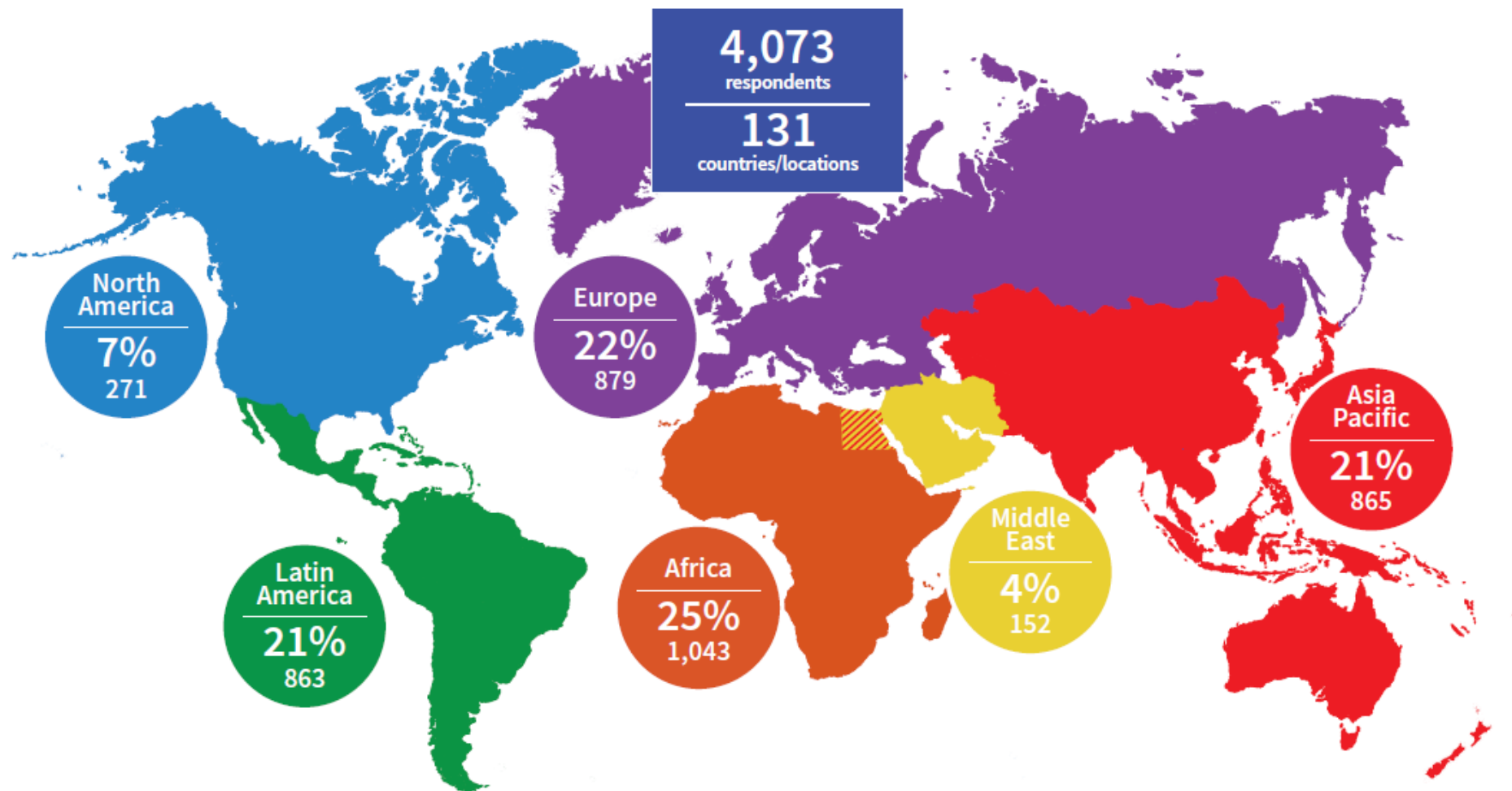


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Global Survey Participation

Response rate per region

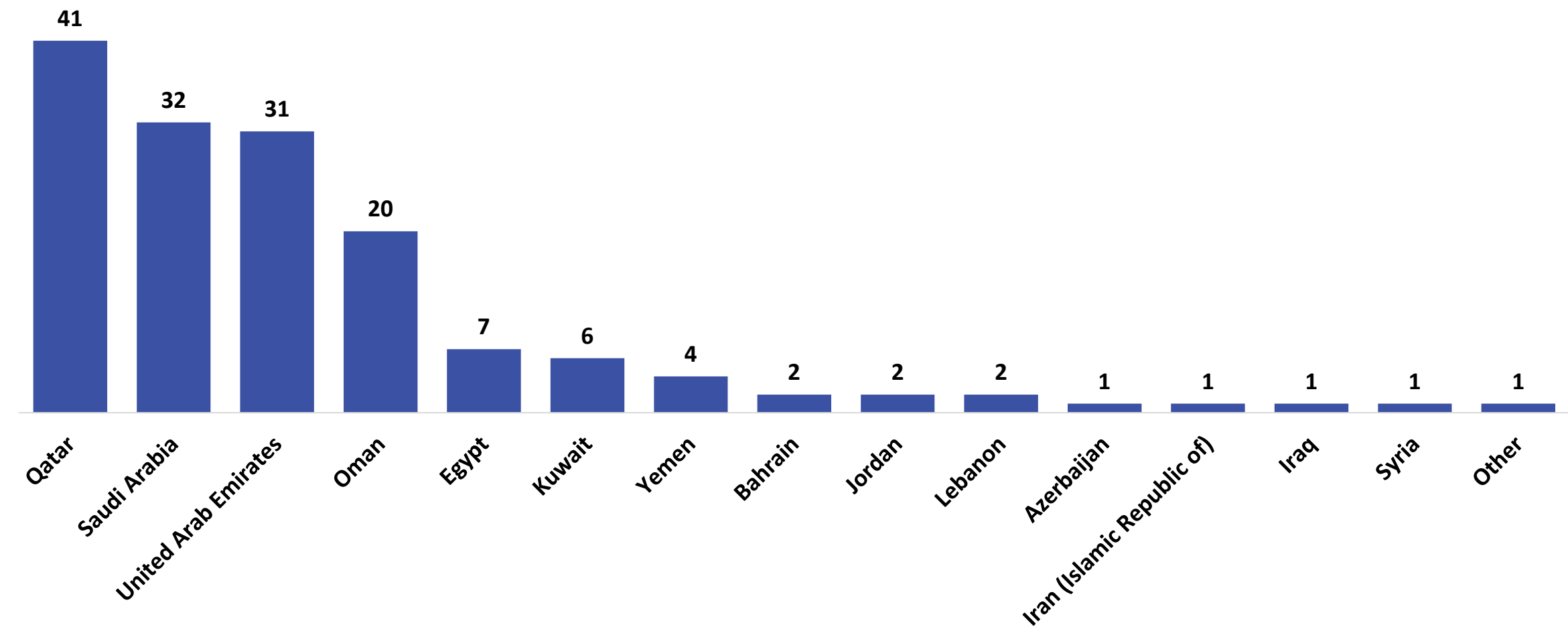


- **4,073** responses from chief audit executives and directors
- **131** countries/locations represented
- Survey conducted **April 28 to June 6, 2025**



Middle East Survey Participation

Response rate per country/location



Middle East's Risk Environment

Trends and relationships between risks



Survey Questions and Risk Areas

The survey focused on 16 risk areas and 2 key questions



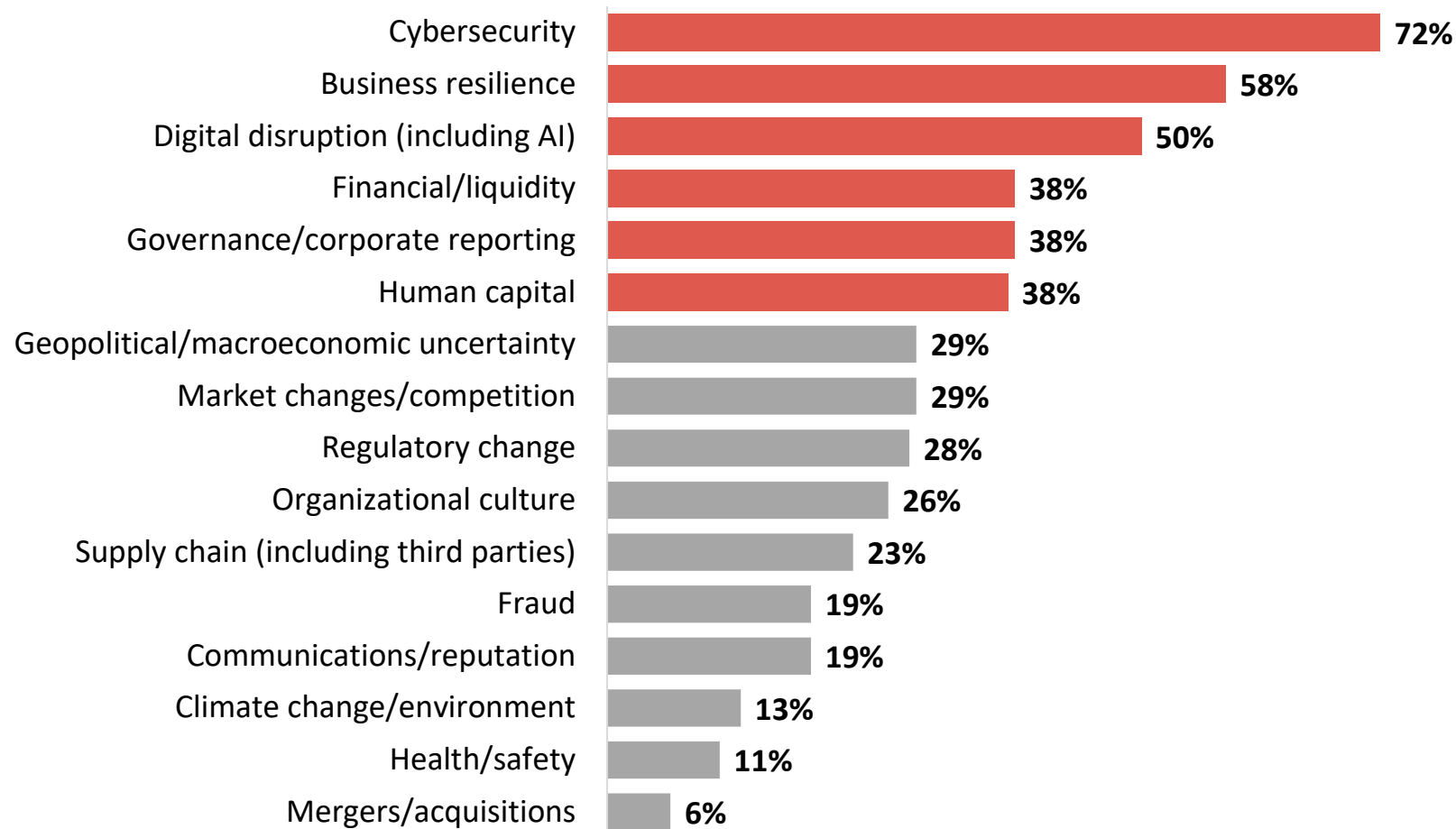
Key Questions:

- What are the Top 5 risks your organization faces?
- What are the Top 5 areas on which internal audit spends the most time and effort?

Risk Areas in the Survey			
1	Business continuity	9	Governance/corporate reporting
2	Climate change	10	Health/safety
3	Communications/reputation	11	Human capital
4	Cybersecurity	12	Market changes/competition
5	Digital disruption (including AI)	13	Mergers/acquisitions
6	Financial liquidity	14	Organizational culture
7	Fraud	15	Regulatory change
8	Geopolitical uncertainty	16	Supply chain (including third parties)

Middle East – Highest Risks

Survey question: What are the Top 5 risks your organization currently faces?



- **Cybersecurity** leads by a wide margin as a Top 5 risk in the Middle East (72%).
- **Business resilience** and **digital disruption** were high risk for more than half of respondents.
- The next tier of highest risks tied at 38% – **financial/liquidity, governance, and human capital.**

Global vs. Regions – Highest Risks

Survey question: What are the Top 5 risks your organization currently faces?

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

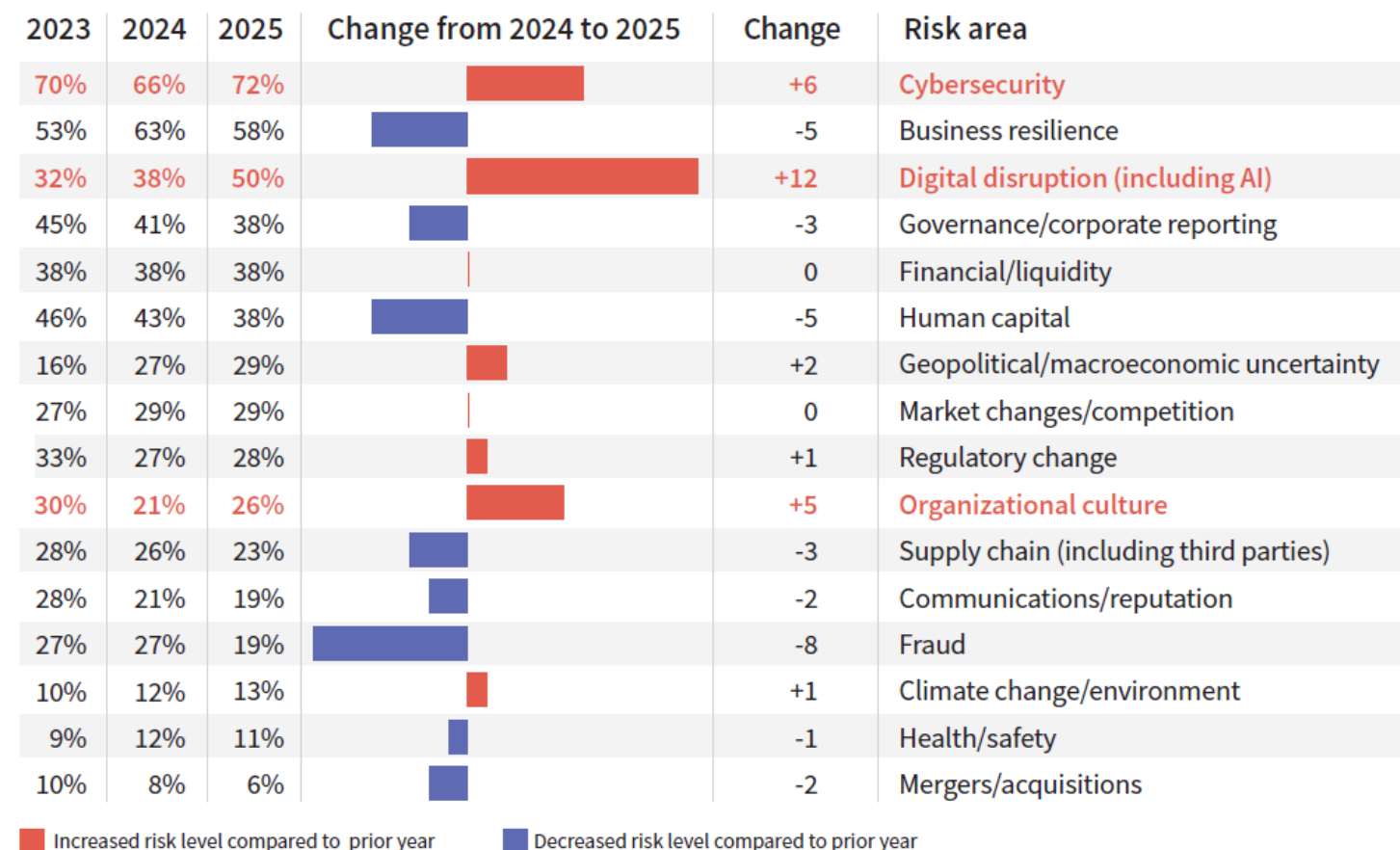
Note 1: The global average is calculated by summing the average from each region and dividing by the number of regions.

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.

- The Middle East is higher than the global average for **business resilience** risk (58% vs. 47%).
- The Middle East is the only region with **governance** as one of the highest risks.
- The Middle East and Africa are the only regions with **financial/liquidity** as a highest risk.

Middle East – Risk Level Trend

Survey question: What are the Top 5 risks your organization currently faces?



Note 1: Risk in Focus survey conducted online from April 28 to June 6, 2025, by the Internal Audit Foundation and partners. $n = 152$ for Middle East.

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.

- **Digital disruption** risk increased substantially for the Middle East over the prior year (+12), along with **cybersecurity** risk (+6).
- The Middle East is the only region with a substantial increase for **organizational culture** risk (+5).
- **Geopolitical uncertainty** risk was only slightly elevated from the prior year for the Middle East, but roundtables in the region indicate this risk increased after the survey closed on 6 June 2025.

Middle East – Highest Risks per Industry

Survey question: What are the Top 5 risks your organization currently faces?

Risk area	All	Financial services	Mining/energy/water	Public sector (government)	Manufacturing
Cybersecurity	72%	77%	80%	92%	67%
Business resilience	58%	67%	60%	46%	67%
Digital disruption (including AI)	50%	64%	53%	77%	42%
Governance/corporate reporting	38%	26%	20%	62%	50%
Financial/liquidity	38%	36%	27%	38%	25%
Human capital	38%	46%	53%	23%	25%
Market changes/competition	29%	26%	20%	23%	33%
Geopolitical/macroeconomic uncertainty	29%	33%	7%	8%	42%
Regulatory change	28%	38%	13%	15%	25%
Organizational culture	26%	18%	27%	23%	17%
Supply chain (including third parties)	23%	18%	40%	8%	17%
Communications/reputation	19%	10%	20%	15%	17%
Fraud	19%	21%	20%	23%	17%
Climate change/environment	13%	8%	20%	31%	25%
Health/safety	11%	5%	40%	8%	25%
Mergers/acquisitions	6%	8%	0%	8%	8%

■ Highest risks per industry

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

- Human capital risk was especially high for **financial services** and **mining/energy** in the Middle East.
- **Geopolitical uncertainty** risk was high for manufacturing (42%).
- Mining/energy had high risk for **supply chain** and **health/safety**.

Note 1: Risk in Focus survey conducted online from April 28 to June 6, 2025, by the Internal Audit Foundation and partners. $n = 152$ for Middle East.

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

Middle East's Audit Priorities

Maintaining essential coverage while
addressing rising risks

Middle East – Highest Audit Priorities

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



- The three highest areas of audit effort in the Middle East by a substantial margin were **cybersecurity, governance, and business resilience**.
- Priority for **financial/liquidity** risk was high for nearly half of Middle East respondents.
- **Digital disruption** became one of the highest audit priorities this year, narrowly exceeding scores for **human capital** and **supply chain**.

Global vs. Regions – Highest Audit Priorities

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

Risk 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

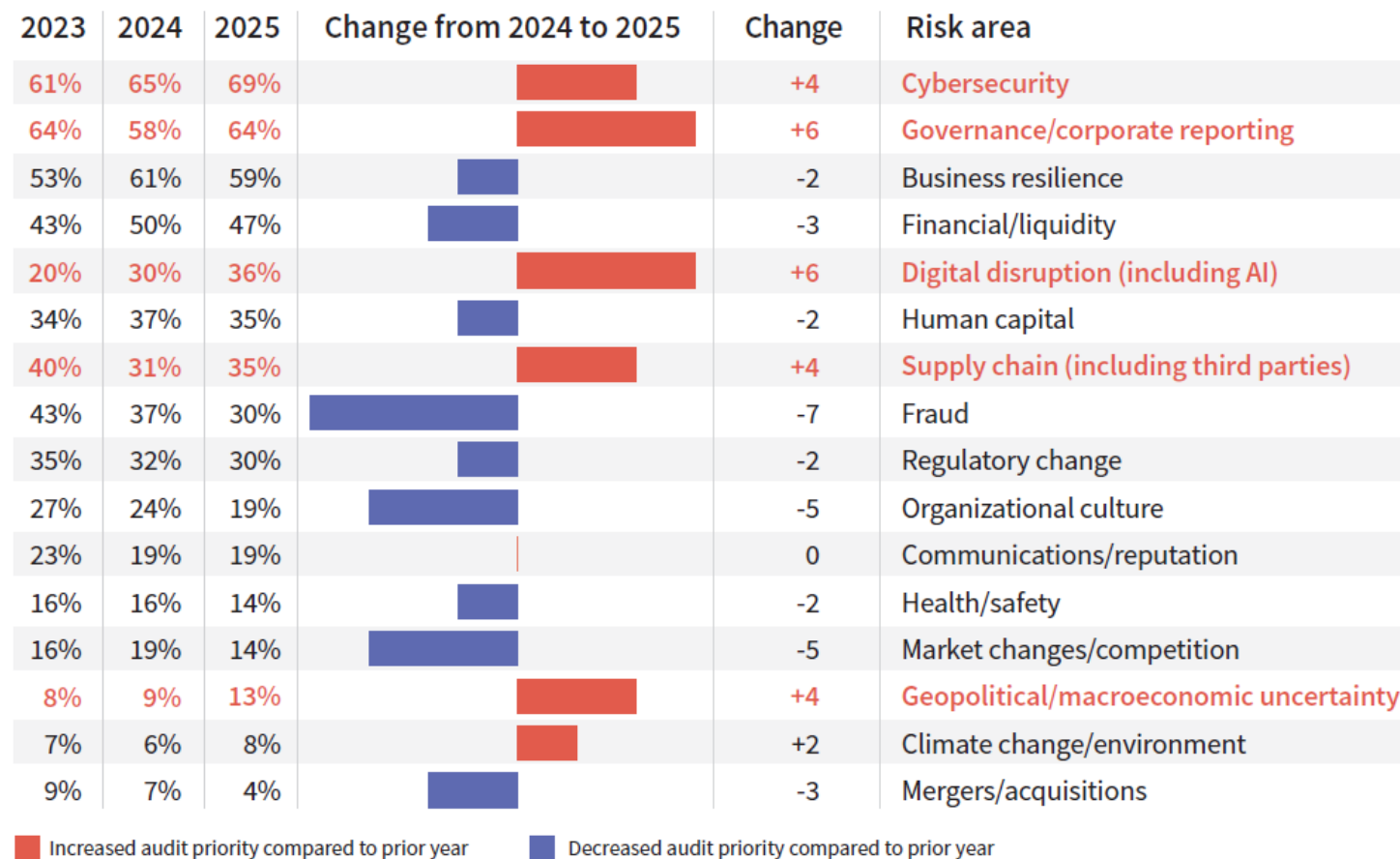
Note 1: The global average is calculated by summing the average from each region and dividing by the number of regions.

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.

- The Middle East aligned with the majority of other regions on 4 of the 5 highest areas for audit time and effort.
- The biggest differences for the Middle East were a lower-than-average rating for regulatory change effort (30% vs. 46%) and a slightly higher rating for digital disruption (36% vs. 32%).

Middle East – Audit Priority Trend

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



Note 1: Risk in Focus survey conducted online from April 28 to June 6, 2025, by the Internal Audit Foundation and partners. $n = 152$ for Middle East.

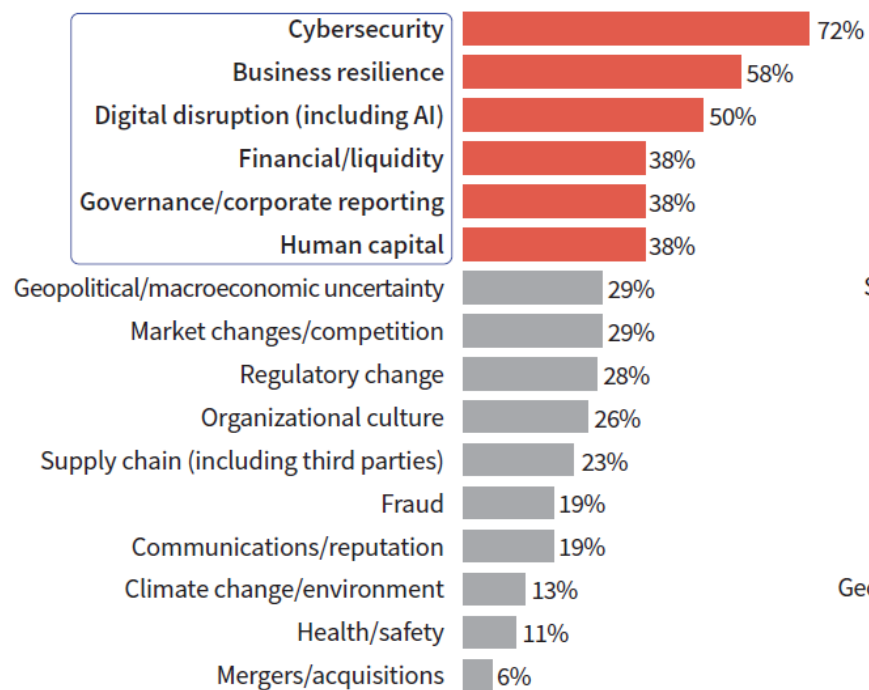
Note 2: The orange and blue bars show the difference in audit priority ratings from 2024 to 2025. The column labeled "change" shows the percentage point difference between 2024 and 2025. The areas are listed from the highest to lowest audit priority rating for 2025. The years indicate the year the survey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

- CAEs and directors in the Middle East made many adjustments to audit effort vs. the prior year.
- Notable increases were made for **cybersecurity, governance, digital disruption, supply chain, and geopolitical uncertainty.**
- Decreases were made primarily in the areas of **fraud, organizational culture, and market changes.**

Middle East – Risk vs. Audit Priorities

Highest risks compared to highest priorities for internal audit time and effort

Middle East – Highest Risks



Middle East – 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 = 152 for Middle East.

- The Middle East is the only region where the highest risks and the highest audit priorities are the same.
- However, there are some differences in level of emphasis, for example the **digital disruption** risk rating (50%) is higher than the priority level (36%).

Middle East – Highest Audit Priorities per Industry

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

Audit area	All	Financial services	Mining/energy/water	Public sector (government)	Manufacturing
Cybersecurity	69%	79%	67%	77%	67%
Governance/corporate reporting	64%	62%	80%	46%	33%
Business resilience	59%	62%	73%	46%	50%
Financial/liquidity	47%	49%	33%	31%	50%
Digital disruption (including AI)	36%	49%	27%	54%	33%
Human capital	35%	36%	40%	38%	50%
Supply chain (including third parties)	35%	26%	60%	31%	33%
Fraud	30%	31%	20%	31%	50%
Regulatory change	30%	41%	27%	31%	17%
Communications/reputation	19%	13%	13%	23%	17%
Organizational culture	19%	10%	13%	15%	17%
Health/safety	14%	0%	33%	31%	33%
Market changes/competition	14%	18%	0%	8%	25%
Geopolitical/macroeconomic uncertainty	13%	18%	7%	23%	17%
Climate change/environment	8%	3%	0%	15%	8%
Mergers/acquisitions	4%	5%	7%	0%	0%

■ Highest audit priorities area per industry

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

- Audit priority ratings in the Middle East show specialized attention to industry differences.
- Mining/energy had higher priority for **human capital** and **supply chain** than the region average.
- Public sector had higher attention for **human capital**.
- Manufacturing was high for **human capital** and **fraud**.

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

Strategies for the Middle East's Rising Risks

A closer look at geopolitical uncertainty and digital disruption (including AI)



Geopolitical Uncertainty (Part 1)

Audit strategies and leading practices for the Middle East

- 1.** Keep the board informed about the fast-moving impacts of geopolitical and macroeconomic events on the organization's financial and liquidity risk profile.
- 2.** Provide assurance over the organization's approach, policies, and procedures for establishing and managing supplier relationships.
- 3.** Provide assurance that the organization's risk framework and processes can monitor and assess fast-moving geopolitical and macroeconomic risks.
- 4.** Provide assurance to the board that the business resilience plan has captured the main risks and, during a crisis, provide support to the board and management to ensure such plans aid rapid decision-making.



Geopolitical Uncertainty (Part 2)


Audit strategies and leading practices for the Middle East

5. Facilitate coordination for business development planning processes to ensure they bring together key stakeholders.
6. Assess how well the internal audit function integrates real-time risk intelligence into its planning processes and how effectively that feeds into cross-functional task forces, steering committees, and the board to aid decision-making.



Digital Disruption (Part 1)

Audit strategies and leading practices for the Middle East

- 
- 1.** Provide assurance over the cybersecurity maturity of the business to ensure it aligns with, for example, local regulations or an international framework such as NIST or ISO27001.
 - 2.** Provide advisory services on new digital systems, platforms, and applications so that management embeds cybersecurity and data security controls from the outset.
 - 3.** Advise the board on how much the adoption of new technologies is likely to disrupt the business model of the organization, the appropriate level and cost of assurance, whether they are likely to provide the expected return on investment, and whether completed projects have done so.



Digital Disruption (Part 2)

Audit strategies and leading practices for the Middle East

4. Provide assurance that the organization's human resources strategy is aligned with its digitalization and AI strategies and that key performance indicators are in place and met for key skills.
5. Assess the quality of data processes and whether they have fully taken account of fast-moving regional and global regulatory requirements.
6. Provide assurance that the organization's data governance processes are specifically adapted to AI, including large language models (LLMs), to guard against intellectual property loss or corporate data breaches.



Auditing Resources from The IIA

Resources to help internal auditors with emerging risks

Developing a Risk-Based Internal Audit Plan

- This [Global Practice Guide](#) describes how to create and maintain a risk-based audit plan.

Cybersecurity Topical Requirement

- This new [Topical Requirement](#) from The IIA provides guidance to follow when auditing cybersecurity.

Auditing IT Governance and IT Management

- 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.

Download the Middle East Risk in Focus Report



For more analysis and leading practices, download the complete Middle East Risk in Focus report at:



theiia.org/RiskInFocusMiddleEast

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