

MIDDLE EAST 2026/2027

RISK *in* FOCUS

Hot Topics for Internal Auditors

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Arab Confederation of Internal Auditors

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

03

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)



The Middle East Risk in Focus report was developed in partnership with:



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Arab Confederation of Internal Auditors

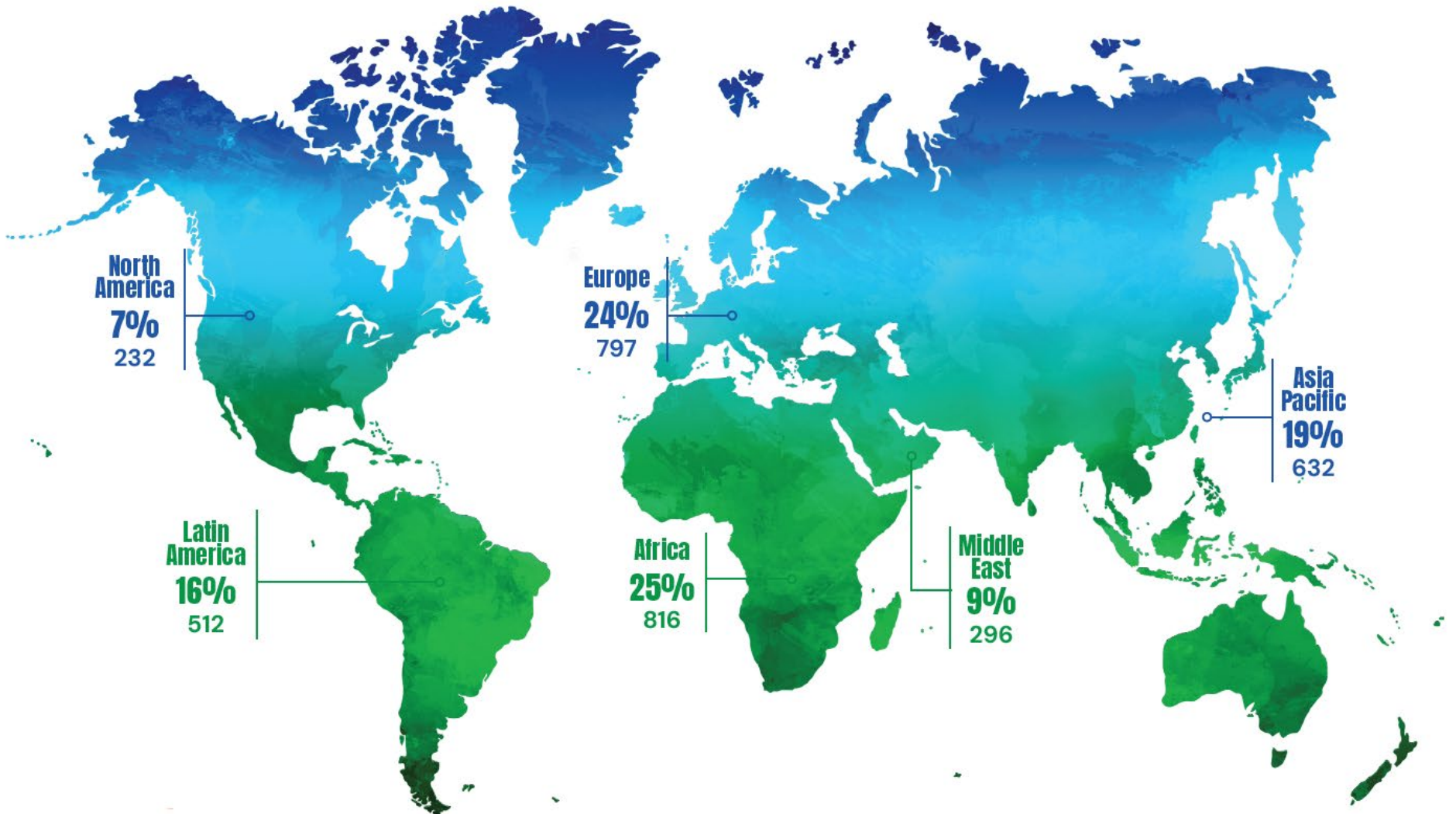


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theiia.org/RiskInFocus

Global Survey Participation

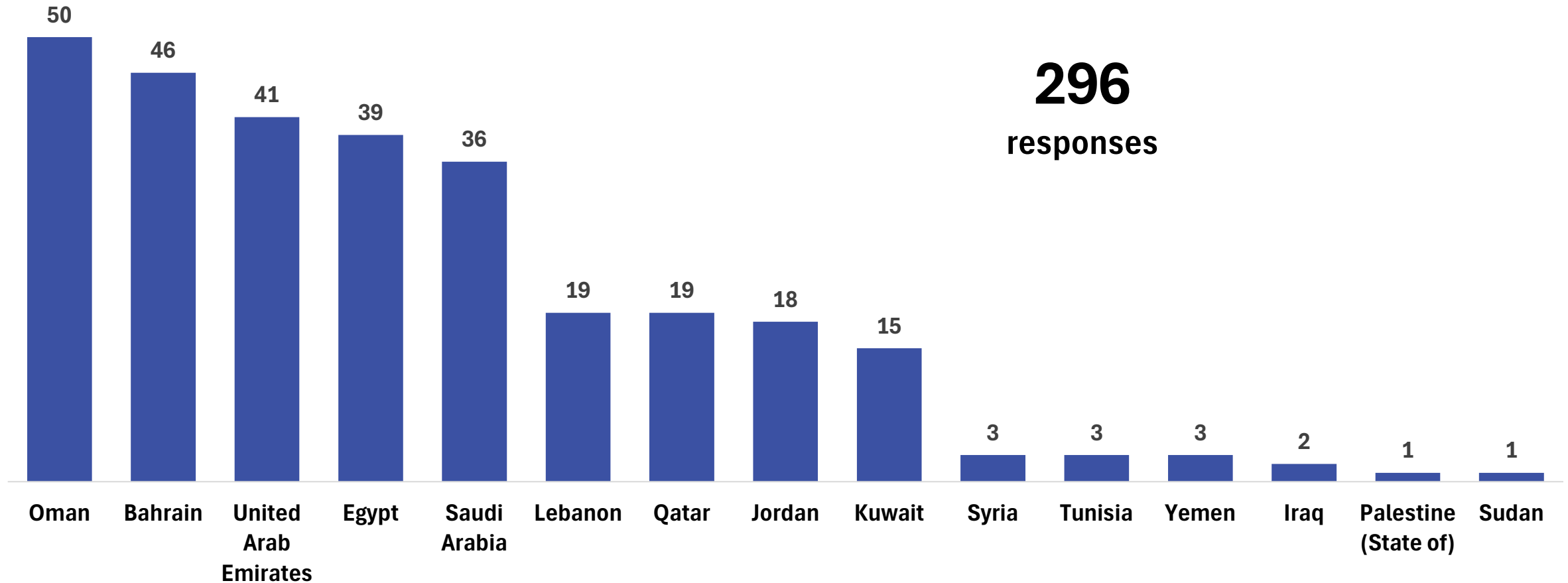
Response rate per region



- **3,285** responses from chief audit executives and directors
- **132** countries/locations represented
- Survey conducted **March 2 to May 6, 2026**

Middle East Survey Participation

Responses per country/location



Middle East Risk Environment

Conflict Intensified Supply Chain and
Financial/Liquidity Risks



Survey Questions and Risk Areas

The report focuses on 16 risk areas and 5 topics



Key Topics

1. Top 5 risks
2. Top 5 audit priorities
3. Risk severity rating (1–7)
4. Risk governance maturity
5. Internal audit coverage

Risk Areas in the Survey

1	Business resilience	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 and outsourcing

Middle East – Top 5 Risks

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



- **Cybersecurity** was chosen by 81% of CAEs as one of their Top 5 risks.
- **Geopolitical uncertainty** reached 60% and was ranked as the second highest risk, followed closely by **digital disruption** (58%).
- **Business resilience** (47%) and **financial/liquidity** (42%) ranked fourth and fifth.

Middle East – Top 5 Risks Trend

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

2023	2024	2025	2026	Change from 2025 to 2026	Change	Risk areas
70%	66%	72%	81%		+9	Cybersecurity
16%	27%	29%	60%		+31	Geopolitical/macroeconomic uncertainty
32%	38%	50%	58%		+8	Digital disruption (including AI)
53%	63%	58%	47%		-11	Business resilience
38%	38%	38%	42%		+4	Financial/liquidity
28%	26%	23%	35%		+12	Supply chain and outsourcing
46%	43%	38%	34%		-4	Human capital
45%	41%	38%	27%		-11	Governance/corporate reporting
27%	27%	19%	22%		+3	Fraud
33%	27%	28%	20%		-8	Regulatory change
27%	29%	29%	20%		-9	Market changes/competition
10%	12%	13%	15%		+2	Climate change/environment
28%	21%	19%	13%		-6	Communications/reputation
30%	21%	26%	13%		-13	Organizational culture
9%	12%	11%	10%		-1	Health/safety
10%	8%	6%	3%		-3	Mergers/acquisitions

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

How to Interpret the Graph

Orange text indicates an increase of 4 percentage points or more compared to the prior year. The **orange** and **blue** bars show the difference in ratings from 2025 to 2026. The column labeled "change" shows the percentage point difference from 2025 to 2026.

- **Geopolitical uncertainty** increased the most of any risk in the past year (+31).
- **Supply chain** rose 12 points to 35%, the highest of any region.
- A variety of risks were displaced by the rise in geopolitical risk, including **business resilience** (-11), **governance** (-11), and **organizational culture** (-13).

Middle East – Top 5 Risks per Sector

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

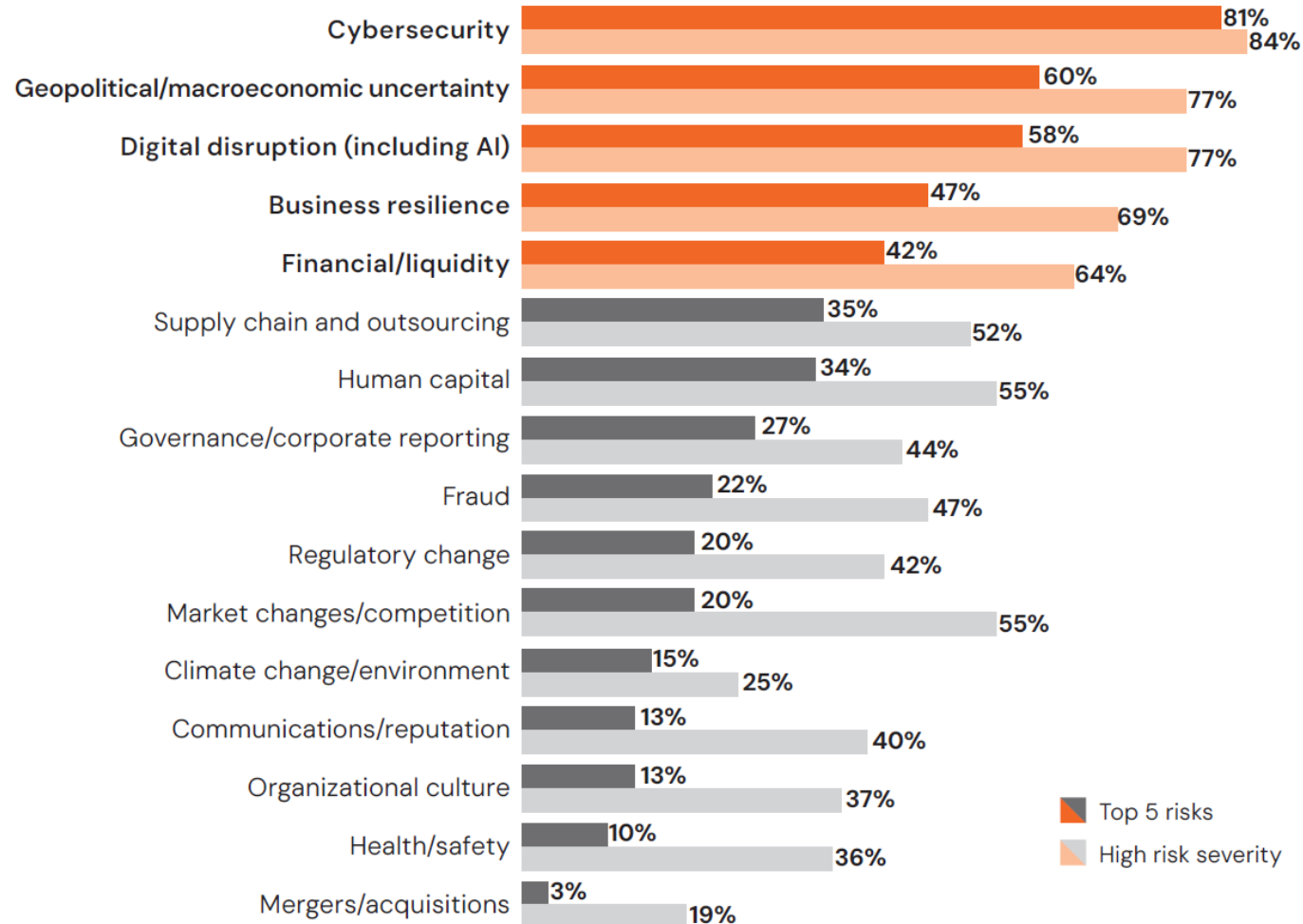
Risk areas	All Middle East	Financial services	Privately held	Publicly traded	Public sector	Nonprofit
Cybersecurity	81%	90%	73%	80%	75%	78%
Geopolitical/macroeconomic uncertainty	60%	52%	71%	68%	55%	44%
Digital disruption (including AI)	58%	67%	48%	43%	60%	56%
Business resilience	47%	41%	49%	60%	47%	78%
Financial/liquidity	42%	49%	43%	28%	42%	56%
Supply chain and outsourcing	35%	18%	52%	58%	26%	22%
Human capital	34%	33%	31%	28%	45%	22%
Governance/corporate reporting	27%	27%	21%	18%	42%	22%
Fraud	22%	28%	23%	8%	15%	56%
Regulatory change	20%	22%	21%	15%	21%	11%
Market changes/competition	20%	24%	24%	20%	6%	22%
Climate change/environment	15%	17%	12%	23%	11%	0%
Communications/reputation	13%	16%	8%	13%	13%	22%
Organizational culture	13%	9%	11%	18%	19%	0%
Health/safety	10%	4%	12%	15%	19%	11%
Mergers/acquisitions	3%	3%	1%	10%	4%	0%

5 highest risks

- **Cybersecurity** is a Top 5 risk in every sector, with financial services highest at 90%.
- **Geopolitical uncertainty** and **supply chain** risks are substantially higher than the regional average for privately held and publicly traded companies outside of financial services.
- **Human capital** risk is especially high in the public sector (45%).

Middle East – Top 5 Risks vs. Risk Severity

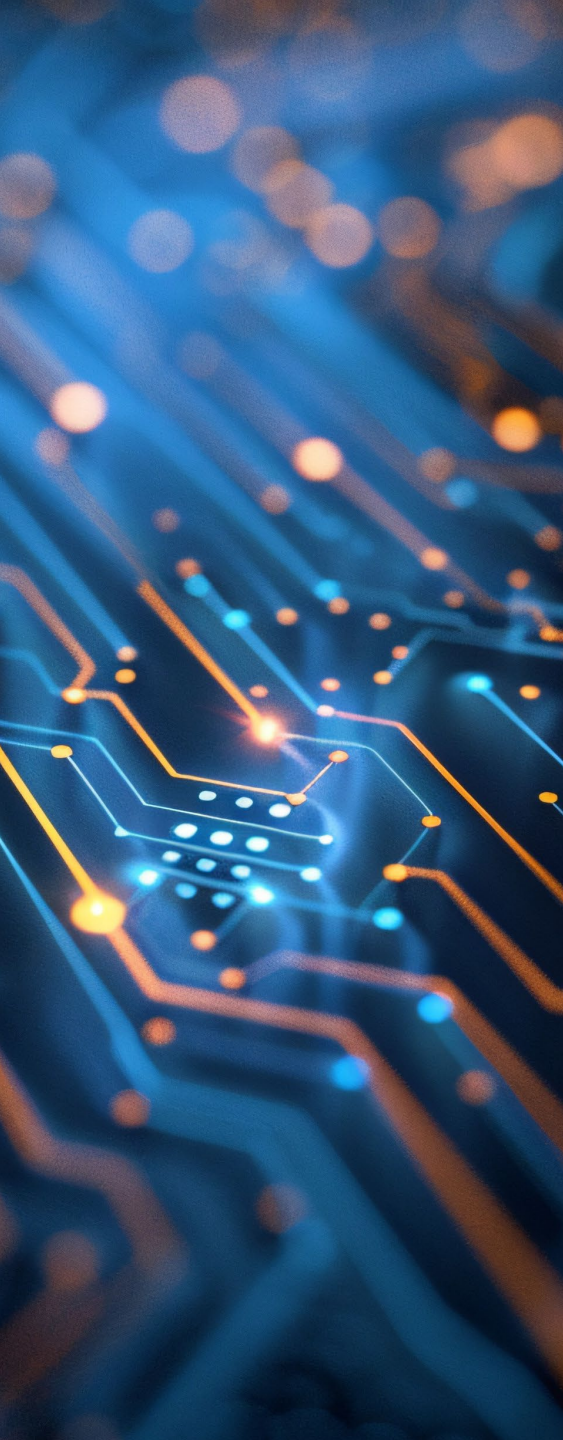
Survey questions: What are the Top 5 risks your organization currently faces? On a scale of 1 to 7, please rate the current level of risk at your organization for each of the following risk areas.



- **Two ways to measure risk.** “Top 5 Risk” shows which areas were selected as one of the five highest risks. “Risk Severity” shows highest risks on a scale of 1 to 7.
- **Visibility gaps.** Areas with relatively low scores for Top 5 Risk but high scores for Risk Severity (above 50%) may need more consideration, including **supply chain, human capital, and market changes.**

How to Interpret the Graph

Dark colors show who picked the risk as one of the 5 highest at their organization (Top 5 risk). **Light colors** show who rated the risk as a 5, 6, or 7 on a scale of 1 to 7 (high risk severity). **Orange** indicates the five highest ratings for both risk measures.



Risk Environment – Internal Audit Strategies

- **Connect risks within the audit universe.** Update the audit universe to reflect connected risks rather than isolated categories.
- **Widen the cybersecurity scope.** Stay informed about new types of cyberattacks and fraud, which are growing more sophisticated with AI-assisted tools.
- **Assess risk planning.** Check that management has established effective scenario planning, liquidity and capital monitoring, and stress testing capabilities.
- **Watch for risk displacement.** Be mindful of risks that have dropped lower on the risk ranking but continue to have high potential for impact.

Middle East Audit Priorities

Risk-Aligned Audit Work Helps
Organizations Withstand Shocks



Middle East – Top 5 Audit Priorities Trend

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

2023	2024	2025	2026	Change from 2025 to 2026	Change	Audit areas
61%	65%	69%	78%		+9	Cybersecurity
64%	58%	64%	53%		-11	Governance/corporate reporting
43%	50%	47%	52%		+5	Financial/liquidity
53%	61%	59%	47%		-12	Business resilience
20%	30%	36%	43%		+7	Digital disruption (including AI)
43%	37%	30%	38%		+8	Fraud
40%	31%	35%	33%		-2	Supply chain and outsourcing
35%	32%	30%	32%		+2	Regulatory change
34%	37%	35%	27%		-8	Human capital
8%	9%	13%	25%		+12	Geopolitical/macroeconomic uncertainty
27%	24%	19%	18%		-1	Organizational culture
23%	19%	19%	15%		-4	Communications/reputation
16%	19%	14%	15%		+1	Market changes/competition
16%	16%	14%	13%		-1	Health/safety
7%	6%	8%	8%		0	Climate change/environment
9%	7%	4%	5%		+1	Mergers/acquisitions

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

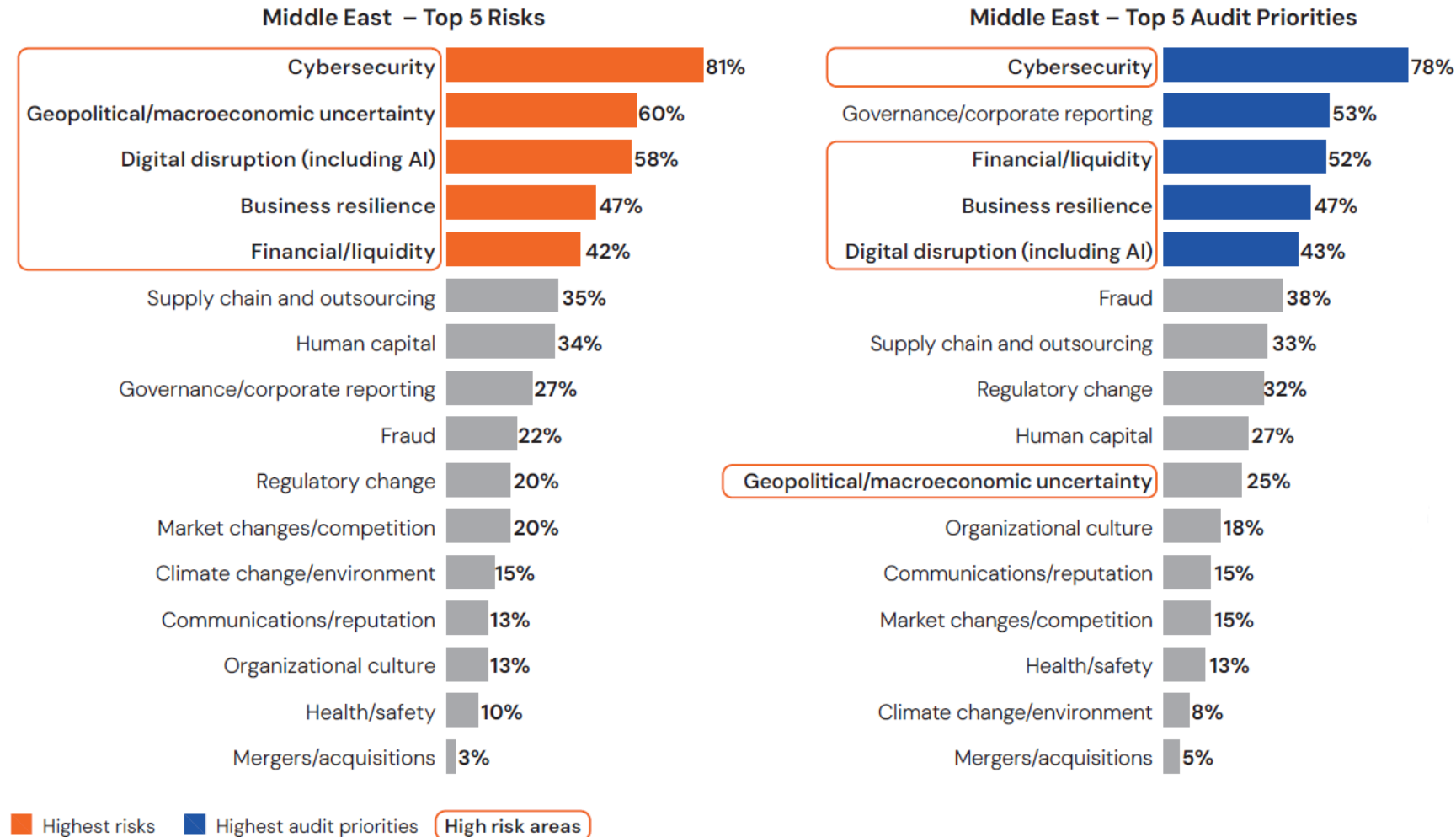
How to Interpret the Graph

Orange text indicates an increase of 4 percentage points or more compared to the prior year. The **orange** and **blue** bars show the difference in ratings from 2025 to 2026. The column labeled "change" shows the percentage point difference from 2025 to 2026.

- **Geopolitical uncertainty** had the largest priority rise (+12), nearly doubling to 25%.
- **Cybersecurity** rose 9 points to 78%, remaining the top audit area in the region.
- Audit priority shifted away the most from **business resilience** (–12) and **governance** (–11).

Middle East – Top 5 Risks vs. Audit Priorities

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



- Audit effort aligned closely with the risk ratings for four of the five highest risks.
- **Geopolitical uncertainty** has the largest gap between risk and audit priority – 60% risk vs. 25% audit priority.

Middle East – Top 5 Audit Priorities per Sector

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

Audit areas	All Middle East	Financial services	Privately held	Publicly traded	Public sector	Nonprofit
Cybersecurity	78%	87%	72%	68%	79%	67%
Governance/corporate reporting	53%	53%	51%	48%	62%	78%
Financial/liquidity	52%	55%	44%	45%	51%	78%
Business resilience	47%	43%	51%	48%	42%	56%
Digital disruption (including AI)	43%	54%	32%	33%	42%	33%
Fraud	38%	40%	45%	25%	30%	67%
Supply chain and outsourcing	33%	16%	52%	60%	25%	22%
Regulatory change	32%	36%	25%	35%	32%	33%
Human capital	27%	25%	28%	13%	42%	22%
Geopolitical/macroeconomic uncertainty	25%	23%	35%	20%	17%	11%
Organizational culture	18%	15%	17%	25%	26%	0%
Communications/reputation	15%	17%	13%	10%	11%	22%
Market changes/competition	15%	17%	19%	15%	8%	0%
Health/safety	13%	5%	11%	25%	25%	11%
Climate change/environment	8%	11%	4%	15%	6%	0%
Mergers/acquisitions	5%	3%	1%	18%	4%	0%

■ 5 highest audit priorities

Note: Ties for fifth place are highlighted in a lighter shade.

- **Cybersecurity** is high-priority across sectors, particularly for financial services (87%).
- **Supply chain** priority is much higher where trade exposure is high – privately held (52%) and publicly traded (60%) companies.
- Public sector priority for **human capital** is much higher than the regional average.

Audit Priorities – Internal Audit Strategies

- **Establish “pop-up” advisory services** across the business and its subsidiaries to provide rapid support on urgent topics.
- **Keep the audit plan flexible**, with a portion set aside for work mandated by the board, management, or regulators.
- **Align the plan to strategy** and ensure recommendations address the actual impacts of specific threats.
- **Automate where possible using AI**, allowing for regional restrictions on cross-border data transfers.
- **Seek coordination** between executive, management, and assurance functions.

Risk Maturity and Coverage

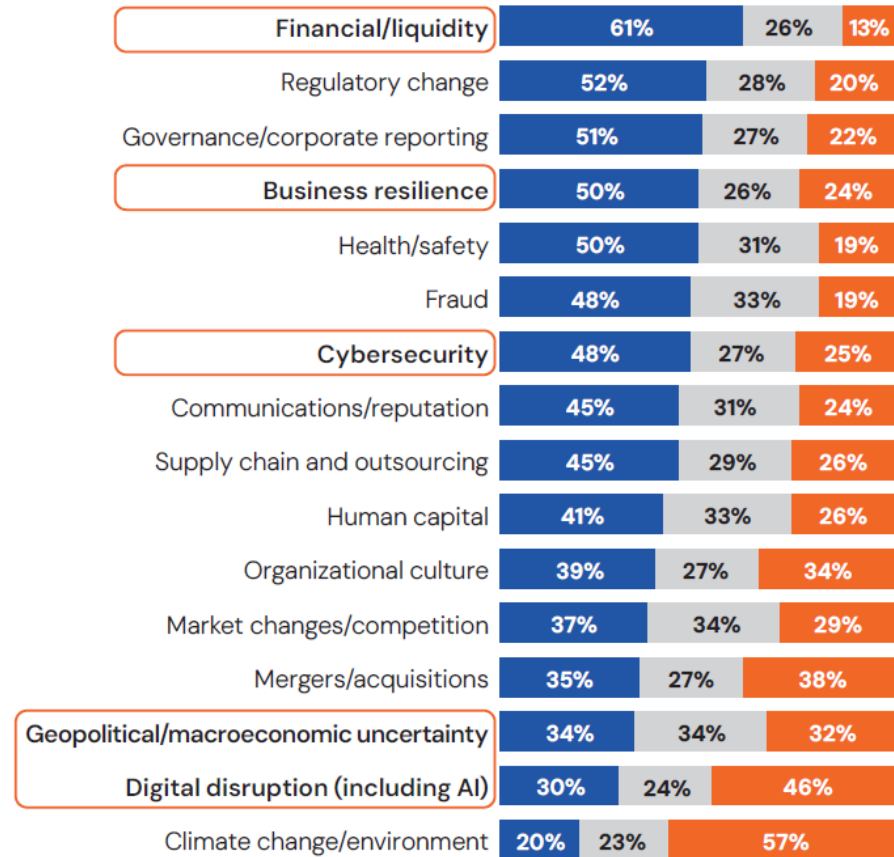
Key Areas Need Stronger Risk
Governance Maturity



Middle East – Maturity vs. Coverage

Risk governance maturity and internal audit coverage are connected

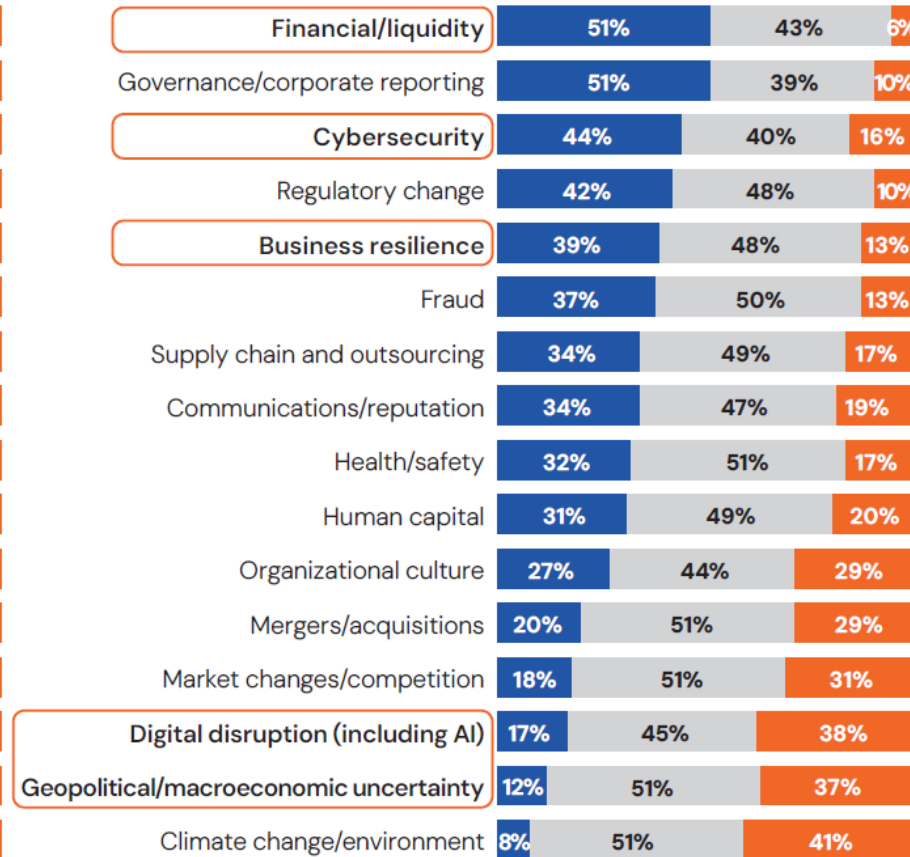
Middle East – Risk Governance Maturity



■ 4-Managed, 5-Optimized ■ 3-Integrated ■ 1-Initial, 2-Infrastructure

5 highest risks

Middle East – Internal Audit Coverage



■ Full coverage ■ Partial coverage ■ Inadequate coverage

- Traditional audit areas rate highest – **financial/liquidity** leads maturity and coverage, with **governance** and **regulatory change** also high.
- Emerging risks rank lowest; for example, **geopolitical uncertainty** and **digital disruption**.



Risk Maturity and Coverage – Internal Audit Strategies

- **Use advisory work to build frameworks.** Where maturity is low, feed risk and controls information from advisory assignments into governance frameworks and audit programs.
- **Help management define risk ownership** and accountabilities, and report progress regularly to the audit committee.
- **Create an assurance map** to identify governance gaps, share information, and coordinate risk activity.
- **Invest in continuous education** on risks and controls so the audit team can advise credibly on emerging threats.

Middle East Conclusion

Extraordinary Circumstances Call for Rapid
Response





Middle East – Conclusion

- **Geopolitical uncertainty** doubled from 29% to 60% – the largest risk increase of any region in the world this year.
- **Cybersecurity** remained the most cited risk at 81%, rising 9 points over the prior year.
- **Supply chain (35%) and business resilience (47%)** ratings were the highest of any global region.
- **Audit plans are being updated as risks shift**, with “pop-up” advisory services and rapid, flexible assurance across the Three Lines.
- **CAEs are laying the groundwork to respond to future developments** – identifying risk owners, planning for full assurance coverage, and enhancing internal audit capability.

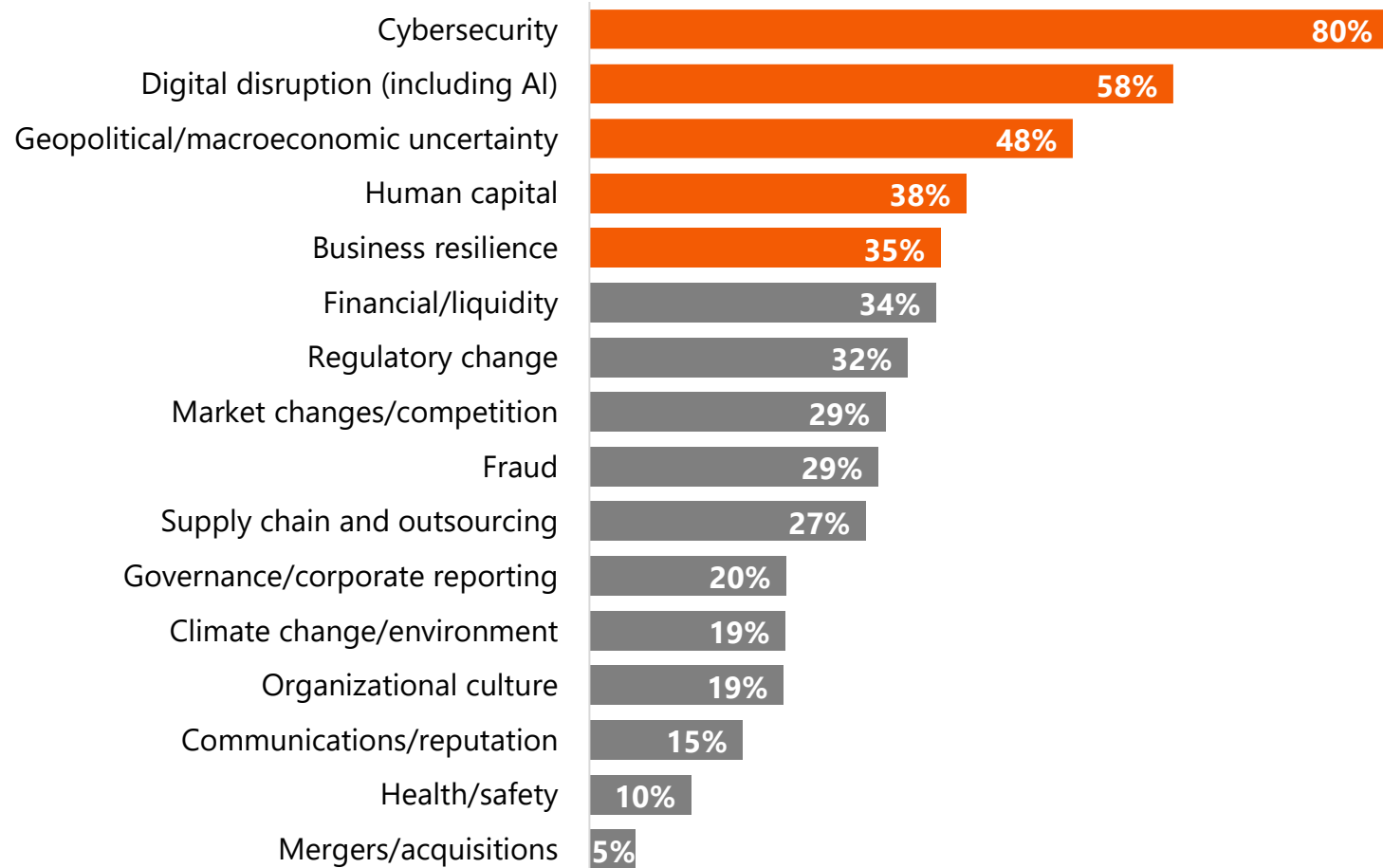
Global Risk Overview

Technology and Geopolitical Risks
Rising Rapidly



Global – Top 5 Risks

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



5 highest risks

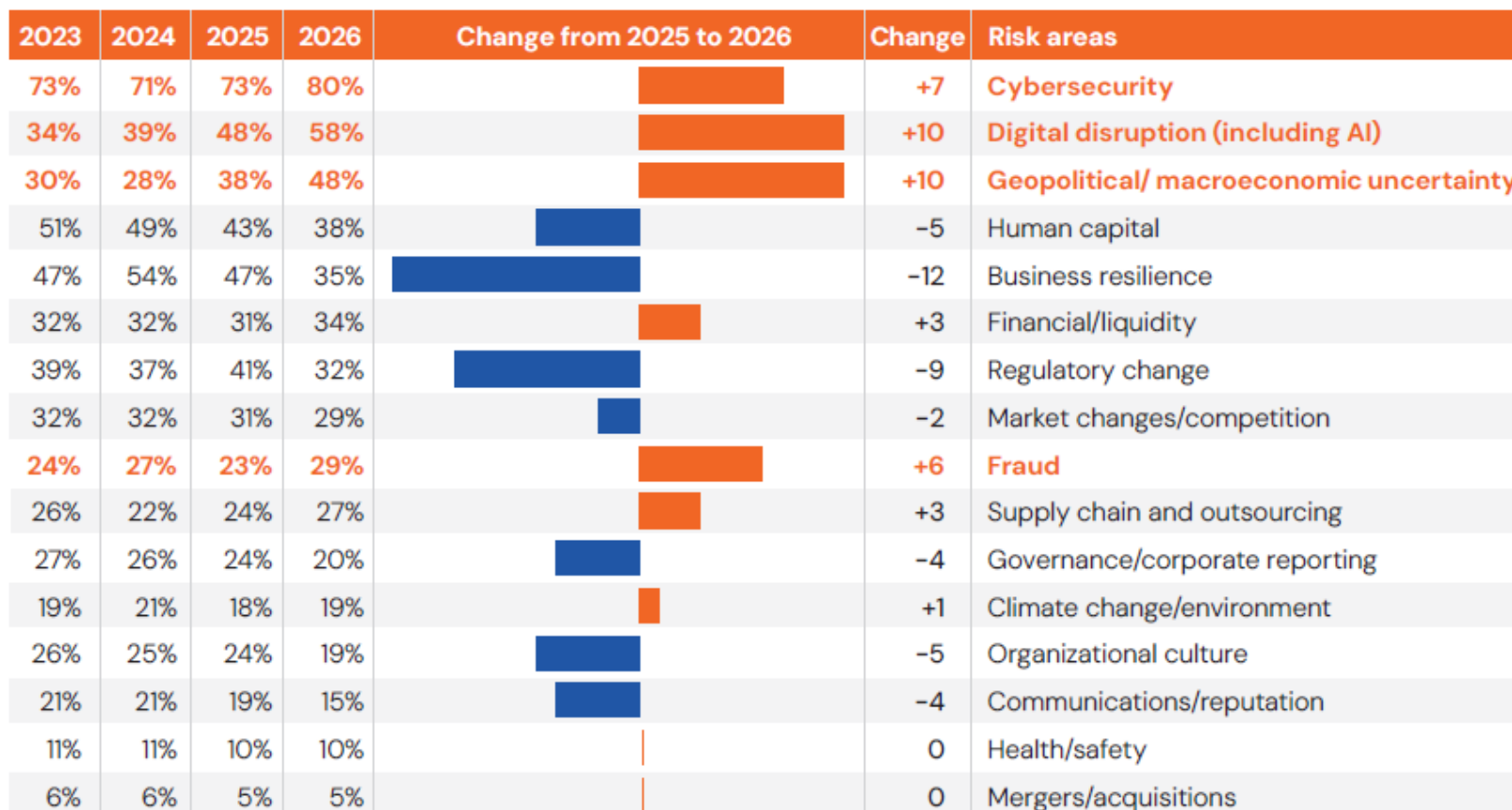
Three risks stand out at the top:

1. **Cybersecurity** is the highest organizational risk by far.
2. **Digital disruption** (including AI) reached second place.
3. **Geopolitical uncertainty** is third after significant increases last year and this year.

These risks drive and shape other risk areas.

Global – Top 5 Risks Trend

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



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

How to Interpret the Graph

Orange text indicates an increase of 4 percentage points or more compared to the prior year. The **orange** and **blue** bars show the difference in ratings from 2025 to 2026. The column labeled "change" shows the percentage point difference from 2025 to 2026.

- **High risks rising.** The three highest risks were also the ones that increased the most compared to the prior year – cybersecurity, digital disruption, and geopolitical uncertainty.
- **Risk displacement.** Business resilience and regulatory change decreased the most in risk ratings.

Global – Top 5 Risks per Region

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

Risk areas	Average of the regions	Africa	Asia Pacific	Europe	Latin America	Middle East	North America
Cybersecurity	80% ↑	73% ↑	72% ↑	86% ↑	80% ↑	81% ↑	85%
Digital disruption (including AI)	58% ↑	50% ↑	59% ↑	52% ↑	61% ↑	58% ↑	69% ↑
Geopolitical/macroeconomic uncertainty	48% ↑	35% ↑	48% ↑	51% ↑	52% ↑	60% ↑	43%
Human capital	38%	30%	41%	39%	37%	34%	45%
Business resilience	35%	28%	43%	37%	25%	47%	29%
Financial/liquidity	34%	49% ↑	28% ↑	28%	36% ↑	42% ↑	24%
Regulatory change	32%	28%	24%	40%	36%	20%	42%
Market changes/competition	29%	20%	37%	32%	27%	20%	41% ↑
Fraud	29%	50% ↑	28% ↑	16%	38% ↑	22%	18% ↑
Supply chain and outsourcing	27% ↑	21% ↑	33% ↑	26%	17%	35% ↑	33%
Governance/corporate reporting	20%	27%	21%	13%	15%	27%	14%
Climate change/environment	19%	31% ↑	20%	21%	23%	15%	7%
Organizational culture	19%	26%	19%	17%	26%	13%	16%
Communications/reputation	15%	18%	13%	17% ↑	15%	13%	16%
Health/safety	10%	12%	8%	12%	7%	10%	11%
Mergers/acquisitions	5%	2%	6%	5%	4%	3%	7%

5 highest risks

Note: The red arrows indicate an increase of 4 percentage points or more compared to the prior year.

- **Risk convergence.** Across regions, the highest-ranked risks are becoming more similar.
- **Cybersecurity** and **digital disruption** are the two highest risks for all but one region.
- **Geopolitical uncertainty** was one of the Top 5 risks for all regions for the first time since the survey started four years ago.

Global – Top 5 Audit Priorities Trend

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

2023	2024	2025	2026	Change from 2025 to 2026	Change	Audit areas
68%	69%	69%	75%		+6	Cybersecurity
45%	45%	44%	49%		+5	Financial/liquidity
42%	41%	40%	46%		+6	Fraud
55%	56%	55%	45%		-10	Governance/corporate reporting
54%	55%	53%	44%		-9	Business resilience
46%	46%	46%	43%		-3	Regulatory change
22%	25%	32%	42%		+10	Digital disruption (including AI)
34%	31%	33%	35%		+2	Supply chain and outsourcing
30%	31%	29%	25%		-4	Human capital
24%	23%	23%	19%		-4	Organizational culture
17%	16%	15%	15%		0	Health/safety
20%	20%	18%	15%		-3	Communications/reputation
16%	16%	15%	14%		-1	Market changes/competition
9%	8%	11%	13%		+2	Geopolitical/macroeconomic uncertainty
11%	12%	10%	10%		0	Climate change/environment
6%	6%	5%	6%		+1	Mergers/acquisitions

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

How to Interpret the Graph

Orange text indicates an increase of 4 percentage points or more compared to the prior year. The orange and blue bars show the difference in ratings from 2025 to 2026. The column labeled "change" shows the percentage point difference from 2025 to 2026.

- **Digital disruption** had the largest priority increase.
- **Cybersecurity, financial/liquidity, and fraud** were the three highest priorities and increased substantially vs. the prior year.
- **Governance and business resilience** experienced the most audit priority displacement, as audit effort shifted to other areas.

Global – Top 5 Audit Priorities per Region

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

Audit areas	Average of the regions	Africa	Asia Pacific	Europe	Latin America	Middle East	North America
Cybersecurity	75% ↑	67% ↑	70% ↑	79% ↑	74% ↑	78% ↑	84%
Financial/liquidity	49% ↑	56% ↑	43% ↑	44%	52% ↑	52% ↑	46%
Fraud	46% ↑	57% ↑	48% ↑	42% ↑	56% ↑	38% ↑	35% ↑
Governance/corporate reporting	45%	43%	45%	45%	38%	53%	48%
Business resilience	44%	38%	51%	48%	32%	47%	51%
Regulatory change	43%	33%	38%	50%	53%	32%	54%
Digital disruption (including AI)	42% ↑	37% ↑	40% ↑	34% ↑	47% ↑	43% ↑	53% ↑
Supply chain and outsourcing	35%	35% ↑	42% ↑	41%	27%	33%	34%
Human capital	25%	29%	27%	22%	26%	27%	20% ↑
Organizational culture	19%	22%	19%	17%	27%	18%	10%
Health/safety	15%	17%	15%	21% ↑	10%	13%	17%
Communications/reputation	15%	20%	13%	11%	16%	15%	14%
Market changes/competition	14%	13%	18%	10%	15%	15%	11%
Geopolitical/macroeconomic uncertainty	13%	15% ↑	12% ↑	8%	14% ↑	25% ↑	6%
Climate change/environment	10%	18% ↑	13%	11%	8%	8%	5%
Mergers/acquisitions	6%	2%	6%	6%	5%	5%	11% ↑

- **Cybersecurity** increased for all but one region.
- **Financial/liquidity** priority ranked second overall and increased vs. the prior year for most regions.
- **Fraud** and **digital disruption** priority increased for every region vs. the prior year.

Resources From The IIA

Global Support for the Internal Audit
Profession





Resources From The IIA

Risk Environment

- [Assessing the Risk Management Process, 2nd Edition](#) (The IIA, Global Practice Guide, 2024)
- [Role of the Internal Audit Function in ERM](#) (The IIA, Statement of Position, 2026)

Audit Priorities

- [AI Framework Support Tools](#) (The IIA, Audit Tools, 2026)
- [Artificial Intelligence Auditing Framework](#) (The IIA, 2024)
- [Auditing Cybersecurity Operations: Prevention and Detection](#) (The IIA, Global Practice Guide, 2025)
- [Auditing Privacy and Data Protection Risks, 3rd Edition](#) (The IIA, Global Practice Guide, 2026)
- [Internal Auditing and Fraud, 3rd Edition](#) (The IIA, Global Practice Guide, 2024)
- [Organizational Resilience Topical Requirement](#) (The IIA, Topical Requirement, 2026)

Risk Governance Maturity and Internal Audit Coverage

- [Developing a Risk-Based Internal Audit Plan, 2nd Edition](#) (The IIA, Global Practice Guide, 2025)
- [Developing an Internal Audit Strategy](#) (The IIA, Global Practice Guide, 2025)
- [Three Lines Model](#) (The IIA, Statement of Position, 2026)

Global Internal Audit Standards

- [Complete Global Internal Audit Standards](#)

GLOBAL SUMMARY 2026/2027

Hot Topics for Internal Auditors

RISK in FOCUS

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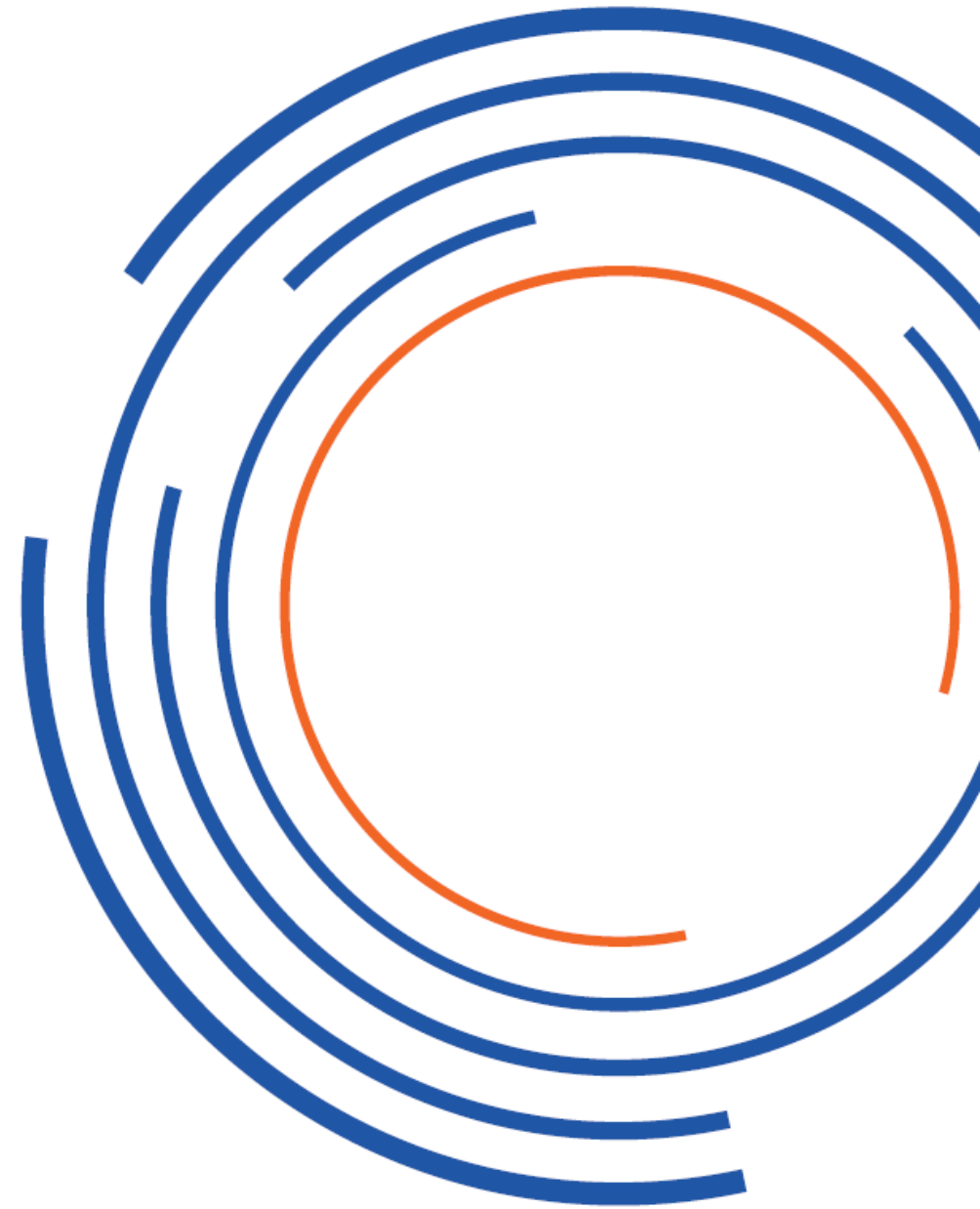
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