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AuditBoard, a cloud-based software platform transforming the way enterprises manage critical risk, audit, and compliance work, today released survey data which reveals that a majority of audit and risk professionals believe the risk environment will continue to be dynamic and unpredictable in 2021, rather than returning to more stable pre-pandemic conditions. The top risk they cited for the coming year was of “economic conditions impacting growth,” followed closely by “cybersecurity threats.”

The findings come from a series of surveys conducted at AuditBoard's recent Audit &

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During the executive keynote presentation at Audit & Beyond, attendees were asked questions about the risks their businesses face as a result of the pandemic and looking forward. Responses reveal an evolving risk landscape with a variety of different business priorities.

- More than eight in ten (81%) of respondents said “risk will continue to be dynamic and unpredictable” in 2021 and beyond.
- When asked what they see as the most pressing risk facing their businesses in 2021, 27.6% of respondents said, “economic conditions impacting growth,” more than one-quarter (27%) said, “cybersecurity threats,” and 12.8% said “business continuity and crisis response.”

### **A Permanent Shift to Remote Work**

One of the biggest challenges the COVID-19 pandemic has created for audit, risk, and compliance professionals is the sudden shift to remote work. Performing audit and risk management tasks in a remote environment is a significant challenge without the aid of modern, collaborative technology. Recent IIA polls suggest roughly three-quarters of Audit teams are without a modern audit technology solution today. However, when asked about the future of work, nearly two-thirds (59%) of respondents said they expect their team will work remotely for all or part of the workweek once quarantines lift. 7.5% said they expect their team will work 100% remote on a permanent basis. This shift to remote work presents a major operational challenge for audit, risk, and compliance teams.

“Conditions have changed drastically due to the pandemic, and audit, risk, and compliance organizations have had to act quickly to adapt to the dynamic risk environment, while maintaining operational continuity,” said John Reese, SVP of Marketing at AuditBoard. “AuditBoard survey responses overwhelmingly showcase

how quickly the workplace mindset is shifting, and how important modern audit,

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- More than half (55%) replied that they agree or strongly agree that internal audit teams are involved with discussions of risk and potential responses to the crisis.
- The same sample of respondents was also asked about how COVID-19 will change communications between audit teams and the rest of the organization. Close to half (44%) said that communications with audit committees will increase slightly or significantly moving forward.
- In a separate conference session, 84.3%
- of respondents replied that they are somewhat or very likely to expand risk assessment to new areas or processes and to add new controls to mitigate additional risks as a result of the pandemic.

### **Amid Changing Strategies, Risk Management Programs Often Lacking**

The pandemic has shifted strategies for many organizations. And, while companies are integrating audit teams as a core part of building these new business strategies, many organizations still lack a mature enterprise risk management program. Developing a strong program will be key as companies navigate a changing risk landscape.

- Just 20.5% report that they've maintained strategy with little variation as a result of the pandemic. The remaining 79.5% have either made moderate changes (43.1%), redirected strategy in certain areas (29.3%), or made significant broad-ranging changes (7.1%).
- Despite these measures for managing the changing risk landscape, just 16.1% reported having a "robust Enterprise Risk Management (ERM) program" that impacts daily decision making and internal audit planning.

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