



AFIIA

Newsletter



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Dear AFIIA Members,

As we move forward together into the final quarter of the year 2025, I am filled with pride and optimism for the strides our profession continues to make in Africa. Since assuming the role of chairman in July 2025, I have witnessed firsthand the energy, collaboration, and innovation that define AFIIA's spirit.

Our shared commitment to elevating internal audit across Africa is commendable. Great participation from regional engagements to strategic initiatives, and your contributions are shaping a more resilient, transparent, and forward-thinking profession. I commend each of you for your dedication and for championing the value of internal audit in your countries and beyond.

This issue of the newsletter highlights not only our collective achievements but also the opportunities ahead. Let us continue to challenge ourselves, embrace digital transformation, and foster inclusive dialogue across borders.

AFIIA thrives when we connect, learn, and lead together.

Thank you for your continued support and engagement. I look forward to the next chapter of growth, impact, and excellence, with you by my side.



Ms. Thokozile Kuwali, CIA
AFIIA Chairman



Strengthening Internal Audit Capacity for Better Governance and Accountability in Africa

AFIIA is proud to spotlight its strategic partnership with The Global Fund. The partnership underscores our shared commitment to strengthening governance, accountability, and public financial management systems across Africa.

Under this engagement, AFIIA has been contracted to implement a regional project aimed at assessing and strengthening the capacity of internal audit functions in selected countries. Phase one of the project is implemented in Nigeria, Tanzania, Benin, Sierra Leone, and Burkina Faso. The project seeks to strengthen Public Financial Management (PFM) by reinforcing the effectiveness, independence, and capacity of internal audit functions—ultimately contributing to improved governance, transparency, and accountability in the management of public resources, including Global Fund grants. The implementation period runs from June 2025 to December 2026.

The project involves conducting comprehensive capacity assessment of internal auditors. This assessment aims to identify the skills, knowledge, and resources required to enhance the effectiveness and efficiency of internal audit functions and prioritize interventions. The assessment will involve review of internal audit reports, conducting survey-Questionnaires and interview of some Audit Committee members and senior management.

AFIIA remains committed to working closely with TGF and other key stakeholders to drive sustainable improvements in internal audit practices and contribute to stronger and efficient public and particularly health systems across Africa.



TORONTO, CANADA



AFIIA Governaning Council at the Global Assembly – Toronto, Canada (July 2025)

Last July 2025, IIA Global organized Global Assembly and International Conference which were held in Toronto, Canada. The IIA Global Assembly is a strategic of leaders from across the globe, where the direction of the internal audit profession is shaped. Over 30 AFIIA Affiliates leaders joined the global events in Toronto, making Africa’s presence visible and impactful..



“

Africa’s voice is strong, strategic, and forward-looking-shaping decisions that will impact the profession in the continent.

AFRICA REPRESENTATION TO IIA GLOBAL EVENTS.

AFIIA Governing Council at the Global Assembly – Toronto, Canada (July 2025)

African Affiliate Leaders in group photo during the International Conference held in Toronto, Canada in July 2025



CAMEROON

IIA Cameroon Hosts First Conference

In a historic milestone, IIA Cameroon successfully hosted its first conference since gaining official recognition from IIA Global 2024. The event attracted internal audit practitioners, policymakers, and industry experts, marking the beginning of a strong professional journey for Cameroon in the AFIIA family.



RWANDA



The 8th Internal Audit Annual Conference

The **8th Internal Audit Annual Conference** was held from **September 24–26, 2026**, at **Mantis Kivu Marina Bay** in **Rusizi**, under the theme **“Embrace Change, Better Future.”** The event brought together Internal Auditors, Risk Professionals, and Governance Experts, with international participation from **The Gambia, Mozambique, and Sierra Leone**.

A major highlight was the inaugural IIA Rwanda Excellence Awards, recognizing outstanding contributions in the profession. Awards were presented for **Young Professional of the Year, CAE of the Year, and Professional Leadership of the Year**.

The conference featured keynote speeches, presentations, and panel discussions focused on innovation, risk, and the evolving role of internal audit. It concluded with a strong call to embrace change as a pathway to a better future.



Section of the group photo of the 8th Internal Audit Annual Conference



The CEO of IIA Rwanda awarding the CAE of the year in the first ever IIA Rwanda Excellence Awards

SOUTH AFRICA

Virtual Student Conference 2025: Let’s Get Loud!

On Thursday, 19 September 2025, students from across the country came together virtually for the highly anticipated IIA SA Student Conference, themed Let’s Get Loud! A call to empower the next generation of internal auditors to find their voice, embrace innovation, and step confidently into leadership. The programme ran from 09:30 to 14:30, offering a mix of inspiration, insight, and interaction.

The event kicked off with an energetic welcome from Programme Director, Freedom Motshweneng, setting an upbeat tone for the day. IIA SA Chief Executive Officer, Arlene-Lynn Volmink, delivered an inspiring Opening Address, marking the inaugural Student Conference and encouraging students to boldly claim their place in the profession.

The morning featured an engaging style and confidence session; How Do I Look? : Get Dressed for Success, by Personal Stylist and Image Consultant, Liesl Hillman, reminding students that professional presence begins with self-assurance. This was an engaging session and got students thinking about their future careers and the presence they want to have within the internal audit space. Students really enjoyed this session and engaged



The first keynote, Finding Your Voice in Internal Auditing: From Student to Strategic Leader, presented by Siyabonga Pono, IIA SA Gqeberha Regional Governor and Chief Auditor at Nelson Mandela Bay Municipality, resonated deeply with students aspiring to lead with purpose and impact.

After a short tea break, the spotlight turned to the future of auditing with Bilal Kathrada, Founder & CEO of IT Varsity, who explored Let’s Get Loud with Tech and AI: How Auditors Are Set for Leadership in the AI Age. This was followed by Grant Hughes, Chief Information Security Officer at GVW Group, whose session, The Cyber-Savvy Auditor: Shaping Trust and Accountability in the Digital Age, highlighted the crucial role of digital fluency in today’s profession.

Adding a powerful student voice to the conversation, Gabriella Skinner, Honours student in Internal Auditing at the University of Pretoria, delivered a thought-provoking talk titled Breaking the Silence the Power of Audit. Her perspective brought authenticity and inspiration to the day’s discussions.

After the lunch break, Thandolwethu Solani, IIA SA Johannesburg Regional Governor and Senior Group Internal Auditor at Discovery Limited, took attendees on a journey From Quiet to Confident: Finding Your Place in the Profession. Her insights encouraged students to own their space and



The afternoon wrapped up with a fun and interactive post-makeover session by Liesl Hillman, where students got to see live demonstration of the post makeover look of two internal audit students, Nelisiwe Mavimbula and Jonathan Bamporiki, it showcased professional looks for the workplace and the do’s and don’ts. This was a well received session, and we received positive feedback and engagement from students being excited. We took a look into Siyakhula Student Membership with Thabiso Moitsoi, the conference ended on a high note with an exciting round of prizes and closing remarks by the ever-charismatic Freedom Motshweneng.

The Virtual Student Conference 2025 truly embodied its theme, empowering students to get loud, stand tall, and be seen as the future leaders of the internal audit profession.

28th Southern Africa Annual National Hybrid Conference

The Institute of Internal Auditors of South Africa (IIA SA) hosted its 28th Southern African Internal Audit Conference from 11th – 13th August 2025 at the Sandton Convention Centre, under the theme “The Next Chapter: Innovate, Integrate and Accelerate” a convergence of expertise, innovation, and collaboration that truly embodied its theme.

The three-day conference brought together internal auditors, executives, and thought leaders from across the South Africa to explore how innovation, ethics, and technology continue to redefine the profession. The event provided a powerful platform for learning, collaboration, and forward-thinking discussions around the future of internal auditing.

Day 1 of the Conference opened with an inspiring welcome from Programme Director, Katlego Msomi, followed by an Opening Address from IIA SA Board Chair, Lusanda Ncoliwe, who highlighted matters of importance within the internal audit profession and encouraged all delegates to be intentional and take their roles in elevating the profession. The morning keynote, delivered virtually by Athol Williams from the University of Oxford, set the tone for the conference with insights on ethical self-leadership.

One of the highlights of the day was the Ethics Panel Discussion: “Leading with Integrity in a Digital and Disrupted World”, moderated by Sizwe Nyenyiso. Esteemed panellists including Arlene-Lynn Volmink, Dr Liezel Groenewald, Mario Fazekas, Sherma Malan, and Zulpha Abrams explored how ethical principle must evolve alongside technological transformation.

AFFILIATE NEWS AND ADVOCACY ACTIVITIES

Delegates then delved into concurrent sessions covering themes of Social/Ethics & Sustainability; Technology & Innovation; Fraud & Anti-Corruption Future of the Internal Audit Profession; GRC Matters and Emerging Risks with topics ranging from AI and GenAI in Internal Audit, Agility in Governance Systems, and Open-Source Intelligence in Fraud Investigations, offering practical perspectives for various areas of the profession.

The afternoon sessions deepened conversations around strategy, innovation, and cybersecurity, including the Cybersecurity for All: Bridging Gaps and Building Resilience panel moderated by Lutendo Mashabela. The day concluded with an MOU signing between IIA SA and ACCA, symbolising collaboration in professional development, and a keynote by Ayanda Mafuleka, CEO of FASSET, who inspired attendees to continue driving transformation within the profession.

Day 2 began with an Opening Address by IIA SA CEO, Arlene-Lynn Volmink, followed by a keynote from Ruth Doreen Mutebe, Immediate Past Chair of AFIIA, who spoke on leadership in internal audit. The CAE Panel Discussion, moderated by Thokozani Sihlangu, explored how internal auditors can remain resilient amid interconnected risks.

Breakaway tracks tackled key topics such as ethical leadership, cybersecurity compliance, and technical assurance, while Fanie Ndlovu captivated audiences with a forward-looking session on using AI and virtual reality to skill the next generation of auditors. The day ended on a high note with a keynote by Ashleigh Theophanides.

The Annual Gala Dinner & Member Awards, held on the evening of Tuesday, 12 August 2025, was a spectacular highlight of the year’s National Conference. Themed ‘Grand Prix Ball themed “Life is in Bloom”’ members gathered to celebrate excellence and innovation within the profession.

The Gala Dinner struck the perfect balance between celebration and enjoyment. The award presentations were formal yet filled with warmth, and once the awards were handed out, the dance floor quickly came alive.

Congratulations to All Member Award Winners!

The final day featured a series of world-class keynotes, beginning with Shirley Machaba, PwC South Africa CEO, who spoke on building inclusive growth through global cooperation. Andrew Tsuro, Sisa Ntlango, and Tafireyi Nyamazana followed with thought-provoking insights on redefining leadership, strategic influence, and ethical governance in complex environments.

A dedicated Bonus CAE Track wrapped up the conference, with Prof Lethiwe Nzama-Sithole, Arlene-Lynn Volmink, and Thokozani Sihlangu leading critical discussions on professionalisation and the future direction of internal auditing.



NIGERIA



GHANA



Investiture and swearing in of IIA Ghana Newly Elected Council



2025 Annual National Conference



MAURITIUS

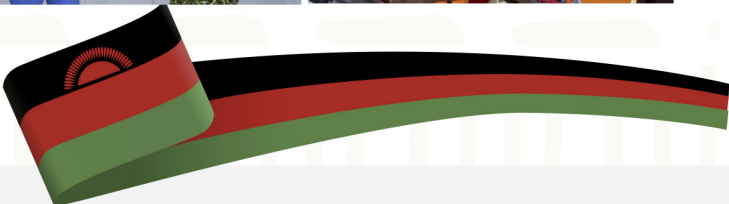


The Institute of Internal Auditors (IIA) Mauritius held its annual conference on Friday, October 17, 2025, at Ravenala Attitude in Balaclava. The event, which has become a key gathering for the internal audit and governance community, brought together more than 150 professionals from the public and private sectors. Attendees included business leaders, decision-makers, and various local and international experts in finance, governance, risk management, and compliance, among other fields.

Conference Theme: This year's conference, themed "Rewiring Governance, Risk and Performance in the Age of AI and Uncertainty," explored the new challenges and opportunities facing audit and governance professionals in the era of artificial intelligence, digitalization, and sustainability requirements.



MALAWI



TANZANIA

IIA Tanzania 18th Annual Internal Audit Conference: Inspiring Growth, Certification, and the Future of Internal Audit

The Institute of Internal Auditors Tanzania hosted the landmark 18th Annual Internal Audit Conference. Held at the Arusha International Conference Centre (AICC), the five-day event brought together more than 1,000 delegates under the theme: “Evolving Internal Audit: Resilient, Trusted and Purpose.”

This year, the conference was not just about discussions; it was about transformation, ambition, and inspiration.

The momentum began early with two days of intensive pre-conference events: the 12th Governance Forum and the 2nd IIA Tanzania Academy. The Governance Forum set a powerful tone, calling for ethical, resilient, and inclusive leadership. At the same time, the IIA Tanzania Academy advanced technical excellence, highlighted by the first ever CIA Masterclass in partnership with PRC. Over 30 delegates committed themselves to a five-day deep dive into the CIA exam from Parts I to III, marking a milestone in the country’s journey toward building globally certified professionals.

A Moment of Honor: Celebrating Tanzania’s New CIAs

On 24th September, as the main conference commenced, the hall paused to celebrate achievement more than 17 newly Certified Internal Auditors. Benjamin Magai, the Internal Auditor General, and Thokozile Kuwali, AFIIA Chairman presented their badges. The moment was both celebratory and inspiring where delegates were reminded that certification is not the end but a commitment to Lifelong learning and adherence to Internal audit ethical standards.



Youthful Energy: Students Bridging Generations

The conference also shone a spotlight on the next generation of internal auditors. Earlier in June, IIA Tanzania inspired over 300 students at the National Student Conference to explore the profession. Some of these students later stepped up as volunteers at the 18th Annual Conference, promoting the event, assisting with registration, and guiding delegates.

Their involvement was more than support; it was a true bridge between generations. They met internal auditors from both the public and private sectors, who inspired them to become the next leaders in the profession and offered opportunities to build meaningful networks. They watched CIA candidates strive for mastery, celebrated professionals receiving their badges, and got to learn more about the life and work of an internal audit professional. By the final day, the question had changed: not if, but how they would rise to the challenge and shape their future as internal auditors.



A student presenting during a panel discussion at the Tanzania Internal Audit Student Conference, showcasing emerging talent and ideas.



Student volunteering at the registration desk during the Annual Conference.

When the last session concluded, the conference transformed into a different kind of learning journey, a tour through Serengeti and Ngorongoro, two of the world’s most breathtaking natural wonders. Delegates experienced the vast open plains where wildlife roams freely, sunrise stretching across endless grasslands, and the ancient Ngorongoro Crater with its dramatic landscapes and thriving ecosystems.

In the end, the 18th Annual Internal Audit Conference became more than a gathering. It became a turning point a year marked by growth, recognition, and a strengthened community ready to carry Tanzania’s internal audit profession into its next chapter with confidence and purpose.



Exploring Tanzania: Delegates at Ngorongoro National Park” Conference participants enjoying the natural beauty and reflection moments after the Conference.



BUILT TO LAST

STRENGTHENING AUDIT QUALITY

FOR SUSTAINABLE TRUST

Abstract

In a world defined by volatility and complexity, the internal audit profession plays a critical role in sustaining trust, accountability, and organizational resilience. This article explores how audit quality, anchored in the Global Internal Audit Standards (GIAS 2024) and aligned with The Institute of Internal Auditors (IIA) Vision 2035, provides the foundation for sustainable assurance and institutional credibility.

The Cornerstone of Trust

As organizations navigate increasingly dynamic risk environments, internal audit’s role as a strategic assurance provider has never been more vital. The credibility of internal audit depends on one defining factor – Quality. Audit quality is not a mere procedural checklist, but is a strategic discipline that integrates conformance, performance, and continuous improvement across the audit lifecycle. When embedded in culture and championed by leadership, quality transforms internal audit from a control mechanism into a strategic partner in governance and value creation.



By

DR. ZELIA NJEZA

CIA, CPA

Redefining Audit Quality

In a general definition, quality represents the degree to which a process, product, or service meets standards and satisfies stakeholders expectations. Within internal auditing and in accordance with global internal audit standards (GIAS 2024), quality is redefined through three key dimensions:

- **Conformance** to the Global Internal Audit Standards.
- **Performance measurement** – setting performance objectives and measures to track performance.
- **Continuous Improvement:** including evaluating and enhancing audit practices, methodologies, and staff competencies.

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Anchoring Quality in GIAS 2024 and IIA Vision 2035

Within **GIAS 2024**, quality is anchored through three interdependent dimensions embedded in its principles:

- **Board Oversight (Principle 8)**
affirming the board’s responsibility in overseeing the quality of internal audit.
- **Performance Measurement (Principle 12)**
reinforcing the importance of setting performance objectives, measurement methodology and transparent reporting, and accountability for internal audit outcomes.
- **Internal Auditors’ Competency (Principle 3)**
underscoring the need for professional excellence and continuous development to maintain the highest standards of assurance and advisory.

Aligned with the IIA Vision 2035, these principles advance a forward-looking view of quality—where internal audit functions are not only compliance focused or perform the role of police, but also **adaptive, data-driven**, and strategically positioned to enhance governance, risk management, and organizational resilience.

Together, GIAS 2024 and IIA Vision 2035 position quality as the driver of excellence, shaping internal audit functions that are trusted, resilient, and future-ready.

The Pillars of Internal Audit Quality

Achieving lasting quality is grounded on five interconnected pillars:

- 1. Governance and Oversight** - Effective board oversight ensures accountability for quality. Consistent with GIAS 2024, the board must actively review and approve the Quality Assurance and Improvement Program, fostering regular dialogue on performance and improvement.
- 2. Competence and Ethics** - Sustained professional development and ethical discipline build credibility. Audit quality is inseparable from the ethics and skills of auditors. Certifications such as Certified Internal Auditor, Certification in Risk Management Assurance, Internal Audit Practitioner, and emerging competencies (such as Environmental, Social, & Governance (ESG), data analytics, Artificial Intelligence and cybersecurity) are essential to staying relevant.
- 3. Methodology and Execution** - Standardized, risk-based approaches reinforce consistency and reliability.
- 4. Quality Assurance and Improvement Program (QAIP)** - A structured mechanism to evaluate, report, and enhance performance. QAIP integrates internal and external assessments, enabling audit functions to align with standards, improve performance, while cultivating a culture of learning and innovation.

The QAIP Cycle: Engine of Continuous Improvement

The QAIP is the mechanism through which audit quality is embedded and sustained. In alignment with GIAS 2024 Standard 8.3, the QAIP provides a structured, evidence-based mechanism to assess, enhance, and demonstrate the internal audit function’s conformance and performance.

A complete QAIP cycle includes planning and design, ongoing assessments conducted continuously, an annual periodic self-assessment, and an External Quality Assessment (EQA) undertaken at least once every five years. The cycle also includes systematic reporting and communication of results, followed by a structured process of continuous improvement to enhance audit effectiveness and conformance.

As summarized in Figure 1 below, the QAIP cycle reinforces that quality must move from an event to an **embedded habit of excellence**.

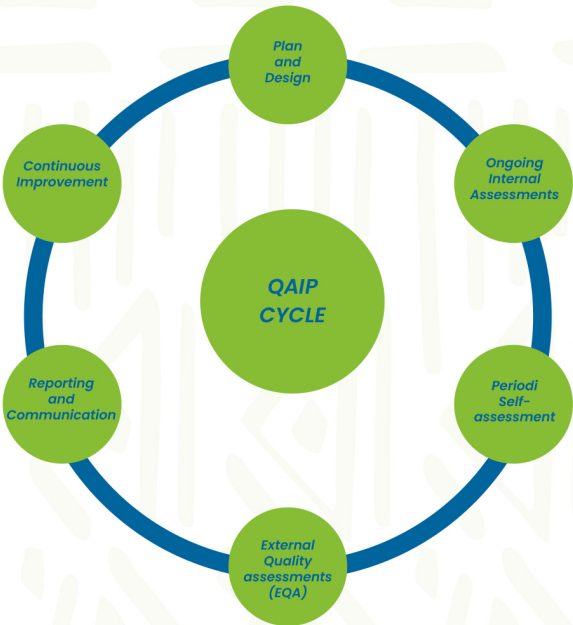


Figure 1. QAIP Cycle Model
Source: Developed by the author based on the internal audit QAIP framework (2025)

Why Audit Quality Matters

Audit quality underpins the profession’s credibility and impact. A high-quality internal audit function:

- “**AUDIT QUALITY IS A CULTURE**”
- **Builds trust** – among internal audit teams, partners, and stakeholders.
 - **Drives insight** – helps the organisation anticipate change, adapt quickly, and remain sustainable
 - **Fuels continuous improvement** – by aligning practices with standards, and by fostering innovation in how to govern, assess, and improve.
 - **Elevates the Profession:** reinforces the profession’s role as a strategic advisor – not just a watchdog/policeman. It demonstrates that internal audit is a key driver for performance, resilience, and organizational sustainability.

When quality becomes cultural, internal audit evolves from a reactive assurance provider to a proactive strategic advisor.

Strategic Call to Action

To sustain assurance and reposition internal audit strategically, leaders must:

- Make quality the foundation of audit practice
- Invest in professional development and talent management
- Strengthen stakeholder engagement and relationships
- Foster continuous improvement and innovation
- Build resilient functions that inspire sustainable trust

Challenges to Sustaining Audit Quality

To better understand the evolving challenges internal audit functions face in maintaining high-quality practices, a focused survey was conducted during the 18th IIA Tanzania Annual Internal Audit Conference i September 2025. The survey engaged 107 internal auditors from diverse sectors, generating valuable insights into persistent barriers to audit quality and maturity.The results highlighted five main challenges:

- **1. Limited team capacity and skills** emerged as the most significant issue, cited by **56 auditors (52%)**. This underscores the urgent need for investment in continuous professional development—through training, certification, and retention strategies—to build competent and resilient audit teams.
- **2. Lack of robust frameworks and tools**, identified by **23 auditors (21%)**, points to methodological gaps, limited tools and digital enablement that undermine consistency and insight generation.
- **3. Weak strategic alignment with leadership**, noted by **17 auditors (16%)**, indicates that audit priorities are not always integrated with organizational strategy, reducing the function’s influence and impact.
- **4. Inconsistent stakeholder engagement**, flagged by **8 respondents (7%)**, highlights the importance of proactive communication
- **5. Financial resource constraints**, mentioned by **3 auditors (3%)**, serve as a reminder that even skilled teams need adequate funding to sustain excellence.

Overall, the findings reveal that most challenges stem from capability and system gaps, emphasizing the need for strategic investment in audit team, tools, and leadership and stakeholders' alignment to elevate audit quality and sustain stakeholder trust.

Conclusion: Built to Last

Quality is the enduring foundation upon which trust is built. It must be practiced daily, measured consistently, and improved continuously.

As the profession advances, internal audit leaders must ensure their functions are anchored in quality, guided by ethics and professionalism, and driven by purpose.

About the Author

Dr. Zelia Njeza, CIA, CPA, is a governance, risk, and internal audit leader with over 18 years of experience. She blends technical expertise with transformative leadership and is passionate about governance, risk management and controls.

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THE ROLE OF INTERNAL AUDIT IN AUDITING THE RISK APPETITE



By
Mr. Samuel Lipimile
MPhil, LLB, FCCA, FZICA, CIA, CISA, CRISC

Abstract

Risk appetite is a critical component of an organisation’s risk management framework, defining the level of risk the organisation is willing to accept in pursuit of its objectives. Internal audit plays a vital role in ensuring that the stated risk appetite aligns with actual risk-taking behaviours. This article explores the role of internal audit in auditing risk appetite, the methodologies employed, the challenges faced, and best practices to enhance effectiveness. By understanding these elements, organisations can better leverage internal audit functions to improve risk governance and drive strategic success.

Introduction

Risk appetite serves as a guiding principle for decision-making and risk-taking within organisations. It is crucial that risk appetite statements are not only well-articulated but also effectively implemented and monitored.

Organizations operate in increasingly complex environments, characterised by regulatory changes, technological advancements, and market volatility. As such, risk appetite must remain dynamic and responsive to evolving business conditions.

Internal audit provides independent assurance on whether the organisation’s risk appetite framework is robust, consistently applied, and integrated into business operations (Institute of Internal Auditors [IIA], 2020). By auditing risk appetite, internal auditors ensure that management’s risk-taking aligns with the board’s expectations and that emerging risks are appropriately addressed. Internal audit, with its independent and objective perspective, plays a crucial role in assessing whether risk appetite frameworks are effectively embedded in the organisation’s governance, risk management, and compliance structures.

The Role of Internal Audit in Auditing Risk Appetite

1. Assessing the Risk Appetite Framework Internal auditors evaluate whether the risk appetite framework is clearly defined, regularly reviewed, and aligned with the organisation’s strategic objectives. This includes examining policies, governance structures, and stakeholder engagement in risk appetite discussions (COSO, 2017).

A well-defined risk appetite framework should include clear statements of risk tolerance levels, metrics for measuring risk exposure, and governance mechanisms for monitoring adherence. Internal auditors assess whether these components are well-documented, communicated across the organisation, and integrated into decision-making processes.

2. Reviewing Risk Appetite Implementation Internal audit ensures that risk appetite is integrated into operational decision-making, risk management processes, and performance evaluation mechanisms. This includes assessing whether risk thresholds are respected in business processes (IIA, 2021).

Implementation challenges often arise due to inconsistencies between risk appetite statements and actual risk-taking behaviours. Internal auditors examine whether risk limits are actively monitored, whether risk reports provide meaningful insights, and whether deviations from risk appetite are appropriately addressed.

3. Testing Risk Appetite Adherence Internal auditors employ audit tests to determine whether actual risk-taking aligns with the established risk appetite. This involves analysing risk registers, financial exposure, and compliance reports to identify any deviations (PwC, 2019).

Common areas of non-adherence include excessive risk-taking beyond approved limits, poor risk reporting practices, and ineffective escalation mechanisms. Internal audit evaluates these aspects to ensure that risk appetite remains a meaningful guide for business activities.

4. Providing Assurance on Risk Culture The effectiveness of risk appetite depends on an organisation’s risk culture. Internal audit evaluates whether employees at all levels understand and adhere to risk-taking boundaries. This is achieved through surveys, interviews, and reviewing risk-related communications (Deloitte, 2020).

A strong risk culture fosters consistent decision-making aligned with the organisation’s risk appetite. Internal audit assesses the tone at the top, communication of risk-related expectations, and whether risk appetite principles are embedded in performance management frameworks.

5. Identifying Emerging Risks Internal audit plays a proactive role in identifying risks that may not be adequately reflected in the existing risk appetite framework. This includes cybersecurity threats, regulatory changes, and market disruptions (KPMG, 2021).

Organisations must periodically update their risk appetite statements to reflect emerging threats. Internal auditors analyse external risk factors, conduct scenario analyses, and review risk assessment methodologies to ensure that risk appetite remains relevant.

Challenges in Auditing Risk Appetite

- **Subjectivity in Risk Appetite Measurement:** Organisations may struggle to quantify their risk appetite, making audit assessments challenging.
- **Lack of Clear Risk Indicators:** Inconsistent risk reporting may hinder internal audit’s ability to draw conclusions.
- **Resistance from Management:** Some business units may resist internal audit recommendations, viewing them as restrictive rather than enabling.
- **Rapidly Changing Risk Landscape:** Emerging risks such as geopolitical shifts and technological advancements can render risk appetite frameworks obsolete.
- **Lack of Integration with Strategic Planning:** In some organisations, risk appetite is treated as a compliance exercise rather than a strategic tool. Internal auditors must ensure that risk appetite is embedded in corporate strategy discussions.

Best Practices for Effective Auditing of Risk Appetite

- **Strong Collaboration with Risk Management:** Internal audit should work closely with risk management teams to ensure alignment.
- **Use of Data Analytics:** Leveraging advanced data analytics can enhance risk appetite assessments by identifying hidden trends.
- **Regular Board Reporting:** Providing timely and insightful reports to the board ensures that risk appetite discussions remain dynamic.
- **Continuous Education and Training:** Internal auditors should undergo periodic training on evolving risk management practices.
- **Benchmarking Against Industry Standards:** Comparing risk appetite frameworks with industry best practices can help organisations refine their risk management approaches.

Case Studies in Effective Risk Appetite Auditing To illustrate the role of internal audit in auditing risk appetite, the following case studies provide practical insights:

- 1. Financial Sector Case Study** A major financial institution faced regulatory scrutiny due to inconsistencies in its risk appetite framework. Internal audit conducted a comprehensive review, identifying gaps in risk reporting, inadequate stress testing procedures, and misalignment between business unit risk-taking and board-approved risk limits. Following internal audit recommendations, the organisation implemented enhanced risk appetite monitoring tools, leading to improved regulatory compliance and more effective risk governance.
- 2. Manufacturing Industry Case Study** A global manufacturing company experienced supply chain disruptions due to geopolitical risks. Internal audit assessed whether these risks were adequately reflected in the organisation’s risk appetite framework. The audit revealed that risk appetite statements failed to account for external supply chain vulnerabilities. By integrating supply chain risk appetite considerations into corporate strategy, the company enhanced resilience and minimised operational disruptions.

Conclusion

The internal audit function is instrumental in providing assurance on an organisation’s risk appetite framework. By assessing risk appetite statements, testing adherence, and ensuring integration into decision-making, internal audit strengthens risk governance.

Overcoming challenges through collaboration, technology, and continuous learning will enhance the effectiveness of auditing risk appetite. As organisations navigate increasingly complex risk environments, internal audit’s role in safeguarding risk appetite remains indispensable.

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By

Ms. Aggarwal Arpna



DIGITAL ACCOUNTABILITY: EXPANDING THE ‘G’ IN ESG ASSURANCE

“

*Majani ni mabichi zaidi pale ambapo watu wanatunza mazingira,
jamii, na uongozi bora.*

*(The grass is greener where people care for the environment,
the community, and good governance.)*

”

From the sun-drenched landscapes of Tanzania, where the rain leaves a scent of renewal on warm sand, I learned that true value is never isolated; it is cultivated through care, connection, and accountability. That lesson guides my conviction that auditors are not merely scorekeepers of compliance, they are architects of trust.

In Africa’s rapidly changing ESG landscape, the “G” in Governance is no longer a silent letter between Environment and Society; it is the framework that supports both. Governance today is more than compliance; it is conscience in action. It is the invisible infrastructure that turns promises into proof and values into measurable actions.

Within this framework, Internal Audit embodies governance, the mechanism that tests truth against transparency, ensuring that ethical intent endures through operational complexity.

As organizations accelerate digital transformation, auditors act as translators between principles and practice, guarding against data distortion, algorithmic bias, and systemic complexity (PwC, 2023). Governance, anchored by Internal Audit, is not merely one pillar among three; it is the foundation upon which ESG integrity stands.

The Blind Spot in ESG Accountability

As ESG moves from the periphery to the heart of corporate strategy, a critical blind spot has emerged: organizations are racing to measure impact without securing the integrity of the systems that generate those measurements. Auditors, once limited to financial statements, now find themselves at the forefront of digital trust, verifying ESG disclosures, validating AI-driven decisions, and ensuring that governance stays ahead of emerging challenges in technology.

Nowhere is this more urgent than in Africa, where digital innovation outpaces regulation. The continent’s rapid modernization brings immense promise. Yet, it also exposes a widening gap in oversight, where sustainability claims, data pipelines, and algorithmic decisions can outstrip the reach of current governance frameworks. Without rigorous digital assurance, ESG risks collapse into performance theater: greenwashed reports, biased AI outcomes, and unverified data presented as truth.

Africa’s auditors stand at a crossroads. By embedding AI assurance, cybersecurity, and data governance into ESG reviews, they can convert this vulnerability into an advantage, building accountability from the ground up and defining a governance model that inspires others.

Regulatory and Reporting Challenges

Many African countries lack specific laws for AI in sectors such as healthcare, unlike the U.S. or Europe, where strict oversight exists. Existing regulations are often outdated or too broad, creating a regulatory gap that allows untested AI tools to be used without proper validation or ethical review (CIPIT 2023). Weak enforcement deepens the risk; privacy breaches, biased models, and patient harm go unnoticed, eroding public trust and investor confidence. These aren’t technical glitches; they’re governance failures.

As illustrated in Figure 1, auditors are focal in this trust gap. By testing AI systems, verifying ESG data integrity, and strengthening digital controls, they can convert regulatory uncertainty into a platform for responsible leadership.

ESG Regulatory & Reporting



Figure 1: ESG Regulatory & Reporting Gaps in Africa
Source: Adapted from “The State of AI in Africa Report 2023” (CIPIT, 2023)

Infrastructure and Technology Deficits

Many sectors in Africa encounter significant infrastructure and technology gaps, including unreliable electricity and poor connectivity, as well as fragmented health information systems.

Digital solutions are often deployed separately, lacking proper integration or effective data-sharing. These issues hinder the adoption of innovations like telemedicine and impede the reliable collection of ESG data, ultimately undermining performance monitoring, accountability, and evidence-based decision-making.

As illustrated in Figure 2, Internal auditors can convert these challenges into opportunities for reform by assessing digital readiness, validating data integrity, and championing system interoperability. By doing so, they help build the technical backbone of accountability.

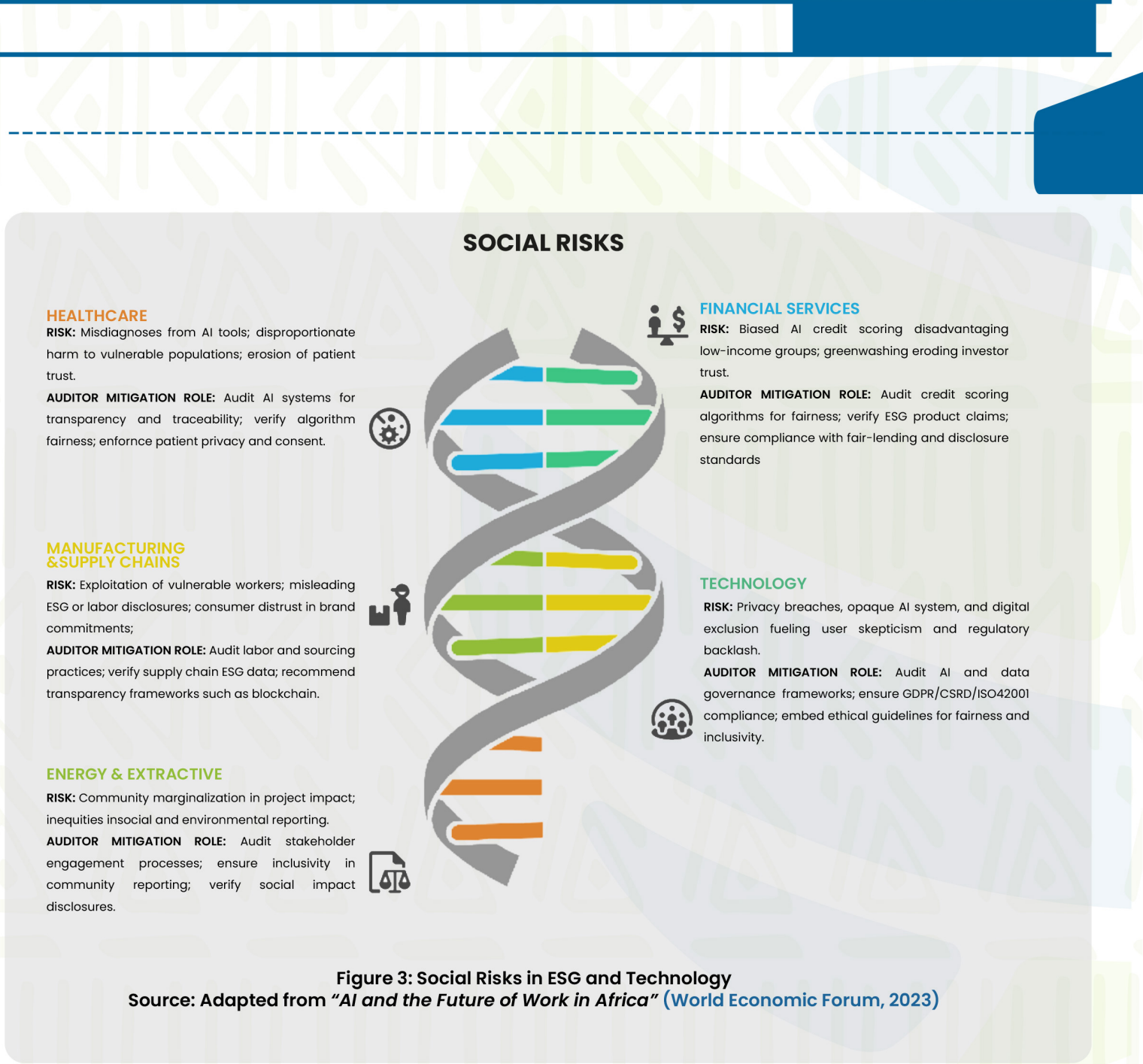


Figure 2: Infrastructure and Technology Deficits in ESG
Source: Adapted from “Africa’s Digital Transformation Strategy (AfDB 2024)
African Union Commission (AUC, 2020)

Social Risks

At the heart of ESG lies social risks, how technology and governance affect real lives. When AI tools or ESG strategies fail, the outcomes are not just theoretical; they cause harm to vulnerable groups, create access disparities, and quickly undermine trust. In healthcare, finance, manufacturing, energy, and technology, these risks highlight the need for auditors to protect fairness, transparency, and accountability in all digital and organizational decisions.

As illustrated in Figure 3, from healthcare to finance and energy, these risks demand that auditors act as ethical sentinels, testing systems for fairness, inclusivity, and accountability.



These interconnected risks mirror global patterns, reinforcing that Africa’s ESG evolution cannot exist in isolation and is part of a worldwide dialogue on accountability, trust, and technology.

Africa in a Global ESG Context

Africa’s ESG transformation reflects a global balancing act between rapid growth and responsible governance. In 2023, Standard Bank arranged a USD 306 million sustainability-linked loan for Grit Real Estate, signaling how green finance is taking root in African capital markets (ESG News, 2023). Yet governance lapses, such as fraudulent environmental practices across the mining sector, expose weak assurance mechanisms and data transparency gaps.

The African Development Bank’s Africa Carbon Support Facility (ACSF) steps in to close this gap by helping countries strengthen carbon markets and attract sustainable investment (AfDB, 2024).

Similar challenges are visible globally. In Latin America, roughly 70 percent of transition-mineral mines overlap Indigenous lands and 71 percent sit in biodiversity hotspots (Forests & Finance Coalition, 2025). In Asia, adoption of big-data technologies has significantly increased ESG investment flows, underscoring technology’s power to scale sustainability frameworks (IFC & Amundi, 2021).

Within Africa, however, progress remains uneven. The WWF Sustainable Banking Assessment (SUSBA, 2023) reports ESG integration scores of 50.1 percent for South Africa, 43.7 percent for Kenya, and 37.7 percent for Tanzania, while Namibia and Zambia lag below 25 percent, and 84 percent of banks fail to disclose portfolio greenhouse-gas emissions (WWF Kenya, 2024).

For auditors, this is a strategic imperative: in governance, proof is the new promise. ESG credibility lives or dies by verification.

Driving Sustainable Value through Integrated IT Audit

The internal audit function serves as a driver for sustainable value creation and organizational resilience. Within the AIRE ESG IT Audit Framework, IT auditors with expertise in data integrity, cybersecurity, and technology governance are essential for ensuring that ESG initiatives and disclosures are both reliable and strategically sound. (AIRE: standing for Audit, Integrity, Resilience, and Ethics) provides a structured approach for aligning ESG objectives with digital assurance and IT governance.

In the ESG ecosystem, Internal Audit is Governance (“G”) in motion. It transforms principles such as transparency, accountability, and integrity into measurable goals. Each audit cycle strengthens the system and governance, thereby granting auditors the independence to challenge, advise, and reinforce ethical discipline.

Across Africa, this role is expanding fast. From verifying ESG-linked loans to assessing climate-risk data, auditors are becoming strategic partners in resilience and innovation. This aligns with AFIIA’s vision of empowering Africa’s audit profession as the unified voice for ethical and digital governance, positioning auditors as global leaders in responsible transformation (AFIIA, 2023).

Future Outlook: Why This Matters for Africa

Africa stands at a defining crossroads. As sustainability becomes currency in global trade and finance, regions lacking robust ESG and AI governance risk exclusion. But this challenge is also an opening. With vast natural resources, a digitally native youth population, and rising carbon and fintech markets, Africa can leapfrog traditional governance models, embedding digital accountability at the core of growth.

For AFIIA members and internal auditors across the continent, the mandate is unmistakable: become the architects of digital trust and the champions of sustainable value creation. The future of governance, ESG integration, and AI assurance will not be written by regulators alone; it will be shaped by auditors who innovate, act with integrity, and set new standards for accountability. By embedding transparency, fairness, and resilience into every audit practice, Africa can do more than meet global expectations; it can define them.

Africa’s greatest opportunity lies in designing its own model of technology-driven ESG governance. By investing in digital infrastructure, data-literate audit talent, and cross-sector collaboration, auditors can position the continent not as a follower of imported standards, but as a pioneer of ethical, tech-enabled accountability.

The “G” in ESG: Governance is no longer a reporting metric; it is Africa’s strategic advantage and the cornerstone of investor confidence.

Governance, embodied by the Internal Audit function, acts as the foundation of Africa’s sustainability journey, connecting growth with digital trust, ethical leadership, and responsible innovation. When internal auditors oversee ESG systems, governance moves beyond just a checkbox and becomes a dynamic force of transparency, resilience, and prosperity.

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By

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