



# Chief Audit Executive Outlook for 2025: A new administration, a new path forward

KPMG hosted a **Chief Audit Executive Outlook for 2025**. During this webcast, we polled almost 2,500 professionals who consist of chief audit executives, SOX professionals, and risk decision-makers at their respective companies.

Here's what we discovered...

## What do you expect from the economy in 2025?

Better than 2024	46%	Worse than 2024	22%
Same as 2024	32%		

## Which risk or trend do you believe will have the biggest impact on your business in 2025?

Access to capital	4%	Interest rates	16%
Climate	2%	Other	8%
Consumer preferences	4%	Privacy	1%
Cyber	7%	Regulatory/Compliance	15%
Geopolitical	18%	Supply chain	7%
Inflation	18%		

## Which economic measure will have the most significant impact on the composition of your internal audit plan in the next 12 months?

Changes in hourly average earnings	5%	Fed funds rate	15%
Changes in unemployment rates	5%	Financial stress index	25%
Commodity prices	14%	Foreign exchange rates	9%
Consumer price index	15%	Trade balances	12%

## What do you think will be the biggest challenge for your SOX program as you close out your fiscal 2024 program?

Changes in process: technology, automation, offshoring, outsourcing	32%	Impact on all estimates, assumptions, and forecasts – interest rate, inflation, liquidity, going concern, ForEx, inventory valuation, receivables collectability	19%
Fraud risk	4%	Supply chain impact on revenue recognition and inventory	4%
Impact of reduced headcount/headcount turnover, unfilled positions, temporary absences	13%	All of the above	28%

## What do you think the US consumer will look like in 2025?

The US consumer will remain resilient and continue to spend through the higher price and interest rate environment	36%	The US consumer will pull back spending sharply as high prices and high interest rates take a bigger bite out of their wallet	16%
The US consumer will pull back slightly on discretionary spending but remain solid overall	48%		

## What pace of hiring will we see in 2025 from US companies?

Hiring will pick up as political and regulatory uncertainty fades	25%	Hiring will drop as layoffs pick up	21%
Hiring will remain flat (similar to 2024) as organizations refrain from mass layoffs but are slow to open up new job postings	54%		

## What do you think the Federal Reserve will do with short-term interest rates by the end of 2025?

Cut at least two more times	15%	Hold off on cuts or hikes	27%
Cut once or twice but no more	53%	Hike interest rates at least once	5%

## What is the key topic in your audit plan that your audit committee wants your internal audit function to focus on to create value for your enterprise in the next 18 months?

AI governance and risk management	23%	Operational auditing	7%
Third-party risk management	11%	ESG	2%
Data privacy	7%	Organic growth: customer, products, or markets	2%
Cybersecurity	21%	Inorganic growth: acquisitions and integration	1%
Tech modernization and implementation	6%	Separation and divesture	1%
Regulatory compliance (non-SOX)	4%	Other	7%
SOX or other ICFR initiatives	8%		

## What do you think will be the biggest challenge for your SOX program in 2025?

Impact on all estimates, assumptions, and forecasts – interest rate, inflation, liquidity, going concern, ForEx, inventory valuation, receivables collectability	21%	Fraud risk	13%
Changes in process: technology, automation, offshoring, outsourcing	28%	Impact of reduced headcount/headcount turnover, unfilled positions, temporary absences	7%
Supply chain impact on revenue recognition and inventory	8%	All of the above	23%

## In what part of the audit process are you most using or want to use GenAI to create value?

Risk assessment	32%	Reporting	19%
Planning	19%	Quality Assurance and Improvement Program (QAIP)	1%
Fieldwork	19%	Administrative	10%

For more KPMG insights, visit our following thought leadership web pages:

KPMG Economics  
The future of SOX insights  
On the CAE agenda  
KPMG Risk Intelligence  
The future of Internal Audit

## Contact

**Ric Kimball**  
Principal, Internal Audit &  
Controls Offering Leader  
KPMG LLP  
E: [ekimball@kpmg.com](mailto:ekimball@kpmg.com)

**Sue King**  
Partner, SOX Offering  
Leader  
KPMG LLP  
E: [susanking@kpmg.com](mailto:susanking@kpmg.com)

**Joey Gyengo**  
Principal, ERM & TPRM  
Offering Leader  
KPMG LLP  
E: [jgyengo@kpmg.com](mailto:jgyengo@kpmg.com)

**Yelena Maleyev**  
Senior Economist  
KPMG LLP  
E: [ymaleyev@kpmg.com](mailto:ymaleyev@kpmg.com)

**Michael Smith**  
Partner, Internal Audit  
Offering Leader  
KPMG LLP  
E: [michaelasmith@kpmg.com](mailto:michaelasmith@kpmg.com)

Learn about us: [kpmg.com](https://www.kpmg.com)

Some or all of the services described herein may not be permissible for KPMG audit clients and their affiliates or related entities.

The information contained herein is of a general nature and is not intended to address the circumstances of any particular individual or entity. Although we endeavor to provide accurate and timely information, there can be no guarantee that such information is accurate as of the date it is received or that it will continue to be accurate in the future. No one should act upon such information without appropriate professional advice after a thorough examination of the particular situation.

© 2025 KPMG LLP, a Delaware limited liability partnership and a member firm of the KPMG global organization of independent member firms affiliated with KPMG International Limited, a private English company limited by guarantee. All rights reserved. The KPMG name and logo are trademarks used under license by the independent member firms of the KPMG global organization. USCS025736-1A