



Cybersecurity and ESG Among Top Areas of Concern for Audit Leaders in 2023

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MILWAUKEE, Nov. 29, 2022 /PRNewswire/ -- In an effort to understand key factors and concerns impacting U.S. Internal Audit executives, Jefferson Wells, the Finance & Accounting, Internal Audit, Risk & Compliance, and Tax professional services firm, part of ManpowerGroup (NYSE: MAN), announced today results from its sixth annual Internal Audit Priorities survey. While cybersecurity continues as the number one risk, Environmental, Social, and Governance (ESG) jumped up to number two on the list of emerging risks.

"Cybersecurity remains the top concern for many executives, who are seeing their audit teams expand their coverage of Information Technology Governance," said Jim Gusich, ManpowerGroup's Chief Audit Executive. "But this year's survey also reveals the growing importance of ESG as more organizations are increasing their commitment to developing comprehensive ESG strategies in 2023 and beyond."

Many Internal Audit leaders expressed concern about Internal Audit Departments struggling to keep fully staffed, amid the ongoing pandemic and shifts in how and where auditors work. The survey shows 53% are working hybrid and 25% are fully remote.

"Today's Chief Audit Executives are faced with balancing constrained audit resources with the consistent pressure to expand audit coverage within their organizations," Tim Lietz, National Practice Director, Risk & Compliance at Jefferson Wells, said. "Companies are experiencing a 100% increase, year-over-year, in audit departments deferring audits because resources aren't available. Due to the current state of the job market, many internal audit departments have not been fully staffed over the past 12-18 months."

KEY FINDINGS

- The top five areas for Audit Committees are Data privacy and cybersecurity (43%), Emerging risks and impacts on major initiatives (37%), Strategic risk (33%), ESG (31%), and Employee retention (29%).
- With the growing importance of ESG, 71% of Chief Audit Executives (CAE) are including an assessment of ESG in their audit plans.
- As ransomware and other attacks have exponentially increased in both frequency and ferocity, Internal Audit departments are now shifting more attention to preventative, strategic methods of cyber defense.
- As operational involvement increases, internal audit leaders are looking for other ways to enhance their audit function. Two areas with the highest return on investment are data analytics (52%) and other internal audit specific technologies (48%).

For the complete 2022 Internal Audit Priorities survey results, visit www.jeffersonwells.com.

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MEDIA CONTACT: Hillerie Patton, hillerie.patton@manpowergroup.com