

# Accelerate

## Navigating the changing risk landscape

### The key issues driving the audit committee agenda in 2022

By Kristy Carscallen

Organizations globally are still grappling with the unique impacts caused by the pandemic. The past year has served up a host of new challenges—from supply chain disruptions to the effects of climate change to the Great Resignation—and 2022 will bring more disruption and continued uncertainty. Audit committees and their boardroom peers are seeing new risks appear on their radar—ones they can expect to become a part of the new normal.

The only certainty these days is uncertainty. What new risks should you be aware of? How could these new risks impact your organization? And where might you need additional oversight? In this year's Accelerate 2022 insights series, we examine some of the most pressing issues for audit committees, led by KPMG subject matter experts across our practice.

#### **The role of the audit committee is rapidly evolving**

The rise in ransomware, phishing and insider threats isn't new, but continues to create risk for organizations—so too does digital transformation, diversification of supply chains and increasingly complex IT environments. Along with supporting the

digital transformation of the organization for remote and hybrid work, the finance function is also automating its processes. And timelines are much shorter in a virtual world, requiring much more agility.

Organizations also face new and sustained risks related to environmental, social and governance (ESG) issues. Audit committees and board members need to understand both the direct and indirect impact of these risks on the business and how to assess that impact on their financial statements, including

**As audit committees take on more oversight responsibilities, it's more important than ever that they ask the right questions and bring the right experience.**

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valuations. With growing consensus around climate reporting requirements and efforts to standardize the definition of net zero, audit committees need to ensure they're moving toward these emerging standards and integrating them into their risk management frameworks.

Talent development and succession planning is creating new risks for organizations. While traditionally this wasn't on the radar of audit committees, it's now essential to consider the impact of the talent shortage, including the loss of specialized expertise, the need to upskill employees and the impact of extensive turnover on audit cycles and financial reporting requirements.

## What should audit committees be asking?

In Accelerate 2022, we examine these pressing issues—the risks, the challenges and the opportunities—and spotlight the questions all audit committees should be asking. These insights will help you better understand the evolving risk landscape and ensure you're better prepared to lead your organizations through the change to come.

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