



The Association of
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in Business

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FOR IMMEDIATE RELEASE

Challenges Lie Ahead for Internal Control Within Organizations

Montvale, N.J., July 6, 2022 – The purpose and effectiveness of internal control are being tested like never before by myriad external pressures, reveals a new report from ACCA (the Association of Chartered Certified Accountants), the Internal Audit Foundation, and IMA® (Institute of Management Accountants).

In "[Internal Control and the Transformation of Entities](#)", the three professional bodies joined forces to poll some 2,000 of their global members to better understand what lies ahead for internal control, a core part of business operational management that achieves important objectives, improves performance, and builds reputation, especially in disruptive and uncertain times as entities continue to transform using data and technology as drivers.

The findings show that the continued effects of the pandemic, the turbulent economic climate, regulation, and data and technology, are all presenting organizations with unique challenges for their internal control activities.

The lack of appropriately skilled staff was highlighted by 50% of respondents as a challenge, and 41% said technological advances are compromising existing internal

controls. Nearly a third (32%) said a lack of executive emphasis on internal controls was also impacting the management of internal control.

Respondents were also asked the purpose of internal control in an entity, with 88% saying it minimizes risk, 84% cited prevention of fraud, and 77%, the protection of assets.

The poll also shows that most respondents - 80% - say they agree or strongly agree that they need to apply their internal control framework to non-financial and ESG reporting.

Helen Brand, chief executive of ACCA, said: "Internal control forms a core part of the activities of accountancy, finance and internal audit professionals, assisting them to ensure that entities operate effectively and efficiently. Yet the business model is changing for many because of various and interconnected external pressures. Given this ongoing turbulence, it's therefore essential that organizations recruit and retain the skilled people who can ensure that internal controls are agile and future-ready to support business transformation and growth."

Jeff Thomson, CMA, CSCA, CAE, president and CEO of IMA, added: "As we say in the foreword to our report, internal control goes beyond statutory compliance requirements. It helps entities build trust, confidence, and a positive reputation in achieving strategic business outcomes. All this is increasingly vital now and in the future as we do not see turbulence or volatility decreasing."

Anthony J. Pugliese, IIA president and chief executive officer, Internal Audit Foundation Board of Trustees, added: "Internal control demands appropriate prioritization by management and a combination of people, processes, technology, and data – all underpinned by an unwavering commitment to trust and ethics. The route to this is through professional qualifications and continuing professional development, which our three organizations commit to delivering now and in the future."

The report also makes numerous recommendations and actions to improve internal control listed under headlines about the main drivers of change - such as strategic, transformation, people, processes, technology, and data.

Clive Webb, a co-author of the report and head of business insights at ACCA, concluded: "Our recommendations will help accountants, finance professionals, and internal auditors navigate the way ahead as entities continuously evolve and transform. Our collective professions' role in this change is essential, and we have every faith that their skills, knowledge, and dedication will ensure the future strength and integrity of internal control processes in an increasingly challenging world."

The report can be downloaded here: www.myima.org/internalcontrol

About ACCA: ACCA is the Association of Chartered Certified Accountants. We're a thriving global community of **233,000** members and **536,000** future members based in **178** countries and regions that upholds the highest professional and ethical values.

We believe that accountancy is a cornerstone profession of society that supports both public and private sectors. That's why we're committed to the development of a strong global accountancy profession and the many benefits that this brings to society and individuals.

Since 1904 being a force for public good has been embedded in [our purpose](#). And because we're a not-for-profit organisation, we build a sustainable global profession by re-investing our surplus to deliver member value and develop the profession for the next generation.

Through our world leading ACCA Qualification, we offer everyone everywhere the opportunity to experience a rewarding career in accountancy, finance and management. And using our respected research, we lead the profession by answering today's questions and preparing us for tomorrow.

ACCA and CA ANZ have formed a [strategic alliance](#) for the benefit of members and to help shape the future of the profession. Find out more about us at accaglobal.com

About The Internal Audit Foundation and the Institute of Internal Auditors: The Internal Audit Foundation is an essential global resource for advancing the internal audit profession. Foundation-funded research provides internal audit practitioners and their stakeholders with insight on emerging topics and promotes and advances the value of the internal audit profession globally. In addition, through its Academic Fund, the Foundation supports the profession's future by providing grants to students and educators who participate in The Institute of Internal Auditor's Internal Auditing Education Partnership Program. For more information, visit www.theiia.org/Foundation

The Institute of Internal Auditors (IIA) is the internal audit profession's most widely recognized advocate, educator, and provider of standards, guidance, and certifications. Established in 1941, The IIA today serves more than 210,000 members from more than 170 countries and territories. For more information, visit www.theiia.org

About IMA® (Institute of Management Accountants)

IMA® is one of the largest and most respected associations focused exclusively on advancing the management accounting profession. Globally, IMA supports the profession through research, the CMA® (Certified Management Accountant) and CSCA® (Certified in Strategy and Competitive Analysis) programs, continuing education, networking, and advocacy of the highest ethical business practices. Twice named Professional Body of the Year by *The Accountant/International Accounting Bulletin*, IMA has a global network of about 140,000 members in 150 countries and 350 professional and student chapters. Headquartered in Montvale, N.J., USA, IMA provides localized services through its four global regions: The Americas, Asia/Pacific, Europe and Middle East/India. For more information about IMA, please visit www.imanet.org.

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