AFRICA 2026/2027

Hot Topics for Internal Auditors

RISK in FOCUS

African Federation of Institutes of Internal Auditors

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ABOUT GLOBAL RISK IN FOCUS

Know Your Risks. Plan Strategically.

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

Learn what internal auditors are saying about the:

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

Risk in Focus uses survey results, regional roundtables, and interviews with local experts to reveal key insights from the unique perspective of internal auditing.

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

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

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GLOBAL RESEARCH PARTICIPATION

132 countries/ territories

3,285 survey responses

17 roundtables with **149** participants

12 in-depth interviews

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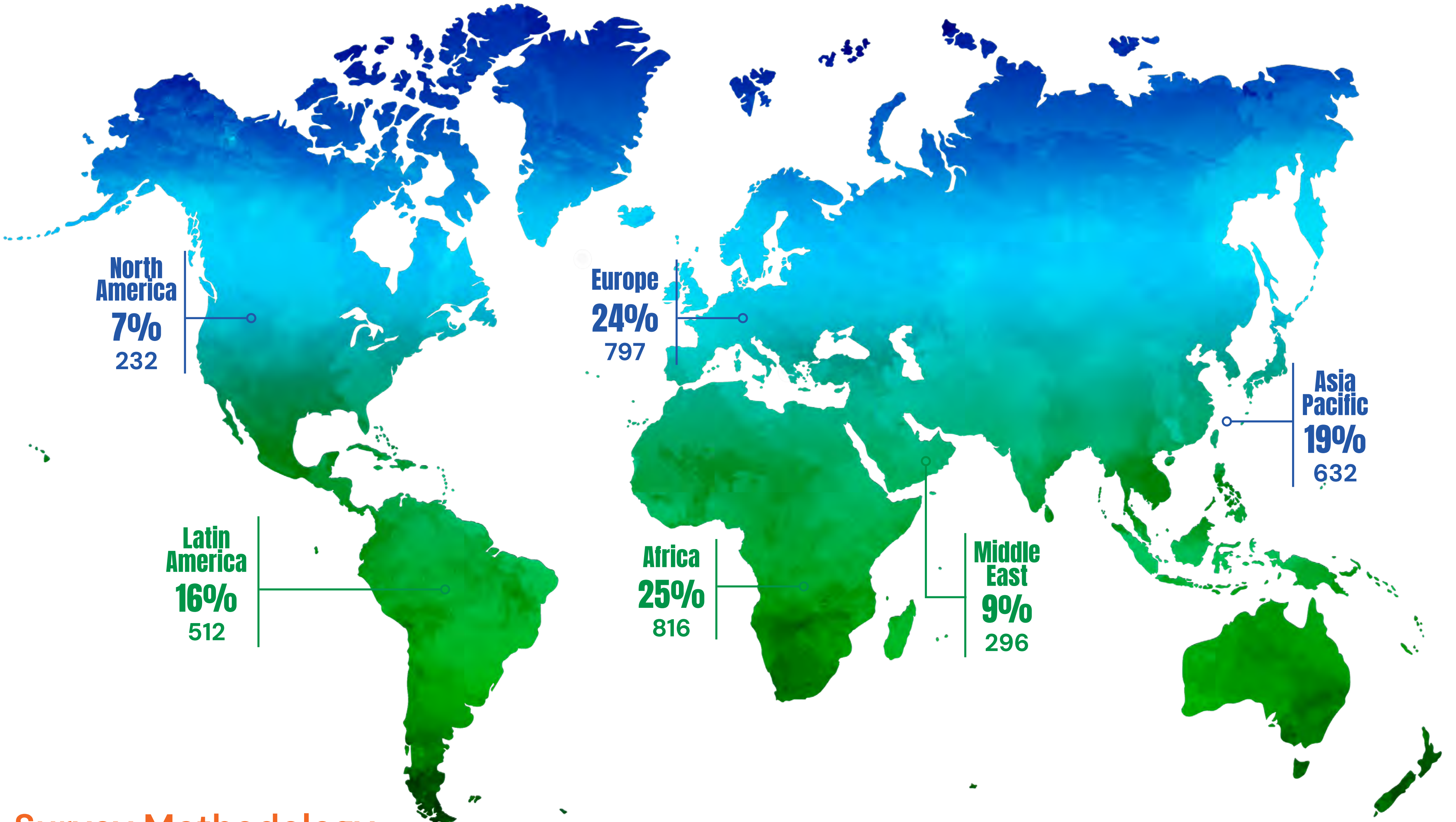
GLOBAL SURVEY PARTICIPATION

GLOBAL TOTALS

3,285 respondents

132 countries/locations



Survey Methodology

Survey responses were received from 3,285 chief audit executives and directors representing 132 countries and locations. The Internal Audit Foundation hosted the survey online from March 24 to May 6, 2026, for all regions except Europe. The survey for Europe was conducted by the European Institutes Research Group from March 2 to April 7, 2026.

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EXECUTIVE SUMMARY

Audit Priorities Shift to Keep Up With Technology

Internal auditors throughout Africa say technology risks are their top area of concern for their organizations, according to the results of the annual Risk in Focus survey for 2026 (Exhibits 1.1 and 1.2).

Cybersecurity was identified as a Top 5 risk by 73% of survey respondents, followed by digital disruption at 50%. Risk ratings for these two areas increased substantially over the prior year, with cybersecurity rising the most of all risk areas (up 11 percentage points). Key drivers include rapid digitalization, proliferation of new technologies, increasingly sophisticated cybercriminal tactics, lagging cybersecurity measures, and persistent skills gaps.

Fraud risk remains persistently high, with 50% of organizations including it among their Top 5 risks. Key drivers include the rise in cyber-enabled fraud, financial pressures, weak governance, immature risk management frameworks, ineffective anti-fraud programs, and limited transparency.

Geopolitical and macroeconomic uncertainty has increased notably, moving from the middle of the rankings last year to fifth place this year. This is driven by global conflicts and domestic instability in parts of Africa. African economies remain vulnerable due to dependency on developed economies and excessive debt. Consequently, financial or liquidity risk has also increased by 6 percentage points. These risks are interconnected and mutually reinforcing, with the potential to amplify each other.

Internal audit priorities are shifting to keep up with changes in risk, with the most substantial increases applied to cybersecurity, digital disruption, fraud, and financial/liquidity risks (Exhibit 2.2). High-risk areas with low maturity for risk governance often have a gap between risk level and audit coverage (Exhibit 3.2). There appears to be reluctance among internal auditors to audit emerging and less mature risk domains. This creates assurance gaps, weakens organizational preparedness, undermines internal audit value-add, and can lead to strategic misalignment.

To remain relevant, internal audit leaders must demonstrate foresight and presence in conditions of complexity and uncertainty. Internal audit functions must shift from reactive assurance to forward-looking risk insight. This requires stronger foresight, deeper engagement in strategic risk areas, and greater agility in responding to complexity and uncertainty. Failure to evolve threatens to erode stakeholder confidence and to reduce internal audit to a compliance function, rather than a strategic partner in value creation.

Cybersecurity was identified as a Top 5 risk by **73%** of survey respondents, followed by **digital disruption** and **fraud** at **50%**.

AFRICA RESEARCH PARTICIPATION

816 survey responses

34 countries/locations

3 roundtables with **18** participants

3 in-depth interviews

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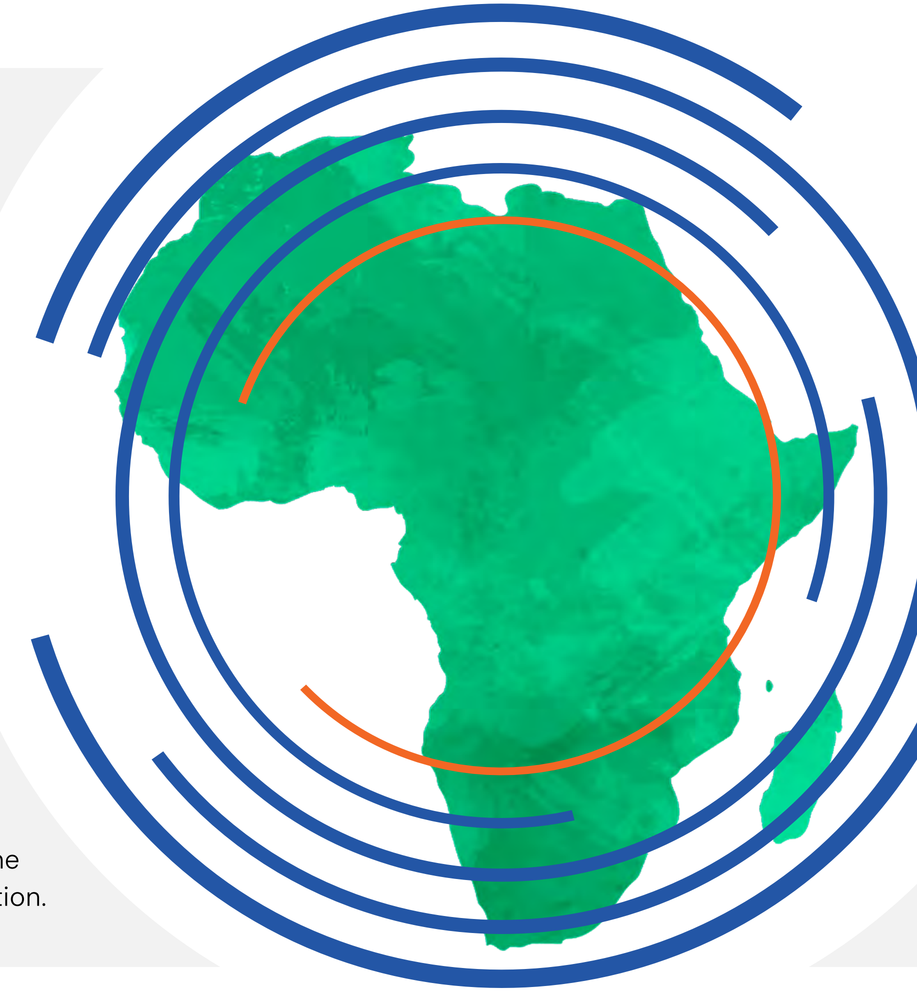
KEY POINTS

- Cybersecurity is a Top 5 risk for 73% of respondents, increasing by 11 percentage points compared to the prior year.
- Digital disruption now ranks second at 50%, up 6 percentage points vs. the prior year.
- Fraud risk has increased compared to the prior year, increasing 7 percentage points to 50%.
- Geopolitical and macroeconomic uncertainty became one of the highest risks this year, increasing by 8 percentage points to 35%.
- Risks are highly interconnected. Technology, fraud, geopolitical, and financial risks are mutually reinforcing.
- There is an audit coverage gap for some high-risk areas. Internal auditors are not consistently prioritizing high-risk areas, and those with low risk maturity.



Resources for Internal Auditors

The IIA offers a variety of resources to support internal auditors with risk assessment and audit planning through the Standards and Guidance department. Most of these resources are available free to IIA members worldwide, and some are also available to the public at large. Please see Appendix D for links to current resources and more information.

1. RISK ENVIRONMENT

Digital Transformation Pushes Technology Risks Higher

Digital transformation remains a key driver of growth and development across Africa, but it also increases technology risks. The Risk in Focus survey shows that cybersecurity risk increased the most of all risks compared to the prior year, followed by geopolitical uncertainty, fraud, climate change, digital disruption, and financial liquidity (Exhibit 1.2).

This overview of Africa's risk environment will discuss the highest risks facing Africa, using the order of priority identified through this year's Risk in Focus survey. Although risks are discussed separately, their interactions with other risk areas are noted, for example:

- Cyberattacks enabling fraud
- Geopolitical uncertainty creating liquidity stress
- Digital disruption increasing cyber exposure

Cybersecurity

Technology-related risks remain significantly high in Africa, with cybersecurity and digital disruption ranking among the most critical.

Overall, 76% of the African internal audit leaders believe that cybersecurity risk is high in 2026, while 73% identified it as one of the Top 5 risks in their organizations (Exhibit 1.1). Cybersecurity is also among the fastest-growing risks, increasing by 11 percentage points in 2026 compared to a 2-percentage point decrease in 2025 (Exhibit 1.2).

Organizations in the financial services sector show the highest level of concern for cybersecurity, with 83% ranking cybersecurity among their Top 5 risks. In comparison, 71% of organizations in the private sector, 70% in both publicly traded and nonprofit sectors, and 69% in the public sector reported similar concerns (Exhibit 1.3). The heightened prominence of cybersecurity risk within the financial services sector can largely be attributed to high levels of digital adoption and the rapid expansion of digital platforms, including online self-service solutions for clients, which increases exposure to vulnerabilities.

As noted during the roundtable discussions, "cybersecurity risk will remain a major concern due to digitalization, the adoption of new technology, and the expansion of online service platforms." This upward trend is consistent with findings from other studies. INTERPOL has highlighted growing concerns over increasing cybercrime incidents across the continent, while World Economic Forum reported that 94% of respondents expressed concerns about escalating cybersecurity risks associated with emerging technologies such as AI and machine learning.

Cybersecurity is among the fastest-growing risks, increasing by **11 percentage points** in 2026.

"Cybersecurity risk remains a high risk for Africa due to expanded automation, as governments and multinationals have invested in automation and big systems for businesses."

– Lilian Wangechi Mwangi, IIA–Kenya

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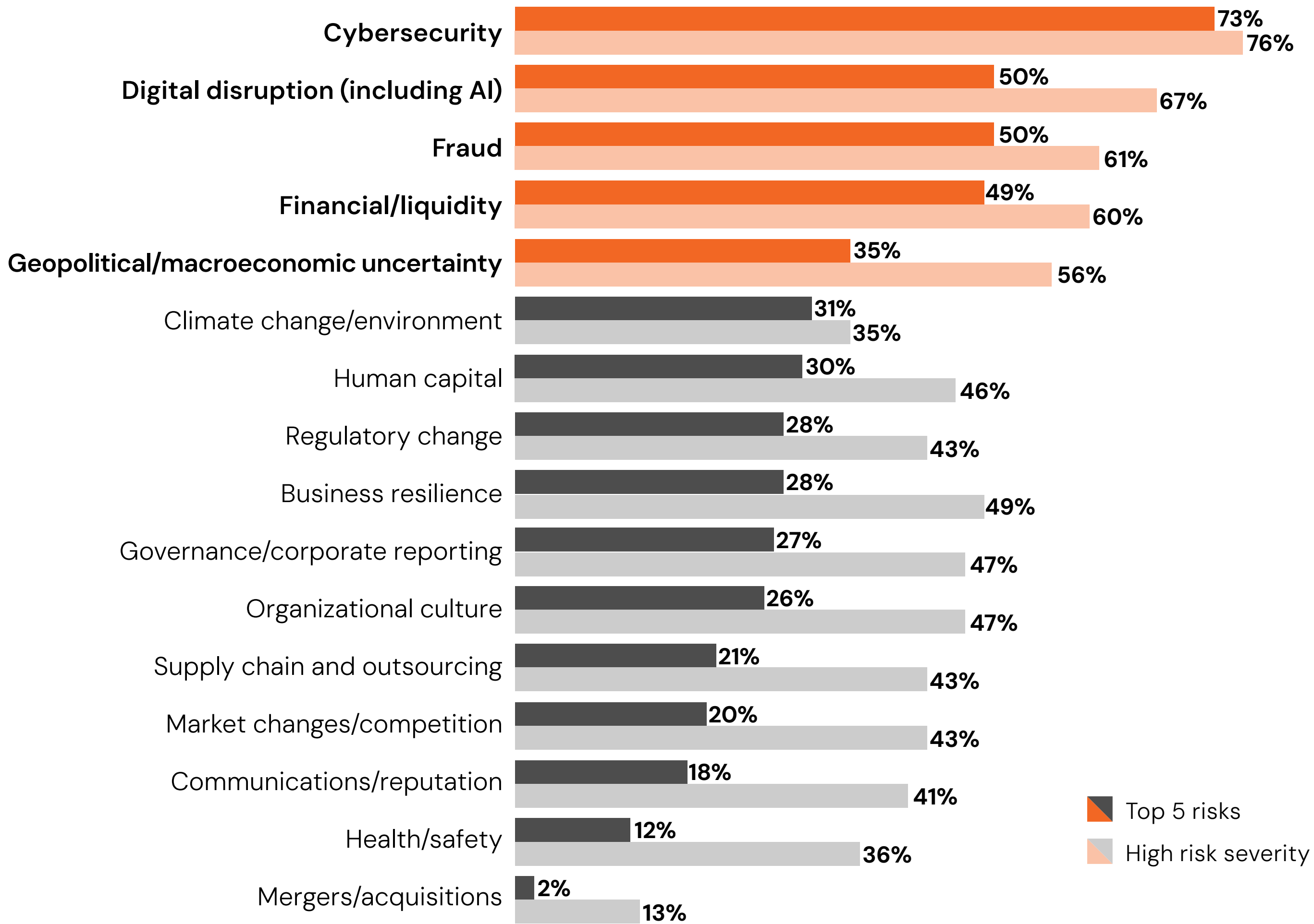
Exhibit 1.1. Africa – Top 5 Risks vs. High Risk Severity

Survey question 1: **What are the Top 5 risks your organization currently faces? (Choose 5.)**
Survey question 2: **On a scale of 1 to 7, please rate the current level of risk at your organization for each of the following risk areas.**



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.

Note: Risk in Focus survey conducted online worldwide from March 2 to May 6, 2026. *n* = 816 for Africa.

Digital disruption

Digital transformation in Africa is strongly promoted by the African Union as a key driver of growth to improve the quality of life for Africans.

Strategies to adopt AI are described in detail in the Continental Artificial Intelligence Strategy, published by the African Union in 2024. In alignment with these aspirations, African countries are undergoing substantial digital transformation. A growing number of countries have adopted their own national AI strategies, according to a 2026 OECD report. It is therefore not surprising that, in this study, digital disruption (including AI) is ranked as the second-highest risk in Africa (Exhibit 1.1).

Specifically, 67% of African internal audit leaders rated digital disruption as a high risk in 2026, while 50% confirmed that this risk is among the Top 5 risks facing their organizations (Exhibit 1.1), representing a 6-percentage-point increase from 2025 (Exhibit 1.2). Analysis by sector shows that 60% of respondents in financial services ranked digital disruption as their second highest risk. In comparison, digital disruption ranked third in the nonprofit sector (49%), fourth in the public sector (50%) and publicly traded organizations (39%), and seventh in privately held organizations (36%) (Exhibit 1.3).

Digital disruption is expected to intensify, as it represents a "moving target" driven by rapid evolution of new technologies. As a roundtable participant observed, "We will continue experiencing disruptions as long as technology keeps evolving." Lilian Wangechi Mwangi, President of IIA–Kenya, also observed, "Cybersecurity risk remains a high risk for Africa due to expanded automation, as governments and multinationals have invested in automation and big systems for businesses. However, government and most institutions are yet to invest in technical expertise and security to protect the acquired technological assets."

The challenge of managing this risk in Africa is exacerbated by slow regulatory responses, delays in policy development, and the inability to keep pace with the speed and complexity of technological advancements, alongside limited guidance on the use of AI. Although more countries are establishing policies for data and AI governance, in many places, regulatory gaps remain. Lubinda Namiluko, AFIIA Treasurer and President of IIA-Zambia, noted, "Risk management frameworks in Africa are not keeping pace with technological evolution."

Exhibit 1.2. Africa – Top 5 Risks Trend

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

2023	2024	2025	2026	Change from 2025 to 2026	Change	Risk areas
58%	**64%**	**62%**	**73%**		**+11**	**Cybersecurity**
33%	**34%**	**44%**	**50%**		**+6**	**Digital disruption (including AI)**
46%	**42%**	**43%**	**50%**		**+7**	**Fraud**
47%	**42%**	**43%**	**49%**		**+6**	**Financial/liquidity**
25%	**23%**	**27%**	**35%**		**+8**	**Geopolitical/macroeconomic uncertainty**
19%	**25%**	**24%**	**31%**		**+7**	**Climate change/environment**
39%	44%	35%	30%		-5	Human capital
32%	32%	34%	28%		-6	Regulatory change
52%	57%	49%	28%		-21	Business resilience
36%	31%	33%	27%		-6	Governance/corporate reporting
34%	34%	29%	26%		-3	Organizational culture
19%	**16%**	**17%**	**21%**		**+4**	**Supply chain and outsourcing**
21%	15%	19%	20%		+1	Market changes/competition
27%	26%	25%	18%		-7	Communications/reputation
10%	10%	11%	12%		+1	Health/safety
3%	4%	3%	2%		-1	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.

Note: Risk in Focus survey conducted online worldwide from March 2 to May 6, 2026. *n* = 816 for Africa.

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RISK ENVIRONMENT

Risk in Focus survey responses for Africa suggest that digital disruption and cybersecurity risks are rising together (Exhibit 1.2). Similarly, INTERPOL attributes the increase in cybercrime in Africa to threats such as ransomware, business email compromise, and online fraud. Namiluko succinctly captured this relationship, stating, “As digitalization increases, fraud risk is expected to rise. Fraud is increasingly perpetrated through digital platforms, leading to a surge in cyber fraud schemes.”

Addressing these risks requires sustained investment in cybersecurity capabilities and greater organizational awareness. This also presents an opportunity for internal auditors to proactively support their organizations by implementing robust, cybersecure frameworks and tools anchored in strong cyber risk governance, prevention, detection, and response mechanisms.

Fraud

As one roundtable participant noted, “Africa has strong potential, but there is a level of mistrust [due to] fraud and those high-level risks.”

Fraud remains a major source of economic loss globally. The Association of Certified Fraud Examiners (ACFE) estimates total losses of US$3.4 billion from 2,402 reported fraud cases in 2026. In Sub-Saharan Africa, 397 fraud cases were reported, with 56% linked to corruption (Occupational Fraud 2026: A Report to the Nations).

Consistent with these global trends, this study confirms that fraud risk remains a high priority across Africa. Overall, 61% of internal audit leaders rated fraud as having high risk severity (Exhibit 1.1). It ranks as the third highest risk on the continent. At the same time, half of the respondents (50%) reported that fraud is among the Top 5 risks in their organizations. This reflects a 7% increase from 2025, making fraud the third fastest-growing risk (Exhibit 1.2).

Digitalization is among the key drivers, enabling complex and scalable fraud schemes, particularly cyber-enabled fraud. As one roundtable participant noted, “The increase in cybersecurity risks is associated with the increase in fraud risk.” Shumbamhini supports this view, stating that, “We are now operating in a fully digital environment, where fraud has evolved beyond traditional schemes into sophisticated cyber-enabled fraud. Today’s fraudsters exploit system vulnerabilities, social engineering tactics, and data breaches to execute complex fraud schemes.”

Other drivers include financial pressure, weak organizational culture and governance, immature risk management frameworks, and inadequate or ineffective anti-fraud programs. However, even strong controls are no longer sufficient on their own. Fraudsters are becoming more sophisticated and adaptive. One roundtable participant observed, “Fraudsters think ten times more than us in terms of how best they can defraud organizations.” The link between digitalization and fraud risk is clear. Shumbamhini notes, “As digitalization accelerates, fraud risk will continue to rise. Unless organizations and internal auditors develop the necessary skills to design and recommend effective control frameworks, this risk will continue to grow unchecked.”

“As digitalization increases, fraud risk is expected to rise. Fraud is increasingly perpetrated through digital platforms, leading to a surge in cyber fraud schemes.”

– Lubinda Namiluko, IIA–Zambia

“Africa is richly endowed with natural resources, but governance challenges often result in their mismanagement.”

– Blessing Shumbamhini, IIA–Zimbabwe

Exhibit 1.3. Africa – Top 5 Risks per Sector

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

Risk areas	All Africa	Public sector	Financial services	Privately held	Publicly traded	Nonprofit
Cybersecurity	**73%**	**69%**	**83%**	**71%**	**70%**	**70%**
Digital disruption (including AI)	**50%**	**50%**	**60%**	36%	**39%**	**49%**
Fraud	**50%**	**52%**	**51%**	**42%**	**39%**	**70%**
Financial/liquidity	**49%**	**53%**	**45%**	**55%**	33%	**47%**
Geopolitical/macroeconomic uncertainty	**35%**	28%	**39%**	**43%**	37%	40%
Climate change/environment	31%	29%	35%	20%	35%	28%
Human capital	30%	28%	32%	34%	24%	21%
Regulatory change	28%	27%	30%	19%	**50%**	30%
Business resilience	28%	23%	28%	**38%**	26%	**44%**
Governance/corporate reporting	27%	**35%**	18%	24%	24%	19%
Organizational culture	26%	33%	17%	23%	22%	21%
Supply chain and outsourcing	21%	23%	13%	30%	33%	9%
Market changes/competition	20%	11%	22%	37%	**41%**	23%
Communications/reputation	18%	22%	18%	9%	9%	16%
Health/safety	12%	14%	5%	16%	11%	12%
Mergers/acquisitions	2%	3%	1%	2%	6%	2%

5 highest risks

Note: Risk in Focus survey conducted online worldwide from March 2 to May 6, 2026. *n* = 816 for Africa.

RISK ENVIRONMENT

The impact of fraud is significant. Fraud undermines and weakens institutions and delays development. A roundtable participant noted, “Africa is struggling with issues of governance, accountability, transparency, and corruption.” Another participant observed, “Africa will continue to be held back by mistrust if fraud is not effectively addressed.” A stronger and more coordinated approach is required. Internal audit leaders emphasize the need for:

- Robust anti-fraud mechanisms
- Effective whistleblower mechanisms
- Integrated cybersecurity measures

These measures are critical to strengthen prevention, improve detection, and enhance response capabilities. Internal audit must also position itself as a strategic partner in combating fraud and safeguarding organizational value.

Financial and liquidity

Financial and liquidity risk remains closely intertwined to geopolitical and economic uncertainty.

These risks are mutually reinforcing. Periods of geopolitical instability typically constrain economic growth, increase the cost of living, disrupt trade and financial systems, and heighten financial vulnerability in developing economies, according to the United Nations’ Trade and Development Foresights 2026. In the Risk in Focus survey, 60% of internal audit leaders rated financial and liquidity risk as high and nearly half (49%) ranked it among the Top 5 risks in their organizations, reflecting a 6 percentage-point increase from 2025 (Exhibits 1.1 and 1.2).

Participants highlighted a direct correlation between geopolitical uncertainty and financial risks or liquidity challenges. Mwangi posited, “Liquidity is about organizational survival and remaining with healthy working capital in the midst of geopolitical tensions, macroeconomic uncertainty, and a tough business environment.” Similar to macroeconomics, structural dependencies in many African economies amplify this exposure.

Africa remains highly vulnerable to external shocks, particularly shifts in trade and foreign policies in advanced economies. Key drivers of financial and liquidity risk include trade tariff disputes, cuts in development and donor funding, energy supply disruptions, and increasing use of economic sanctions. Recent geopolitical developments have intensified these vulnerabilities. The ongoing conflict in the Middle East has contributed to higher fuel costs; increased price of food and fertilizers; currency depreciation

“Fuel price increases have a ripple effect on macroeconomic instability.”

– Roundtable participant

with exchange rate decline of approximately 3.2% for Africa; heightened financial market volatility; declining equity markets (exceeding 12% between 28 February and 29 March 2026); and rising sovereign borrowing costs, according to Trade and Development Foresights 2026. As one roundtable participant noted, "Fuel price increases have a ripple effect on macroeconomic instability." Shumbamhini further noted that, "The dependency syndrome has significantly affected Africa. Until Africa strengthens its capacity for self-reliance, these external shocks will continue to pose significant risks."

Overall, the findings underscore the strong interconnection between geopolitical dynamics and financial resilience in Africa. Funding uncertainty is already affecting project execution, particularly those supported by international partners. As noted during roundtable discussions, "Projects funded by developed countries or international cooperation partners are increasingly affected by geopolitical tensions."

A more resilient response is required. Organizations should strengthen liquidity management frameworks, diversify funding sources, and embed stress testing and scenario planning into financial strategies. Internal audit functions should play a central role in assessing financial resilience, evaluating liquidity risk management practices, and supporting leadership in navigating ongoing volatility.

Geopolitical uncertainty

Geopolitical and macroeconomic uncertainty is an increasingly significant risk for African economies. Its impact on organizational strategies is material and continues to increase.

In this study, 35% of African internal audit leaders identified this risk among Top 5 risks in their organizations, while 56% rated it as high (Exhibit 1.1). The risk has intensified year on year. It increased by 8 percentage points in 2026 compared to 2025, representing one of the largest upward shifts after cybersecurity. As a result, geopolitical uncertainty has moved into the Top 5 risks, up from tenth position in 2025 (Exhibit 1.2).

Key drivers include escalating trade tensions, weaponization of economic sanctions, and geopolitical conflicts, particularly in the Middle East after the U.S. and Israel attacked Iran in February 2026. Intra-African instability also impacts individual countries and the region in general. These factors are directly affecting African economies.

Emerging socioeconomic dynamics are also exacerbating this risk, according to Economist Enterprise (Africa Outlook 2026). The rise in youth activism in Africa's political and geoeconomic landscape, increasing youth populations, high unemployment, and increased digital connectivity enable cross-border mobilization. This has already manifested in episodes of unrest in countries such as Morocco, Tunisia, Kenya, and Madagascar. These developments signal a shifting political and economic landscape with heightened volatility.

"The dependency syndrome has significantly affected Africa. Until Africa strengthens its capacity for self-reliance, these external shocks will continue to pose significant risks."

– Blessing Shumbamhini, IIA–Zimbabwe

Participants emphasized the financial impact of this risk. Shumbamhini noted, "Geopolitical developments have disrupted several projects across the world, particularly those funded by international development partners. As funding priorities shift globally, many countries are struggling to achieve their development objectives and are facing liquidity constraints."

Global interconnectedness is accelerating the transmission of external shocks. African economies are increasingly exposed to developments beyond the continent, including geopolitical conflicts and the shifts in global economic conditions. While Economist Enterprise projected that Africa will be the world's fastest-growing region in 2026, Africa is also exposed to significant external disruptions, particularly the ongoing conflict in the Middle East and other factors affecting energy markets, supply chains, and investor confidence. As Mwangi observed, "We cannot really get away from the geopolitical and macroeconomic risks. As much as we are in Africa, the world is a global village because there are so many things that are interconnected. There is no single continent, whether developed or not, that is self-sustaining, that does not need other regions." This exposure is further intensified by structural factors, including high debt levels, reliance on external funding, and persistent trade imbalances.

The implications are clear. Geopolitical and macroeconomic uncertainty will continue to exert pressure on growth and fiscal stability across the continent. Key risk exposures include tightening funding conditions, volatility in commodity prices, and exchange rate fluctuations, all of which may exacerbate indebtedness across the continent, according to Africa Outlook 2026 (Economist Enterprise).

Business resilience

In an increasingly volatile environment, clear strategies are required to manage disruptions across both internal and external environments. Failure to do so can severely impact operational continuity and long-term viability.

Business resilience (also referred to as organizational resilience) is the ability of an organization to absorb and adapt in a changing environment, based on the definition in ISO 22316:2017.

In this study, only 28% of African internal audit leaders ranked business resilience as among Top 5 risks in their organizations (Exhibit 1.1). This reflects a significant 21-percentage-point decline from 2025 (Exhibit 1.2). This sudden decline may be caused by risk displacement, as digital disruption and geopolitical uncertainty become Top 5 risks, business resilience is losing its position. Nevertheless, business resilience was still rated as a high risk by 49% of respondents, indicating that internal auditors are still well aware of its importance.

"As much as we are in Africa, the world is a global village, because there are so many things that are interconnected. There is no single continent, whether developed or not, that is self-sustaining, that does not need other regions."

– Lilian Wangechi Mwangi, IIA–Kenya

"Business resilience is a downstream risk. It results from other interconnected risks."

– Roundtable participant

RISK ENVIRONMENT

On the positive side, lower risk ratings for business resilience may reflect the results of organizations proactively working to improve their business resilience programs. Many institutions have strengthened resilience capabilities following recent crises, including COVID-19 and extreme weather events. These experiences have accelerated investment in enterprise risk management, business continuity planning, and response frameworks. As noted by Namiluko, "Business resilience has strengthened because institutions are deliberately investing in enterprise risk strategies and tools, ensuring resilience and continuity of operations." Shumbamhini believes that "organizations with robust business continuity plans are better able to transition to remote working environments during crises, maintaining operations with minimal disruption."

As a result, business continuity is increasingly embedded within broader risk management frameworks rather than being treated as a standalone priority. As one roundtable participant observed, "If you fix the other risks, then indirectly you also fix business resilience and continuity." Another participant added, "Business resilience is a downstream risk. It results from other interconnected risks." The IIA recently released the Organizational Resilience Topical Requirement to support internal audit assurance in this area.

"Business resilience has strengthened because institutions are deliberately investing in enterprise risk strategies and tools, ensuring resilience and continuity of operations."

– Lubinda Namiluko, IIA–Zambia

"If you fix the other risks, then indirectly you also fix business resilience and continuity."

– Roundtable participant

KEY POINTS

Survey insights

- **Technology risks are accelerating.** Rapid digitalization is driving increased exposure, with cybersecurity emerging as the fastest growing risk, rising by 11 percentage points over the prior year (Exhibit 1.2).
- **Geopolitical and macroeconomic uncertainty is intensifying.** Ongoing conflicts and global economic disruptions have elevated the risk, which rose by 8 percentage points, the second highest increase in 2026 (Exhibit 1.2).
- **Fraud risk remains elevated and growing.** At 50%, fraud has increased by 7 percentage points from 2025, driven by cyber-enabled fraud and persistent corruption (Exhibit 1.2).
- **Financial and liquidity pressures are rising.** Interconnected risks, including cybersecurity, fraud, and geopolitical instability, are weakening financial resilience. Financial or liquidity risk increased by 6 percentage points in 2026 (Exhibit 1.2).
- **Business resilience risk ratings are declining.** The risk rating dropped by 21 percentage points in 2026, as it was displaced by emerging, disruptive risks. In addition, there may be a shift in perception toward business resilience being impacted by other risks rather than being a risk driver itself (Exhibit 1.2).

Internal audit strategies

- **Strengthen alignment with leadership.** Collaborate with senior management and other assurance providers to ensure risk management frameworks reflect current and emerging exposures.
- **Adopt forward-looking capabilities.** Invest in predictive analytics and risk intelligence tools to enhance early warning and preparedness.
- **Increase agility in planning.** Shift to shorter, dynamic planning cycles to respond to rapidly changing risk conditions.
- **Modernize capability and resourcing.** Prioritize investment in digital audit tools and build critical skills aligned to the digital economy.
- **Shift to proactive auditing.** Balance traditional assurance with advisory, insight, and foresight to support strategic decision-making.
- **Strengthen risk management maturity.** Partner with management to address immature risk management practices that have not kept pace with technological evolution.

2. INTERNAL AUDIT PRIORITIES

Risk and Audit Priorities Are Not Fully Aligned

In the Risk in Focus survey, internal audit leaders identified the five risks where their internal audit functions spend the most time and effort. Results show that the Top 5 audit priorities align for some of the highest risks in Africa — but not all.

As shown in Exhibit 2.1, the three highest risks for Africa were also among the highest areas for internal audit priority (cybersecurity, fraud, and financial/liquidity). These areas had the highest increase in audit priority compared to the prior year, which is a positive indication that audit priority is following risk in these areas (Exhibit 2.2).

However, digital disruption and geopolitical uncertainty had substantially lower audit priority relative to their level of risk exposure. This raises concerns about a potential misalignment between audit priorities and the evolving risk environment. Accordingly, Shumbamhini warns, "If we identify key risks but fail to address them in our audit plans, our work becomes ineffective." This observation highlights the importance of aligning audit priorities with emerging and significant risks.

Digital disruption

Digital disruption was rated by 50% of organizations as a Top 5 risk, but only 37% of audit plans considered it one of their Top 5 priorities (Exhibit 2.1), even though audit priority for digital disruption has increased by 7 percentage points compared to the prior year (Exhibit 2.2).

Some sectors may have more challenges with being able to adapt their audit plans to digital disruption quickly enough. For example, audit priority for digital disruption was noticeably lower for public sector (35%) than for financial services (44%) and nonprofit organizations (42%) (Exhibit 2.3).

However, there has been a slow but steady increase in audit priority in this area (up 13 points since 2024), which shows that auditors are aware of the importance.

Geopolitical uncertainty

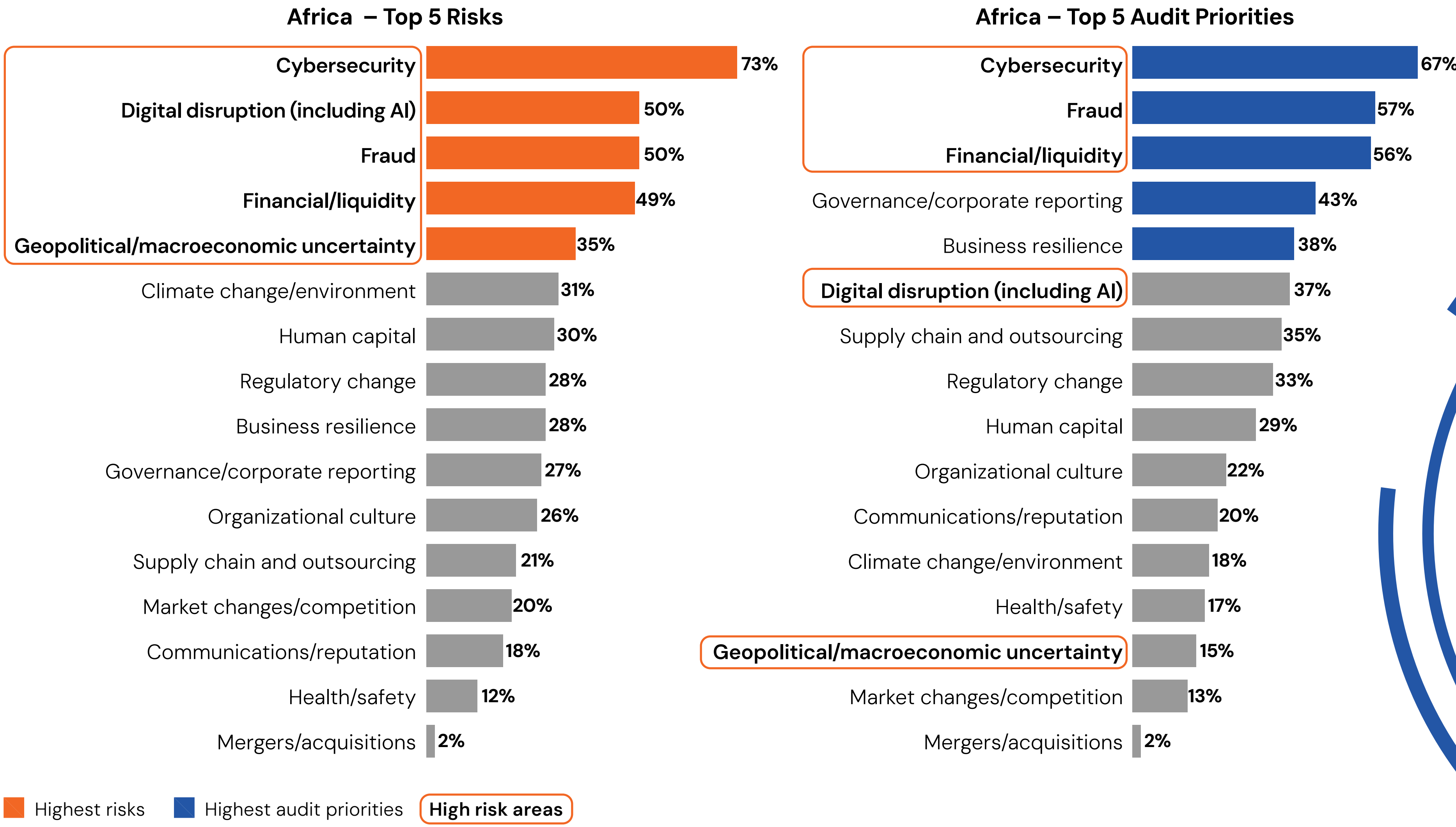
The gap between risk and audit priority is more visible for geopolitical uncertainty, rated as a Top 5 risk by 35% of organizations, but considered a Top 5 audit priority in only 15% of internal audit plans (Exhibit 2.1). Internal audit priority for geopolitical uncertainty was slightly higher than average for publicly traded organizations (24%) and nonprofit organizations (21%) (Exhibit 2.3). In the publicly traded organizations, this attention may be attributed to shareholders' concerns about the potential adverse impact of geopolitical uncertainty on shareholder value. Likewise, nonprofit organizations may be increasingly concerned about the implications of donor funding reductions for program delivery and organizational sustainability.

"There are many other risks that may not be immediately identified. Conversations with management often reveal additional areas requiring internal audit attention."

– Lubinda Namiluko, IIA–Zambia

Exhibit 2.1. Africa – Top 5 Risks vs. Top 5 Audit Priorities

Survey question 1: **What are the Top 5 risks your organization currently faces? (Choose 5.)**
Survey question 2: **What are the Top 5 audit areas on which internal audit spends the most time and effort? (Choose 5.)**



Note : Risk in Focus survey conducted online worldwide from March 2 to May 6, 2026. *n* = 816 for Africa.

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Some low-risk areas have high audit priority

Conversely, internal audit plans often prioritize areas that are not identified as high risk. For example, governance/corporate reporting is a Top 5 audit priority in 43% of audit plans despite being a Top 5 risk for only 27% of organizations. Similarly, business resilience features as a Top 5 audit priority in 38% of audit plans, even though it is a Top 5 risk for only 28% of organizations (Exhibit 2.1). Although these are considerable gaps, audit priority in these areas decreased notably compared to the prior year, indicating that audit priority is shifting to higher risk areas.

Need for agile audit plans

These disparities point to the challenges of responding to emerging and volatile risks and underscore the need for more agile and frequently updated audit plans. One roundtable participant noted, "These disruptions require more frequent updates to the audit universe. In that sense, the increasing volatility of risks means audit planning must become more agile."

Misalignment between risk and audit priorities can be driven by several factors, including limited expertise in specialized risks (e.g., AI and geopolitics), resource and technology constraints, and inflexible internal audit planning processes. As one roundtable participant observed, "Internal audit functions often focus on internal control weaknesses, while risks such as geopolitical are incorrectly perceived as purely external." Supporting this view, Mwangi noted, "If you look at geopolitical and macroeconomic uncertainty, for instance, everyone can assess it a Top 5, but no one is auditing it because we are not sure what to do. The internal auditors are not aware how to audit that risk." Accordingly, Shumbamhini advocates for internal auditors to be proactive in identifying emerging risks before they materialize and impact the organization. In his view, "This is how internal audit truly adds value."

Improving risk assessment processes

The IIA's Global Internal Audit Standards™ require internal audit executives to develop risk-based plans grounded in documented assessments of organizational strategies, objectives, and risks, while incorporating input from the board and senior management. This approach is designed to align internal audit activities with the organization's risk profile and ensure coverage of critical risks.

To strengthen alignment, internal audit leaders should enhance coordination with other assurance providers, particularly in risk assessment processes. A more integrated, collaborative, and dynamic approach to risk identification and audit planning is essential to ensure that internal audit remains relevant, risk-focused, and responsive in an increasingly volatile risk environment. One roundtable participant emphasized, "We need to enhance our relationship with the second line. There needs to be coordination between the second line and internal audit in conducting risk assessments."

Risk registers need to be reviewed with relevant stakeholders to ensure adequate identification of key risks. Namiluko observed, "There are many other risks that may not be immediately identified. Conversations with management often reveal additional areas requiring internal audit attention."

"Internal auditors must be proactive in identifying emerging risks before they materialize and impact the organization. That is how internal audit truly adds value."

– Blessing Shumbamhini, IIA–Zimbabwe

Exhibit 2.2. Africa – Top 5 Audit Priorities Trend

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

2023	2024	2025	2026	Change from 2025 to 2026	Change	Audit areas
54%	57%	60%	67%		+7	Cybersecurity
57%	49%	50%	57%		+7	Fraud
53%	55%	47%	56%		+9	Financial/liquidity
52%	54%	51%	43%		-8	Governance/corporate reporting
56%	58%	54%	38%		-16	Business resilience
24%	24%	30%	37%		+7	Digital disruption (including AI)
32%	29%	31%	35%		+4	Supply chain and outsourcing
35%	39%	37%	33%		-4	Regulatory change
33%	36%	31%	29%		-2	Human capital
27%	25%	26%	22%		-4	Organizational culture
25%	25%	23%	20%		-3	Communications/reputation
11%	9%	14%	18%		+4	Climate change/environment
13%	14%	13%	17%		+4	Health/safety
12%	10%	12%	15%		+3	Geopolitical/macroeconomic uncertainty
15%	12%	13%	13%		0	Market changes/competition
2%	4%	3%	2%		-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.

Note: Risk in Focus survey conducted online worldwide from March 2 to May 6, 2026. *n* = 816 for Africa.

Exhibit 2.3. Africa – 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? (Choose 5.)**

Audit areas	All Africa	Public sector	Financial services	Privately held	Publicly traded	Nonprofit
Cybersecurity	**67%**	**61%**	**79%**	**69%**	**56%**	**67%**
Fraud	**57%**	**57%**	**58%**	**52%**	**46%**	**67%**
Business resilience	**38%**	30%	**47%**	**47%**	37%	**49%**
Financial/liquidity	**56%**	**58%**	**57%**	**60%**	**41%**	**47%**
Governance/corporate reporting	**43%**	**46%**	40%	40%	**39%**	35%
Digital disruption (including AI)	37%	35%	**44%**	27%	26%	**42%**
Supply chain and outsourcing	35%	**38%**	18%	**52%**	**54%**	35%
Regulatory change	33%	32%	39%	26%	31%	33%
Human capital	29%	32%	27%	26%	28%	23%
Organizational culture	22%	29%	11%	16%	19%	21%
Communications/reputation	20%	22%	21%	19%	13%	14%
Climate change/environment	18%	17%	17%	12%	22%	23%
Health/safety	17%	20%	6%	20%	31%	9%
Geopolitical/macroeconomic uncertainty	15%	12%	17%	11%	24%	21%
Market changes/competition	13%	7%	16%	21%	30%	9%
Mergers/acquisitions	2%	1%	2%	1%	4%	5%

5 highest audit priorities

Note: Risk in Focus survey conducted online worldwide from March 2 to May 6, 2026. *n* = 816 for Africa.

KEY POINTS

Survey insights

- **Partial alignment with risk profile.** Internal audit plans are not fully aligned with organizational risk priorities, creating exposure to strategic misalignment.
- **Under-coverage of critical emerging risks.** Internal audit functions have relatively low audit priority for these key risk areas:
  - Digital disruption: identified as a Top 5 risk by 50% of organizations but a Top 5 audit priority in only 37% of audit plans (Exhibit 2.1).
  - Geopolitical uncertainty risk: identified as a Top 5 risk by 35% of organizations yet chosen as a Top 5 audit priority in only 15% of audit plans (Exhibit 2.1).
- **Misallocation of audit focus.** Audit plans disproportionately prioritize lower-ranked risks, such as governance/corporate reporting and business resilience (Exhibit 2.1). However, priority levels in these areas decreased compared to the prior year, indicating internal audit is starting to shift focus (Exhibit 2.2).

Internal audit strategies

- **Embed agile planning.** Adopt dynamic, continuously updated audit planning processes to respond promptly to emerging and volatile risks.
- **Risk-based resource allocation.** Prioritize audit coverage toward areas of highest risk exposure and strategic importance.
- **Strengthen capabilities.** Address skills gaps by investing in specialized expertise to provide assurance and advisory services on complex and emerging risks.
- **Leverage technology.** Accelerate adoption of advanced audit technologies to enhance coverage, efficiency, and insight in a digital operating environment.
- **Adopt flexible resourcing models.** Implement guest auditor or co-sourcing models to access specialized skills and strengthen assurance over high-risk areas.
- **Enhance collaboration with risk managers.** Review risk registers with relevant stakeholders to ensure adequate audit alignment with key risks.

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3. RISK MATURITY AND COVERAGE

Low Maturity Areas Tend to Have Low Audit Coverage

This year, for the first time, the Risk in Focus survey explored risk governance maturity and level of audit coverage. Results show that internal audit coverage is often low for risks that also have low risk governance maturity, even for high-risk areas such as digital disruption and geopolitical uncertainty.

Risk governance maturity

Risk governance maturity reflects the extent to which risk management is embedded, formalized, and effective across the organization, making it a critical consideration for internal auditing (RIMS Risk Maturity Model). Chief audit executives should assess risk maturity across risk culture, governance, and processes when developing internal audit plans (Assessing the Risk Management Process, 2nd Edition, IIA Global Practice Guide).

While high maturity signals strong integration of risk management into strategy, low maturity may indicate heightened vulnerability and weaker organizational resilience. This research report explores the relationship between risk maturity, audit coverage, and risk levels.

Four out of the 5 highest-rated areas for **risk governance maturity** also had high ratings for **internal audit coverage**.

Low governance maturity is associated with low audit coverage

This year, the Risk in Focus research sought to better understand the risk environment of an organization by asking about risk governance maturity and internal audit coverage for each of the 16 risks in the study. The first step was to consider the relationship between risk governance maturity and internal audit coverage. Findings clearly indicate that risks with strong risk governance maturity are more likely to have better internal audit coverage. As shown in Exhibit 3.1, 4 out of the 5 highest-rated areas for risk governance maturity also had high ratings for internal audit coverage.

- Financial/liquidity: mature in 53% of organizations and fully covered in 49% of audit plans.
- Regulatory change: mature in 46% of organizations and fully covered in 36% of audit plans.
- Governance/corporate reporting: mature in 45% of organizations and fully covered in 40% of audit plans.
- Fraud: mature in 44% of organizations and fully covered in 39% of audit plans.

Only one risk area with high risk governance maturity was not rated high for internal audit coverage – communications/reputation.

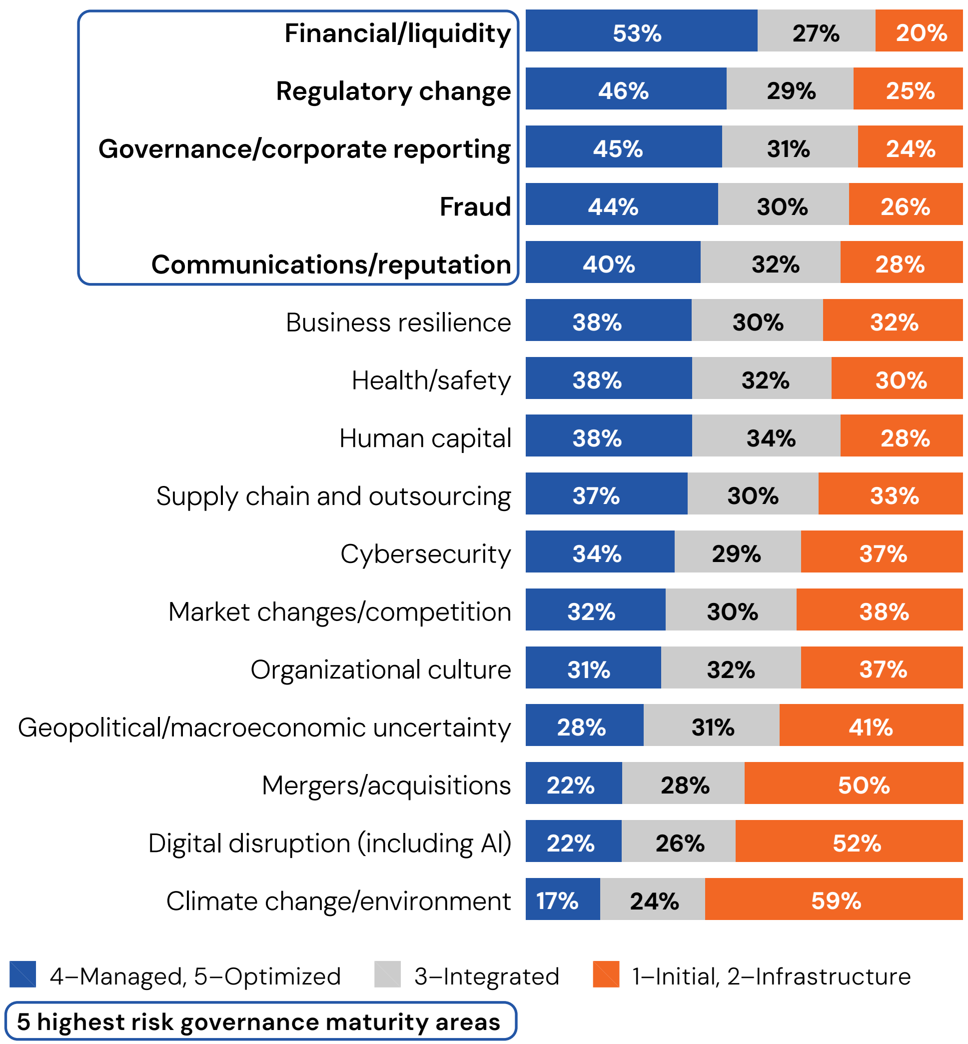
"There needs to be a mindset to audit what is high risk — not what is easy to audit."

– Gontle Khupe, IIA–Botswana

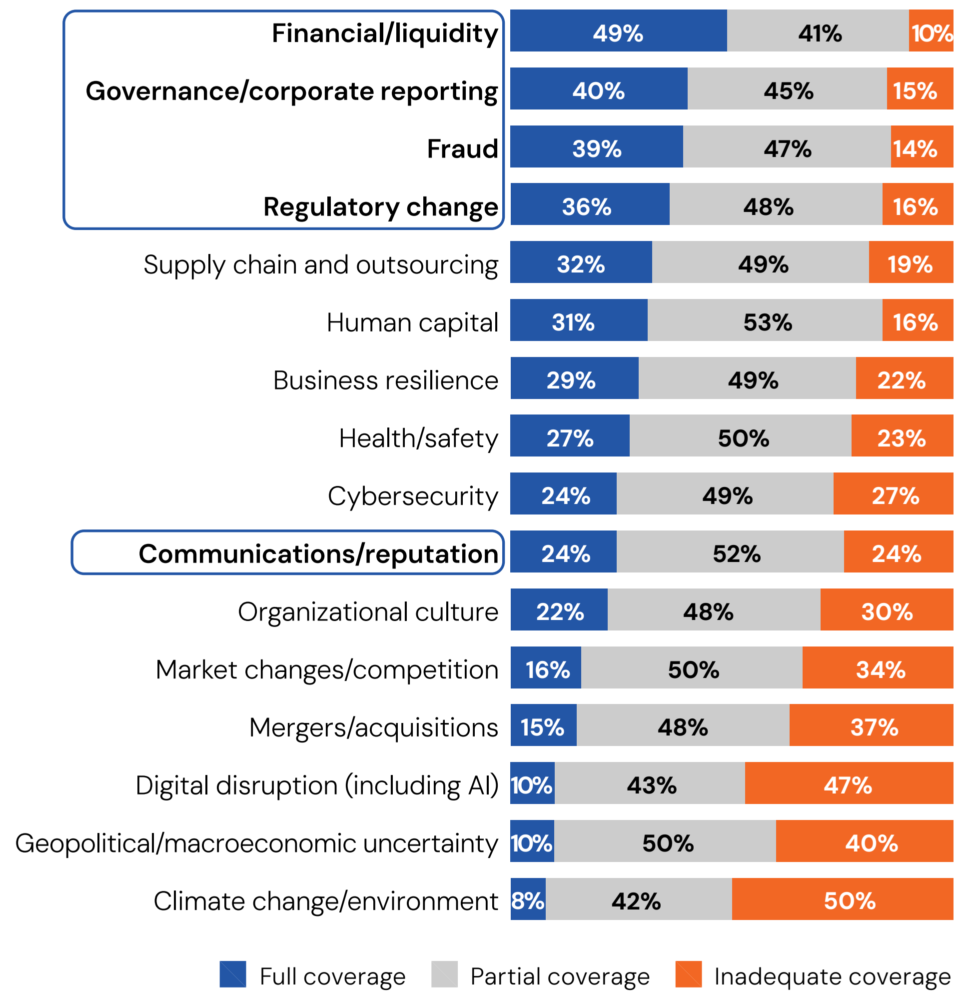
Exhibit 3.1. Africa – Risk Governance Maturity vs. Internal Audit Coverage

Survey question 1: **On a scale of 1 to 5, please rate the current level of risk governance maturity at your organization for each of the following risk areas.**
Survey question 2: **Please indicate the adequacy of internal audit's current coverage of these risk areas at your organization.**

Africa – Risk Governance Maturity



Africa – Internal Audit Coverage



Note: Risk in Focus survey conducted online worldwide from March 2 to May 6, 2026. *n* = 816 for Africa.

RISK MATURITY AND COVERAGE

Some high-risk areas have relatively low audit coverage

The next step of the research was to look at the maturity and audit coverage ratings for Top 5 risks. This analysis revealed that only 2 out of the 5 highest risks for Africa had strong governance maturity and audit coverage — financial/liquidity and fraud. This meant that the other three Top 5 risk areas had relatively low governance maturity and coverage — cybersecurity (34% mature, 24% full coverage), geopolitical uncertainty (28% mature, 10% full coverage), digital disruption (22% mature, 10% full coverage) (Exhibit 3.2) This raises concern that audit effort may be overallocated to areas of established maturity rather than on those of highest strategic exposure.

Mwangi observed, "Where the risk governance functions effectively, it suggests that internal controls are already in place. Internal auditors should do less in those areas. That's why I question why internal auditors continue auditing areas where risk governance is already mature."

Although there are indeed gaps between coverage and risk, internal auditors in the continent have significantly elevated the priority for cybersecurity audits, with cybersecurity emerging as the highest ranked audit priority among all risk areas, at 67% in 2026 (Exhibit 2.1). This increased focus is expected to strengthen governance maturity and expand audit coverage in the coming years. However, the key challenge remains developing effective approaches to improve governance and audit maturity in the areas of geopolitical uncertainty and digital disruption.

Barriers to auditing low maturity areas

A reluctance to focus on low-maturity areas may stem from several factors, including discomfort in addressing unfamiliar domains, limited understanding of the processes with low risk maturity, complexity of emerging threats, preference for auditing traditional areas, lack of specialized skills, insufficient resources, and resistance in embracing the evolving role of internal auditing. Internal audit resourcing plans should include the development of skills in emerging risks.

"When you look at digital disruption and geopolitical uncertainty, it is uncomfortable for everyone because it is new and consistently changing."

– Roundtable participant

RISK MATURITY AND COVERAGE

As Mwangi notes, "This reflects an inability of internal auditors to audit outside their comfort zones and a lack of technical expertise." Another roundtable participant observed, "Over time, internal audit becomes comfortable auditing certain areas — there may be a bias toward coverage in those areas. However, when you look at digital disruption and geopolitical uncertainty, it is uncomfortable for everyone because it is new and consistently changing."

Use advisory services to increase governance maturity

Despite the challenges, internal audit functions should proactively assist their organizations to strengthen areas of low governance maturity. Where risk maturity is low, internal auditors can consider providing advisory services, including creating awareness among senior management and the board about the impact of the risk on the organization. Supporting this perspective, one roundtable participant emphasized the importance of raising awareness, stating, "Tell them about the impacts. Awareness, awareness, awareness!" Similarly, another participant observed, "The lower the risk governance maturity, the greater the need for higher audit priority. Instead of focusing solely on assurance, internal auditors should shift toward advisory."

Internal auditors should follow the combined assurance philosophy, which seeks to maximize risk assurance through coordination. Internal auditors add value to their organizations when they take a proactive role, providing advice, insight, and foresight to strengthen organizational risk management processes. Shumbamhini warns, "Internal auditors sometimes hide behind independence, even in situations where their advisory services are most needed."

Exhibit 3.2. Africa – Risk Maturity and Audit Coverage vs. Top 5 Risks

Survey question 1: **What are the Top 5 risks your organization currently faces? (Choose 5.)**
Survey question 2: **On a scale of 1 to 5, please rate the current level of risk governance maturity at your organization for each of the following risk areas.**
Survey question 3: **Please indicate the adequacy of internal audit's current coverage of these risk areas at your organization.**

Risk areas	Risk governance maturity high	Audit coverage "fully adequate"
Financial/liquidity	53%	49%
Regulatory change	46%	36%
Governance/corporate reporting	45%	40%
Fraud	44%	39%
Communications/reputation	40%	24%
Business resilience	38%	29%
Health/safety	38%	27%
Human capital	38%	31%
Supply chain and outsourcing	37%	32%
Cybersecurity	34%	24%
Market changes/competition	32%	16%
Organizational culture	31%	22%
Geopolitical/macroeconomic uncertainty	28%	10%
Mergers/acquisitions	22%	15%
Digital disruption (including AI)	22%	10%
Climate change/environment	17%	8%

Top 5 risks   5 highest areas for maturity/coverage

How to Interpret the Graph
Risk governance maturity shows the percentage who rated it as "managed" or "optimized." **Audit coverage** shows the percentage who rated it as "fully adequate." (Other options were "partially adequate" and "inadequate.")

Note: Risk in Focus survey conducted online worldwide from March 2 to May 6, 2026. *n* = 816 for Africa.

KEY POINTS

Survey insights

- Internal auditors are more likely to have high audit coverage for areas with high risk maturity than those with low risk maturity.
- Four out of the five highest-rated areas for risk governance maturity also had high ratings for internal audit coverage.
- Three out of the five highest risks for Africa were low for risk governance maturity and internal audit coverage — cybersecurity, geopolitical uncertainty, and digital disruption.

Internal audit strategies

- Internal audit functions must proactively assist their organizations to strengthen areas of low risk governance maturity.
- Internal audit resourcing plans should include the development of skills in emerging risks.
- Where risk governance maturity is low, internal auditors should consider providing advisory services, including creating awareness among senior management and the board about the impact to the organization.

CONCLUSION

Call to Action

Organizations that ignore the external environment in their risk management philosophies can no longer survive disruptions relating to cybersecurity, digital disruption, fraud, geopolitical tensions, and macroeconomic uncertainty as well as financial unsustainability.

This study has identified these as Top 5 risks in Africa, compelling both business and internal audit leaders to prioritize these in their strategies and plans. Internal audit functions cannot continue auditing what they are comfortable with and ignoring risks that matter to the organization and its stakeholders. Such a trajectory risks misaligning their internal audit value proposition from the rest of the organization, which may swiftly erode stakeholder trust. It is therefore concerning that internal audit functions only partially address the Top 5 risks in their plans, creating an assurance gap and a potential misalignment with organizational risk profiles and strategies. This misalignment can be driven by several factors, including limited expertise in specialized risks (for example, AI and geopolitics), resource and technology constraints, and inflexible internal audit planning processes.

Understanding strategic risks

Whatever the reasons, Gontle Khupe, IIA–Botswana, cautions that, "All the Top 5 risks are interconnected" and must never be treated in isolation. Holistic mitigation and auditing approaches are therefore essential, given the cascading impact of one risk on another. For instance, it is impossible to effectively address financial or liquidity risk without simultaneously mitigating cybersecurity, digital disruption, geopolitical/macroeconomic, and fraud risks. Similarly, tackling cyber fraud is inconceivable without robust cybersecurity measures. Echoing this perspective, Mwangi emphasizes that "geopolitical or macroeconomic risk directly impacts business performance and resilience, shaping how organizations succeed." This underscores the need for integrated, forward-looking audit strategies that recognize the interdependence of risks and their collective influence on organizational sustainability.

CONCLUSION

Monitoring internal and external environments

To remain relevant, internal audit functions must stay attuned to changes in both internal and external environments. They need to critically assess the external environment through special lenses, enabling their organizations to better understand the emerging risks. This requires internal audit to fully embrace its advisory, foresight, and insight roles. Developing fit-for-purpose internal audit functions must be intentional, not coincidental. It should be grounded in a clear understanding of the organization's purpose and visions, risk profiles, and stakeholder expectations. It also demands continuous upskilling of internal audit staff on emerging risks and trends; agility and proactiveness in audit planning; and a culture of learning, unlearning, and relearning within the internal audit function.

Taking action on high risks

Internal audit leaders must recognize that independence can no longer be used as a shield for inaction. Internal auditors cannot remain reactive spectators in the face of fast-moving risks with potentially severe business impacts. Internal audit functions that will remain relevant are those that sense the risks early, prepare their organizations for effective response, design plans that adapt to shifting risk profiles, and collaborate with management to avert crises. Lack of skill is no longer an acceptable reason for excluding high-risk areas from audit consideration. Chief audit executives must ensure that their audit plans are genuinely risk-based. These should not solely rely on risk registers but must also reflect areas of concern identified by management, audit committees, and internal audit itself. Internal audit plans must also give proactive attention to improving areas with low risk maturity.

Equally important, CAEs must secure boardroom presence, invest in specialized skills, and coordinate effectively with other assurance providers. They must acknowledge that rigid annual or long-term plans are no longer suitable in an environment defined by rapid and unpredictable risk shifts. Instead, audit planning must be dynamic, responsive, and forward-looking to ensure internal audit remains a trusted advisor in safeguarding organizational resilience.

"Internal auditors must understand their organizations. We have to understand the businesses, starting by understanding the risk profiles of our organizations."

– Roundtable participant

APPENDIX A. METHODOLOGY

Survey, Roundtables, and Interviews

The Internal Audit Foundation collected survey responses from March 24 to May 6, 2026, for all regions except Europe. Responses from Europe were collected by the European Institutes Research Group from March 2 to April 7, 2026.

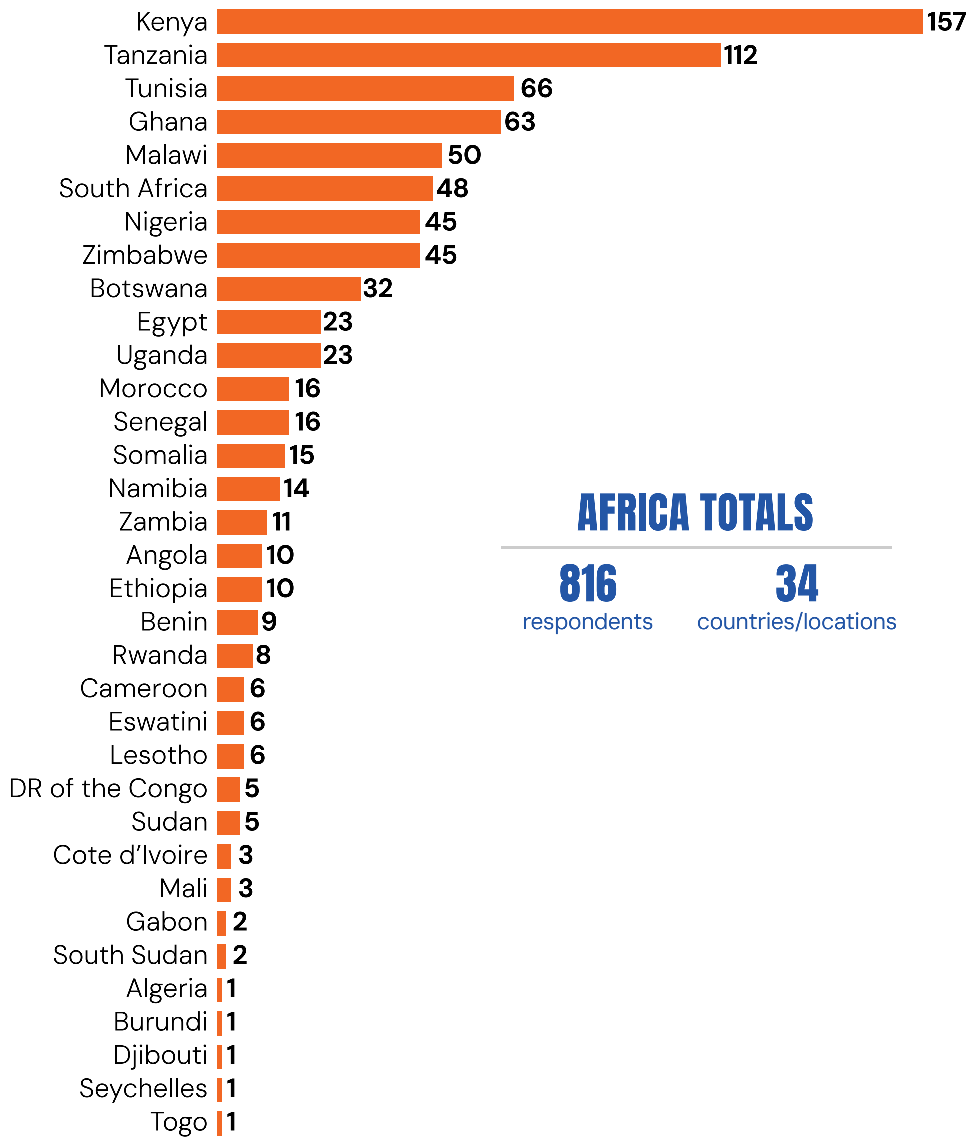
Completed surveys were received from 3,285 internal auditors who confirmed that they were the highest-ranking internal auditor at their organizations. They represented 132 countries/locations. The survey was conducted online through contacts associated with IIA National Institutes and regional bodies. In addition, roundtables and interviews were conducted for each regional report.

The 16 risk areas used in the survey are shown below. Respondents were asked a variety of questions about risk levels, audit planning, and risk governance maturity.

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

APPENDIX B. DEMOGRAPHICS

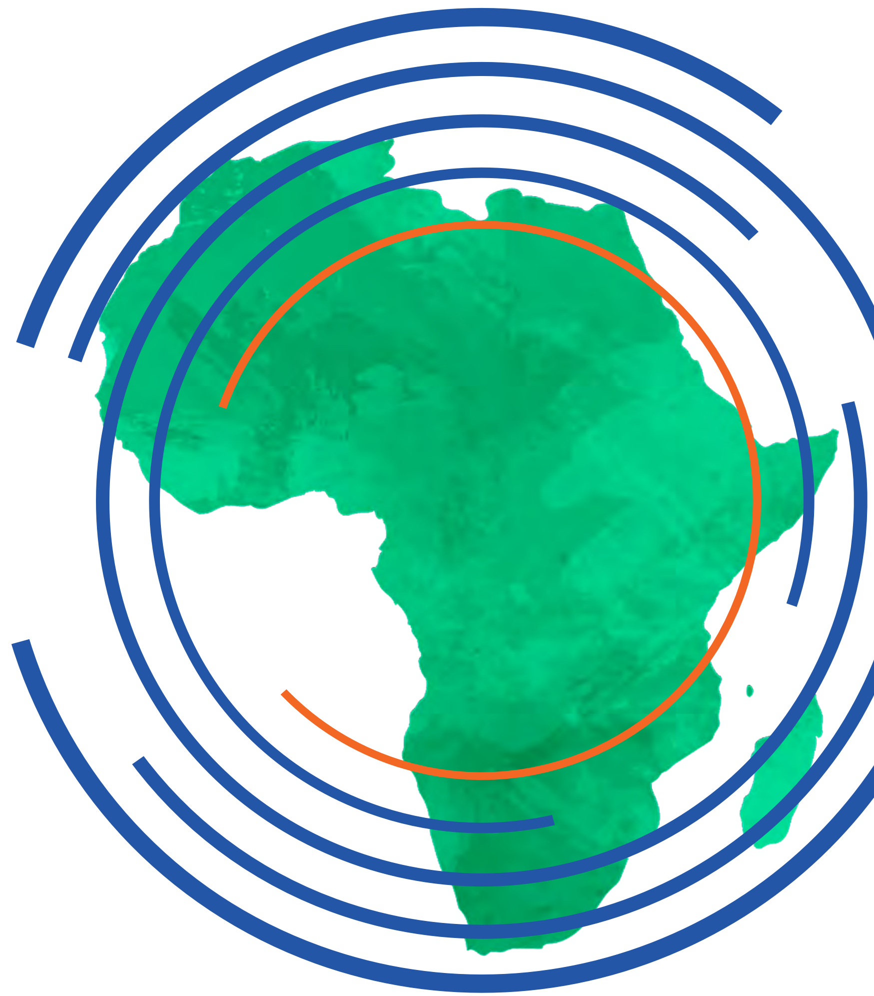
Exhibit B.1. Africa – Responses per Location



AFRICA TOTALS

816 respondents

34 countries/locations



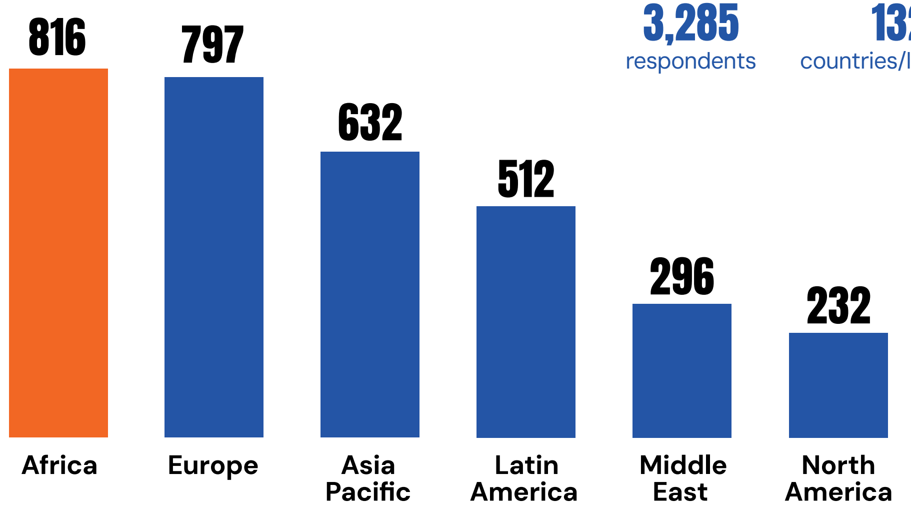
Note: Risk in Focus survey conducted online worldwide from March 2 to May 6, 2026. *n* = 816 for Africa.

Exhibit B.2. Global - Survey Responses per Region

GLOBAL TOTALS

3,285 respondents

132 countries/locations



Note: Risk in Focus survey conducted online worldwide from March 2 to May 6, 2026. *n* = 296 for Middle East.

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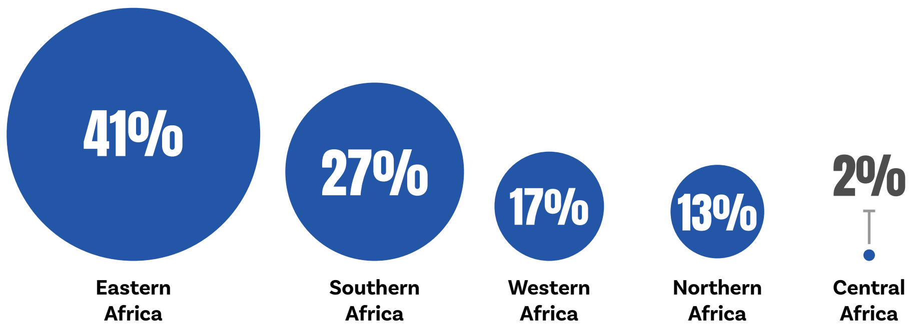
Exhibit B.3. Africa – Responses per Subregion



Eastern Africa	
Kenya	157
Tanzania	112
Uganda	23
Somalia	15
Ethiopia	10
Rwanda	8
Sudan	5
South Sudan	2
Djibouti	1
Seychelles	1
Burundi	1
Total	**335**

Southern Africa	
Malawi	50
South Africa	48
Zimbabwe	45
Botswana	32
Namibia	14
Zambia	11
Angola	10
Eswatini	6
Lesotho	6
Total	**222**

Western Africa	
Ghana	63
Nigeria	45
Senegal	16
Benin	9
Cote d'Ivoire	3
Mali	3
Togo	1
Total	**140**

Northern Africa	
Tunisia	66
Morocco	23
Egypt	16
Algeria	1
Total	**106**

Central Africa	
Cameroon	6
Democratic Republic of the Congo	5
Gabon	2
Total	**13**

Note: Risk in Focus survey conducted online worldwide from March 2 to May 6, 2026. *n* = 816 for Africa.

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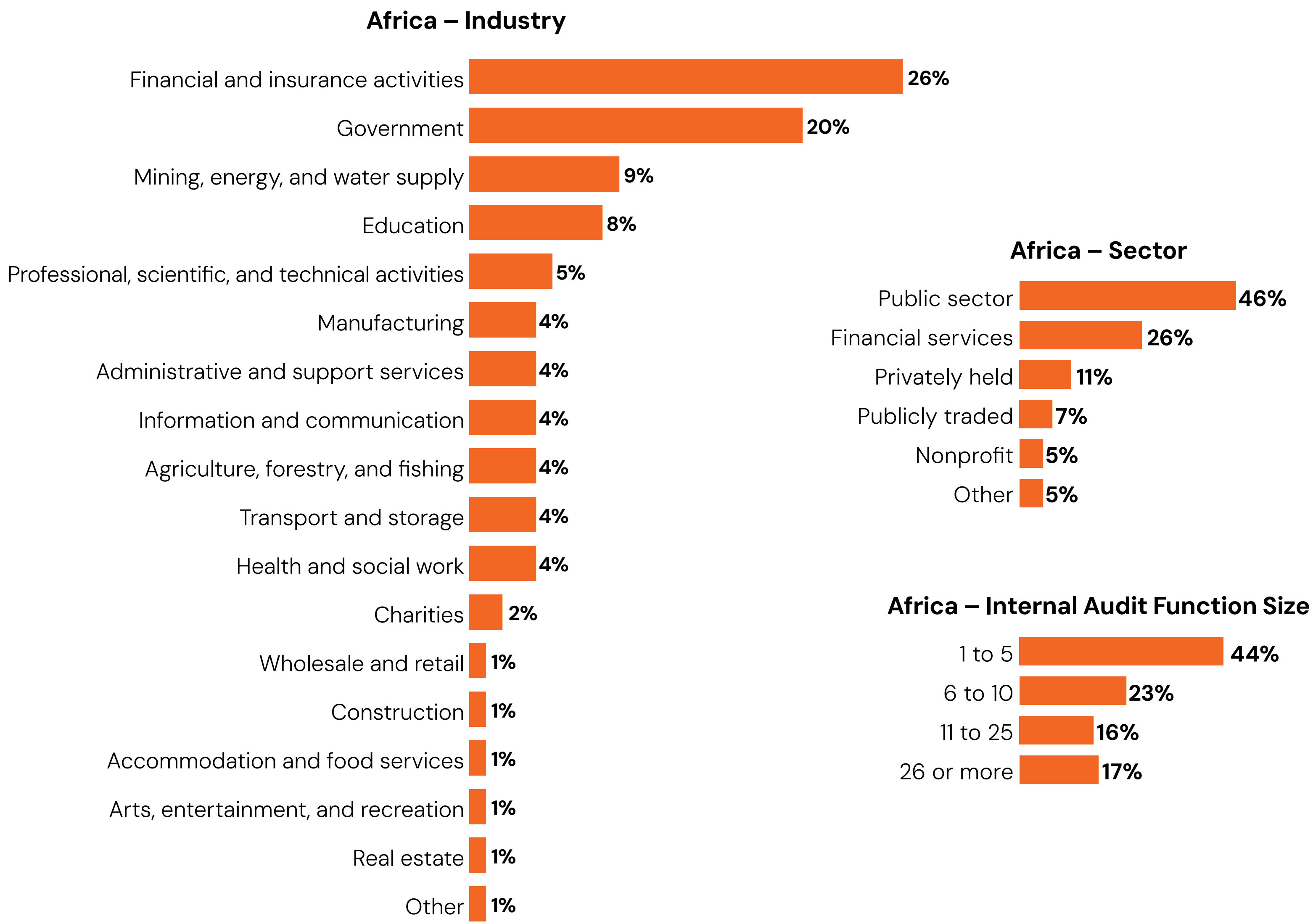
Exhibit B.4. Africa – Industry, Sector, Internal Audit Function Size



Note: Risk in Focus survey conducted online worldwide from March 2 to May 6, 2026. *n* = 816 for Africa.

APPENDIX C. GLOBAL RISK OVERVIEW

Risk Convergence Among Global Regions

Overall, risk convergence worldwide is increasing, particularly in technology and geopolitical domains. However, Africa's distinct structural vulnerabilities, especially in financial resilience and governance, continue to expose the continent to unique risks. Organizations in Africa must adopt a more integrated, forward-looking approach to risk management to cover both global risks and regional specific risks.

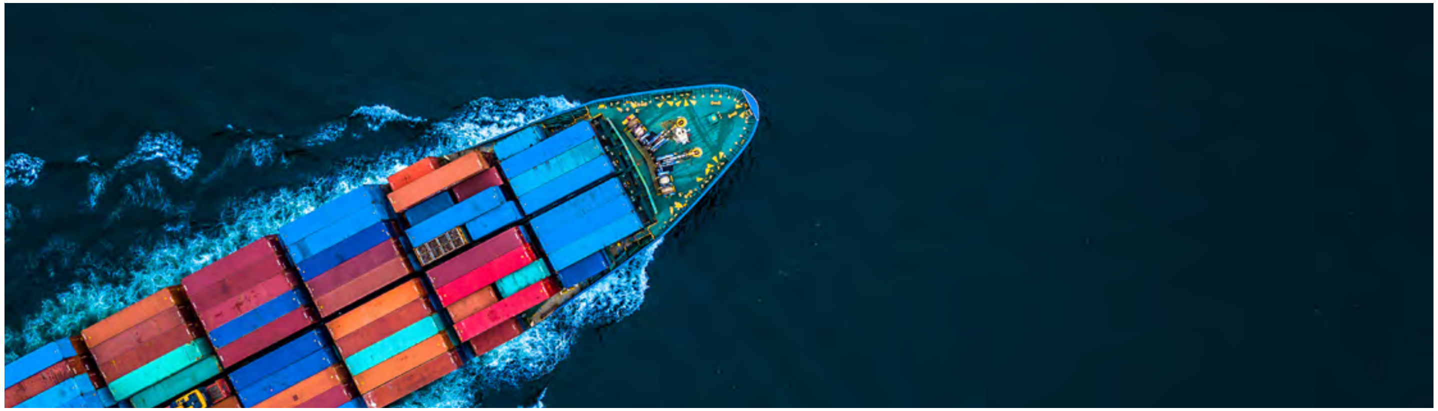
Strong alignment between Africa and global risk trends

Africa's highest risks, namely, cybersecurity, digital disruption, and geopolitical and economic uncertainty, mirror global risk trends.

- Geopolitical and economic uncertainty increased by 10 percentage points globally (Exhibit C.1) and 8 percentage points in Africa (Exhibit 1.2), driven primarily by ongoing conflicts, particularly in the Middle East.
- Cybersecurity remains the highest risk across all the regions, increasing by 7 percentage points globally (Exhibit C.1) and 11 percentage points in Africa (Exhibit 1.2). This reflects heightened exposure to cyberthreats linked to rapid digitalization and technology adoption.
- Digital disruption risk increased by 10 percentage points globally (Exhibit C.1) and 6 percentage points in Africa (Exhibit 1.2), underscoring accelerated transformation of business models and growing reliance on emerging technologies.

Risk ratings for business resilience declined worldwide

Risk ratings for this area declined by 12 percentage points as a global average (Exhibit C.1) and 21 percentage points in Africa (Exhibit 1.2), indicating a shift away from treating resilience as a standalone priority.



MORE GLOBAL RESOURCES

See the *Risk in Focus Global Summary report* for regional trend data and analysis.

Exhibit C.1. Global – Top 5 Risks Trend

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

2023	2024	2025	2026	Change from 2025 to 2026	Change	Risk areas
73%	**71%**	**73%**	**80%**		**+7**	**Cybersecurity**
34%	**39%**	**48%**	**58%**		**+10**	**Digital disruption (including AI)**
30%	**28%**	**38%**	**48%**		**+10**	**Geopolitical/ macroeconomic uncertainty**
51%	49%	43%	38%		-5	Human capital
47%	54%	47%	35%		-12	**Business resilience**
32%	32%	31%	34%		+3	Financial/liquidity
39%	**37%**	**41%**	**32%**		-9	**Regulatory change**
32%	**32%**	**31%**	**29%**		-2	**Market changes/competition**
24%	**27%**	**23%**	**29%**		**+6**	**Fraud**
26%	22%	24%	27%		+3	Supply chain and outsourcing
27%	26%	24%	20%		-4	Governance/corporate reporting
19%	21%	18%	19%		+1	Climate change/environment
26%	25%	24%	19%		-5	Organizational culture
21%	21%	19%	15%		-4	Communications/reputation
11%	11%	10%	10%		0	Health/safety
6%	6%	5%	5%		0	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.

Note: Risk in Focus survey conducted online worldwide from March 2 to May 6, 2026. *n* = 3,285.

GLOBAL RISK OVERVIEW

Regional differences need consideration

Even with risk convergence in key areas, systemic differences expose each region to unique risks (Exhibit C.2).

- **Africa:** Financial or liquidity risk and fraud rank among Africa's Top 5 risks, highlighting Africa's exposure to economic shocks, cyberfraud, corruption, and transparency deficits.
- **Asia Pacific:** Asia Pacific rated risk levels higher than average for business resilience (43%), market changes (37%), and supply chain (33%). The region saw a significant reshuffling of risk rankings compared to the prior year.
- **Europe:** Similar to the previous year, regulatory change (40%) ranked high for the region and well above the global average (32%). Human capital risk was in the Top 5 (39%).
- **Latin America:** Latin America saw higher risk rankings for fraud (38%) compared to the global average.
- **Middle East:** Business resilience (47%) and financial/liquidity risks (42%) were higher in the Middle East.
- **North America:** Compared to the average of the regions, risk ratings for North America were higher for market changes/competition (41%), regulatory change (42%), human capital (45%), and supply chain (33%).

Exhibit C.2. Global – Top 5 Risks per Region

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

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

How to Interpret the Graph
The **red arrows** ↑ indicate an increase of 4 percentage points or more compared to the prior year.

Note: Risk in Focus survey conducted online worldwide from March 2 to May 6, 2026. *n* = 3,285.

APPENDIX D. IIA RESOURCES

The IIA offers a variety of resources to support internal auditors with risk assessment and audit planning through the Standards and Guidance department. Most of these resources are available free to IIA members worldwide, and some are also available to the public at large. To see the most recent releases, visit the Global Guidance resource page and the Statements of Position release page.

Risk Environment

- Assessing the Risk Management Process, 2nd Edition (The IIA, Global Practice Guide, 2024)
- Role of the Internal Audit Function in Enterprise Risk Management (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, 2nd Edition (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
- Condensed Global Internal Audit Standards

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