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remain optimistic about their department's continuing value and growth.

Isaac M. O'Bannon • Jul. 14, 2022



[AuditBoard](#), a cloud-based platform for audit, risk, and compliance management, has announced the results of a survey of top audit leaders revealing the critical risks enterprises face in the second half of 2022, how the audit profession is evolving, and where there are opportunities for improvement. Released in conjunction with the [2022 IIA International Conference](#), the survey found that due to geopolitical instability, inflation hitting a 40-year high, continued cybersecurity breaches, and growing environmental pressures, auditors are navigating a dynamic and ever-changing risk environment — a “risk bedlam.”

The survey polled over 170 internal audit leaders across a range of industries, providing a portrait of an industry bracing for disruption. At a time when auditors

face unrelenting pressure to anticipate and manage such new and unexpected risks,

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departments have the same or increased budgets compared to 2021, with 21% having gained staff positions in 2022 and 33% anticipating adding staff in 2023.

The great resignation has made hiring and retaining internal audit talent more challenging

Just like so many industries, the internal audit profession has seen a significant shake-up in the wake of the great resignation. Despite open positions, hiring in the current market remains challenging. The talent shortage and salary wars have taken competition to a new level and traditional recruitment and retention strategies are no longer cutting it. Today, internal audit leaders report that they are adopting new approaches to hiring, with remote work (35%) and flexible working conditions (22%) cited as the most successful strategies for attracting and retaining auditors.

Internal auditors need to keep their eyes on the horizon to proactively identify emerging risks

Since AuditBoard's last survey, conducted in October 2021, the risks identified as a high priority have remained largely unchanged. Now, audit leaders report the top five risks facing their organizations as cybersecurity, attracting and retaining talent, economic conditions, third-party risk management, and regulatory changes. Previously, leaders named four out of the same five top risks, with changing economic conditions being the only new risk named.

However, as inflation started rising in late 2021, this change indicates a reactive approach to risk — as does the fact that the other risks have remained a constant. For organizations to better anticipate rapidly emerging and evolving risks, auditors must keep their eyes on the horizon, leveraging key risk indicators (KRIs) like economic forecasts, company strategy performance, and competition. In addition, with only 27% of audit leaders reporting extensive collaboration with risk management, stronger partnerships with risk teams will prove essential going forward.

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need to clearly define reporting lines and oversight of resource requirements to ensure internal audit's independence and support throughout the organization.

“Audit leaders today are being pulled in so many different directions. They’re optimistic about their ability to tackle a myriad of challenges, yet, they’ll have to address any gaps within their department and their organization to successfully anticipate and manage the risks ahead,” said Richard Chambers, Senior Internal Audit Advisor at AuditBoard, who authored the report. “Going forward, only the most proactive internal auditors will be able to keep up with coming disruptions — and they’ll need the proper resources and tight organizational alignment to do so.”

To see the full results of AuditBoard's survey of audit leaders, please visit [AuditBoard.com](https://auditboard.com). The survey was administered during May 2022. Statistics were derived from responses given by more than 170 internal auditors.

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