

NORTH AMERICA | 2026

Risk in Focus

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



AuditBoard



Internal Audit
FOUNDATION

About Risk in Focus

Know Your Risks. Plan Strategically.

01

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

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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)

Download the North America Risk in Focus Report



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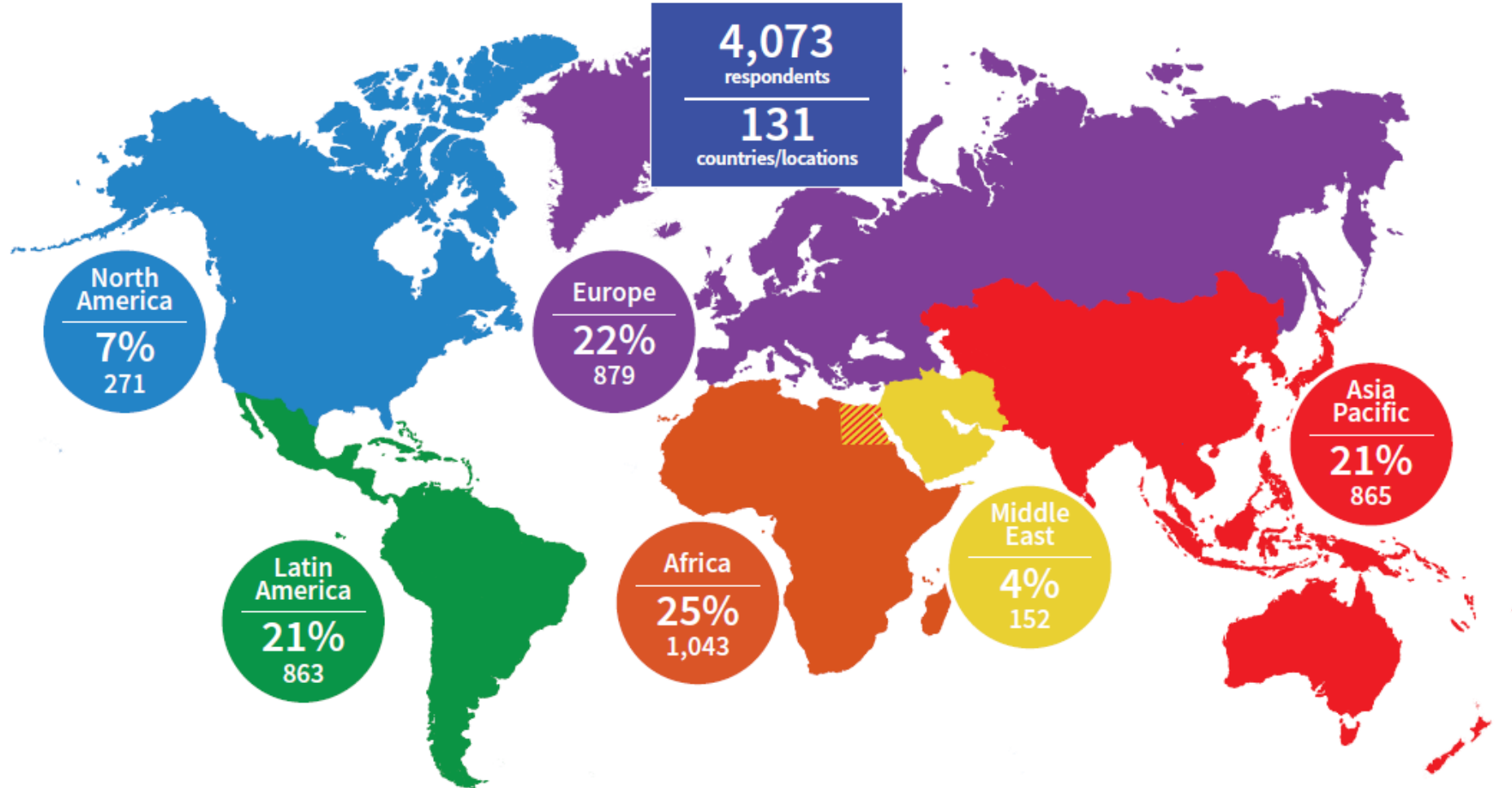


Internal Audit
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Global Survey Participation

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**

North America'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)



North America – Highest Risks

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



- 86% of North American CAEs and directors rated **cybersecurity** as one of their five highest risks.
- More than half said **digital disruption** was a high risk, making it the second highest overall.
- **Geopolitical uncertainty** became one of the five highest risks overall this year.

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

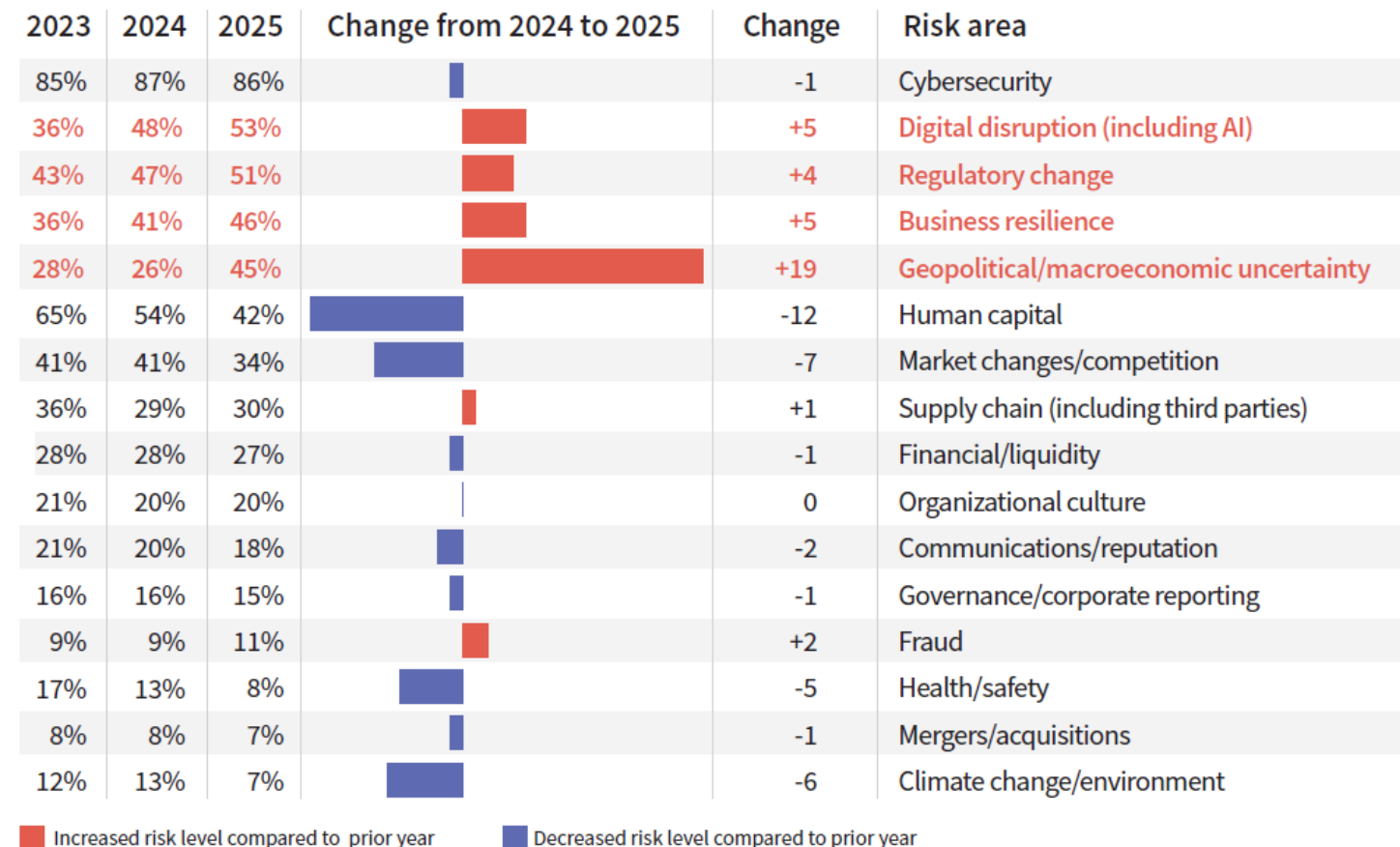
Note 1: The global average is calculated by summing the average from each region and dividing by the number of regions.

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.

- North America had the highest ranking for **cybersecurity** risk of any region (86%).
- North America tied with Europe and Latin America for the highest risk rating for **geopolitical uncertainty** (45%).
- North America ranked **regulatory change** risk higher than any other region (51%).

North America – 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. $n = 271$ for North America.

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.

- **Geopolitical uncertainty** risk gained 19 percentage points over the prior year (the largest increase for a single risk of any region).
- **Digital disruption** risk continued to increase and is now a Top 5 for 53%.
- **Regulatory change** and **business resilience** risk both increased over the past two years.

North America – Highest Risks per Industry

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

Risk area	All	Financial services	Public sector (government)	Health/social work	Education	Manufacturing	Mining/energy/water	Professional/technical
Cybersecurity	86%	93%	82%	92%	87%	77%	71%	90%
Digital disruption (including AI)	53%	60%	48%	46%	48%	55%	24%	70%
Regulatory change	51%	53%	48%	62%	74%	27%	57%	45%
Business resilience	46%	44%	52%	31%	48%	32%	62%	65%
Geopolitical/macroeconomic uncertainty	45%	37%	33%	42%	39%	64%	48%	45%
Human capital	42%	52%	67%	42%	35%	36%	29%	30%
Market changes/competition	34%	37%	0%	27%	26%	59%	52%	45%
Supply chain (including third parties)	30%	21%	18%	62%	9%	55%	48%	25%
Financial/liquidity	27%	36%	12%	31%	43%	14%	24%	25%
Organizational culture	20%	23%	39%	8%	26%	23%	14%	10%
Communications/reputation	18%	11%	45%	19%	26%	9%	5%	10%
Governance/corporate reporting	15%	15%	30%	15%	13%	9%	5%	10%
Fraud	11%	11%	12%	0%	9%	9%	5%	10%
Health/safety	8%	0%	6%	8%	17%	9%	29%	10%
Mergers/acquisitions	7%	6%	0%	12%	0%	9%	10%	10%
Climate change/environment	7%	2%	6%	4%	0%	14%	19%	0%

■ 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. $n = 271$ for North America.

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

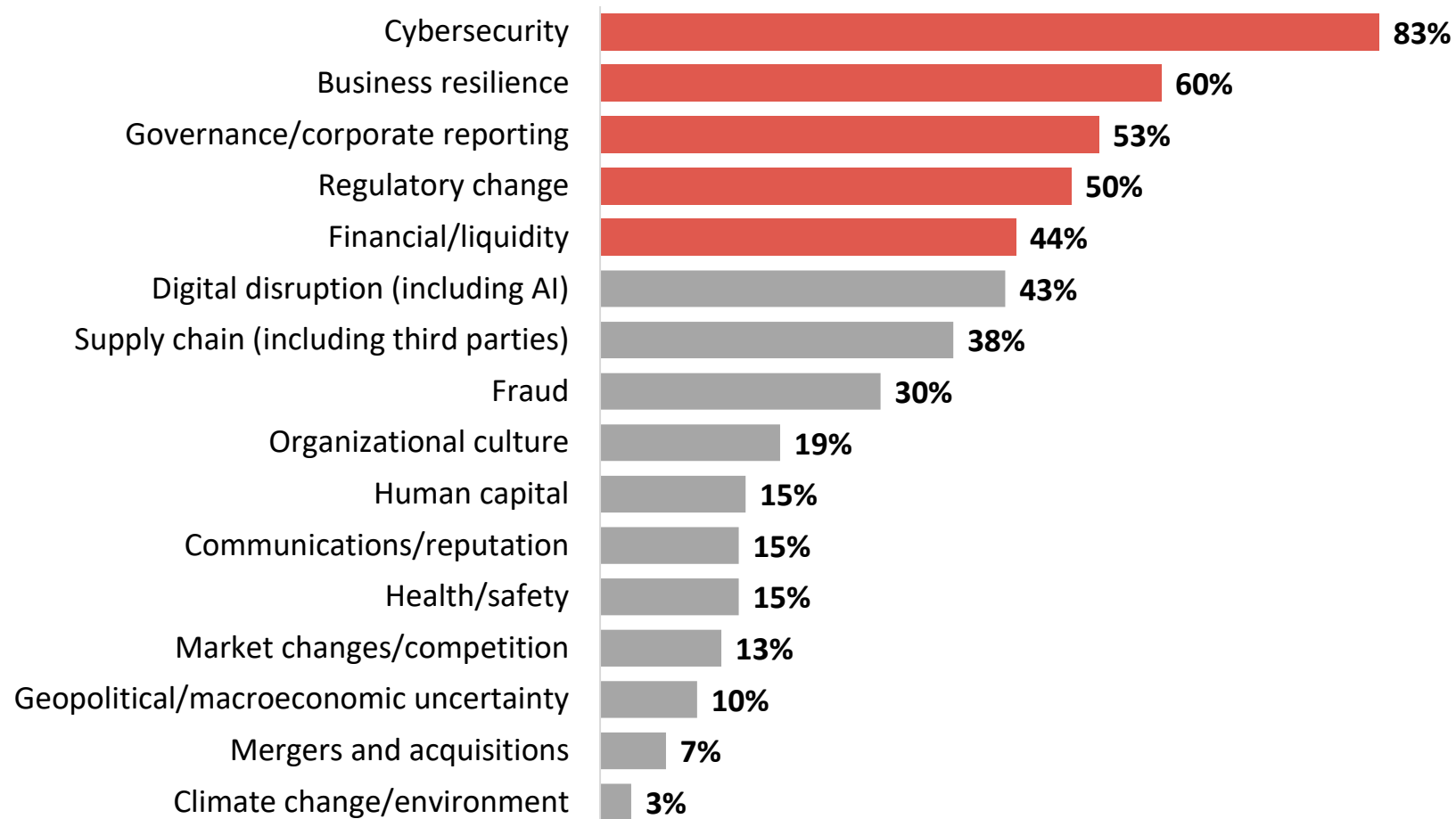
- Manufacturing rated **regulatory** risk much lower than average (27%) but rated **geopolitical** risk the highest of all industries (64%).
- **Supply chain** risk was high for manufacturing, health/social work, and mining/energy.

North America's Audit Priorities

Maintaining essential coverage while
addressing rising risks

North America – Highest Audit Priorities

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



- 83% of North American CAEs and directors rated **cybersecurity** as one of their five highest areas for audit time and effort.
- **Business resilience** was cited by 60% as one of their Top 5 audit priorities.
- **Digital disruption** came close to making the list of highest audit priorities for North America this year.

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

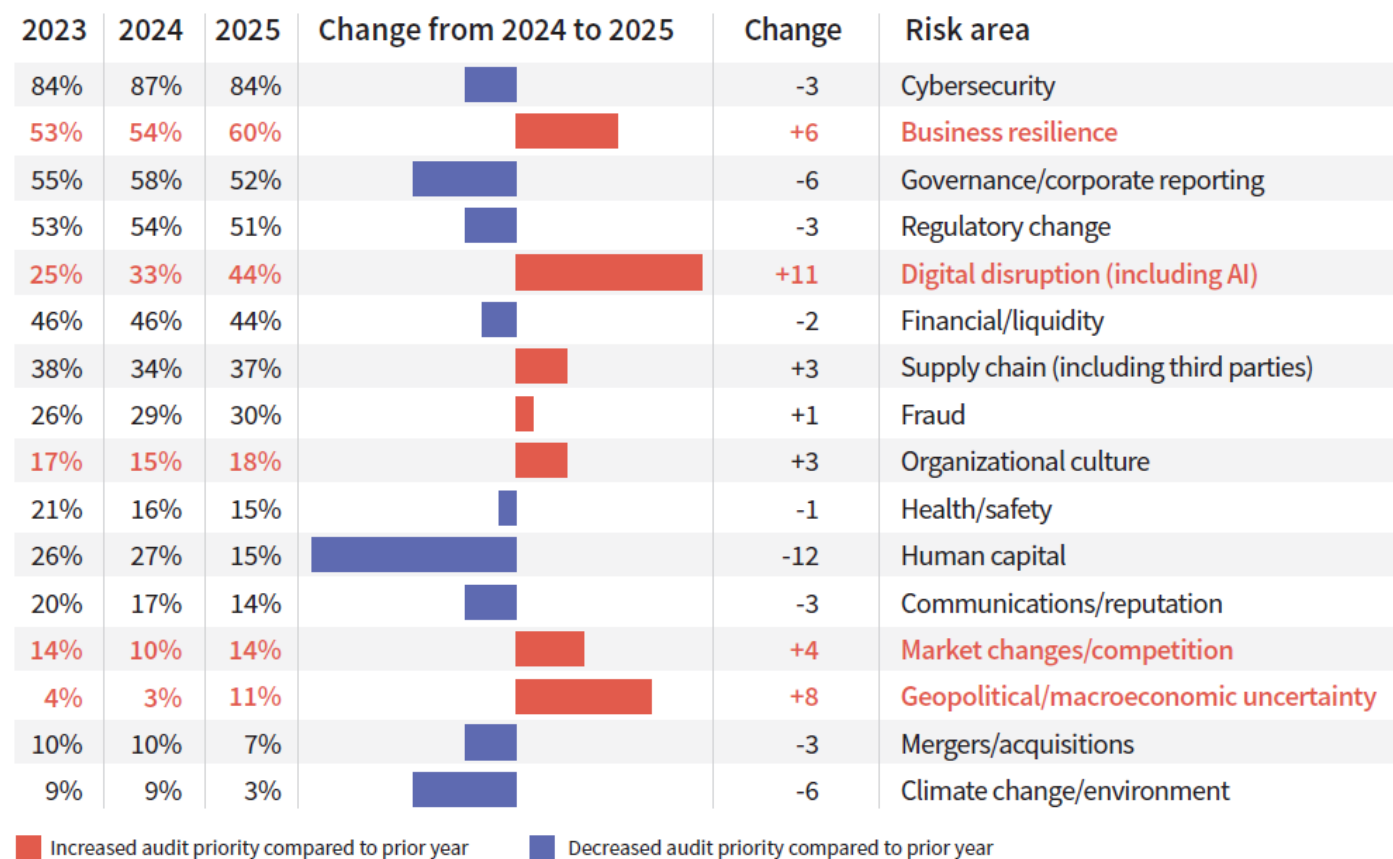
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Note 2: Risk in Focus survey conducted online from April 28 to June 6, 2025, by the Internal Audit Foundation and partners. $n = 4,073$ for global.

- North America's audit priority for **cybersecurity** is the highest of any region (83%).
- **Business resilience** priority was high for North America, Middle East, and Asia Pacific.
- North America had the highest priority ranking for **digital disruption** of all regions (43%)

North America – Audit Priority Trend

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



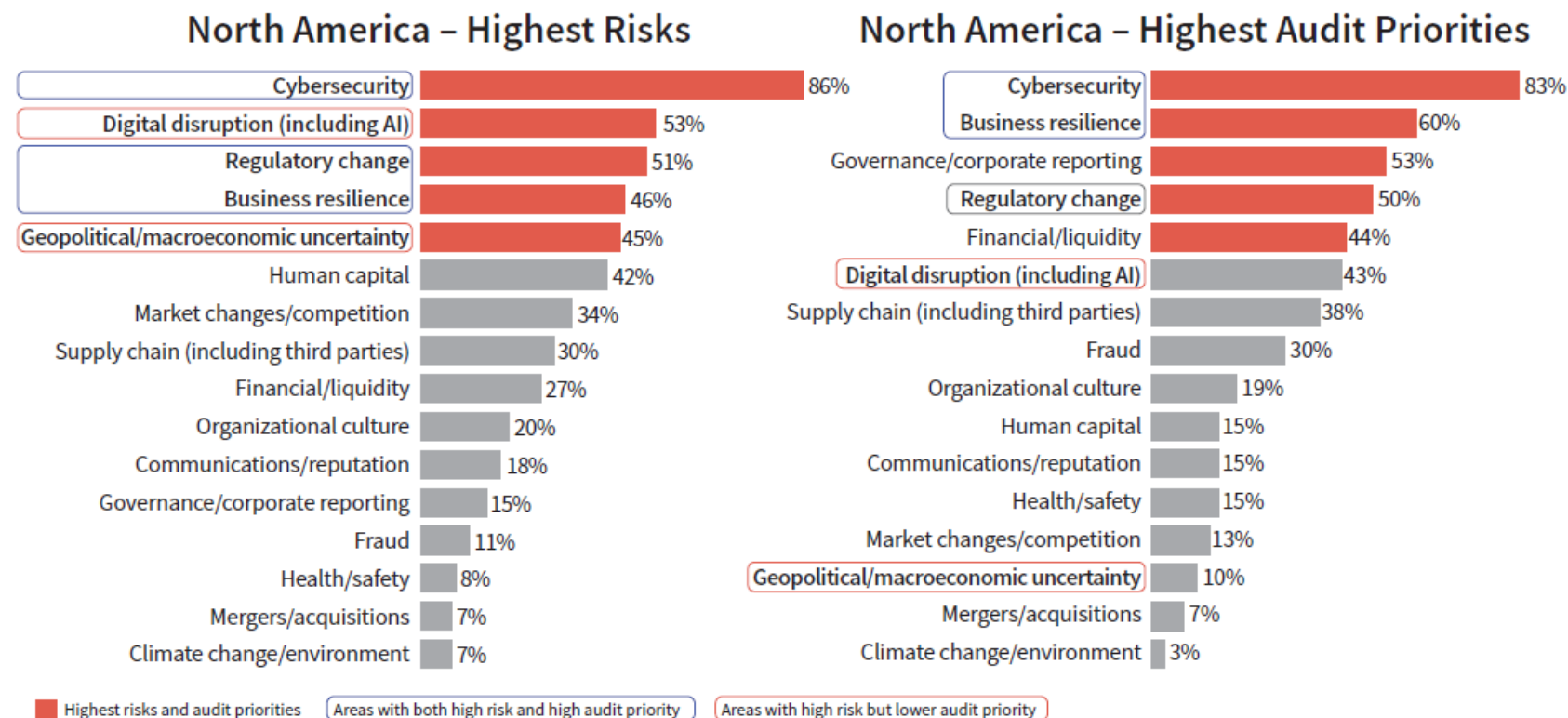
Note 1: Risk in Focus survey conducted online from April 28 to June 6, 2025, by the Internal Audit Foundation and partners. *n* = 271 for North America.

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.

- **Digital disruption** audit priority surged by 11 percentage points, making it the largest increase of all risks.
- The next highest shift was for **geopolitical uncertainty** (+8).
- Audit priority for risk areas related to geopolitical uncertainty also increased – **business resilience**, **supply chain**, and **market changes/competition**.

North America – Risk vs. Audit Priorities

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



Note: Risk in Focus survey conducted online from April 28 to June 6, 2025, by the Internal Audit Foundation and partners. n = 271 for North America.

- **Cybersecurity** and **regulatory change** had a close match between risk and audit priority.
- **Geopolitical uncertainty** risk was much higher than its priority (+35).
- **Digital disruption** risk was only 10 percentage points higher than its priority.



Balancing Risk and Audit Priority

Direct and indirect responses to geopolitical uncertainty

- **Geopolitical uncertainty** is a rapidly developing risk area for North America.
- **Roundtable participants noted** that geopolitical uncertainty is not a typical audit area with identifiable processes and controls, so it is difficult to audit directly. Nevertheless, audit priority for geopolitical uncertainty increased from the prior year by 8 percentage points.
- **To further address geopolitical risks**, North American internal auditors are investing more time in related audit areas, for example, business resilience, which increased 6 percentage points, or market changes/competition, which increased 4 percentage points.

North America – 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	Public sector (government)	Health/social work	Education	Manufacturing	Mining/energy/water	Professional/technical
Cybersecurity	83%	86%	73%	81%	91%	82%	81%	85%
Business resilience	60%	60%	64%	50%	57%	55%	62%	65%
Governance/corporate reporting	53%	68%	61%	23%	35%	59%	62%	45%
Regulatory change	50%	61%	45%	58%	74%	41%	14%	50%
Financial/liquidity	44%	57%	24%	50%	57%	27%	52%	40%
Digital disruption (including AI)	43%	45%	48%	50%	30%	23%	33%	50%
Supply chain (including third parties)	38%	32%	21%	62%	17%	68%	67%	30%
Fraud	30%	22%	36%	15%	30%	36%	33%	20%
Organizational culture	19%	14%	36%	19%	22%	18%	5%	20%
Human capital	15%	17%	15%	15%	13%	5%	14%	25%
Communications/reputation	15%	15%	30%	19%	9%	5%	0%	15%
Health/safety	15%	2%	27%	31%	35%	18%	38%	0%
Market changes/competition	13%	11%	3%	15%	9%	23%	10%	20%
Geopolitical/macroeconomic uncertainty	10%	5%	6%	4%	17%	9%	5%	30%
Mergers/acquisitions	7%	5%	0%	4%	0%	18%	14%	0%
Climate change/environment	3%	0%	0%	4%	4%	14%	10%	5%

■ Highest audit priorities per industry

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

- Priority for **supply chain** was substantially higher for health/social work, manufacturing, and mining/energy compared to other industries.
- **Digital disruption** priority was high for public sector, health/social work, and professional/technical.
- Education was the only sector where **health/safety** was a Top 5 priority.

Strategies for North America's Rising Risks

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



Geopolitical Uncertainty

Audit strategies and leading practices for North America

- Review materials sourcing in light of changing geopolitical circumstances.
- Monitor federal funding cutbacks for direct impacts on budgets and projects and implications for third-party contractors.
- Explore implications of new tariffs on supplier contracts.
- Examine new and existing regulations for impacts on existing contracts and supplier relationships.
- Seek greater involvement in broader strategic planning through expanded meetings with key C-suite and department leaders.
- Educate boards and executive management about internal audit's potential to help navigate the current risk environment.



Digital Disruption (Including AI)

Audit strategies and leading practices for North America

- Offer internal audit advisory services for AI governance teams that manage deployment of AI.
- Stay informed about AI use cases in the organization and provide relevant assurance.
- Ensure that organizational leaders understand the source of data used with AI, who is using the results, and which decisions the outputs are informing.
- Watch for hidden risks related to AI-converted systems becoming “out of sight and out of mind.”
- Seek to identify independent validation processes to ensure AI models are working as intended and without bias, especially in financial services.
- Experiment with AI usage to improve internal audit efficiency.



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.



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The Internal Audit Foundation is the preeminent global resource, in strategic partnership with The IIA, dedicated to elevating and empowering the internal audit profession by developing cutting-edge research and programs. The Foundation helps current and future internal auditors stay relevant by building and enhancing their skills and knowledge, ensuring organizations are equipped to create, protect, and sustain long-term value. For more information, visit theiia.org/Foundation.



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