KPMG

Internal audit driving value in the technology, media, and telecommunications sectors

KPMG *On the CAE Agenda* insights

Survey methodology

On May 28, 2026 KPMG hosted a special the technology, media, and telecommunications (TMT) edition of our *On the CAE Agenda* KnowledgeCast series.

During the webcast, we polled 663 audit and risk leaders to understand their key risk priorities and how they are utilizing AI and technology within their internal audit functions.

Industry distribution

Although the webcast focused strictly on trends in the TMT sectors, attendees from various sectors also joined the webcast and responded to our polling questions.

Total industry breakdown of attendees:

- Technology, Media and Telecommunications: 261 (39%)
- Products: 163 (25%)
- Financial Services: 86 (13%)
- Government and Healthcare: 76 (11%)
- Asset Management and Private Equity: 75 (11%)
- Other: 2 (<1%)

Respondent seniority

The seniority of the survey respondents, based on an analysis of their provided job titles, is outlined below from the most senior to other professional roles:

- C-level: 29 (4%)
- Partner / Principal: 3 (<1%)
- Vice President: 58 (9%)
- Director: 123 (19%)
- Manager: 169 (25%)
- Associate / Analyst: 54 (8%)
- Other: 227 (34%)

Here is what our polling results discovered….

AI-driven internal audit transformation: Emerging risks and shifting roles in the TMT sectors

While cybersecurity and AI governance remain top risks for technology, media, and telecommunications (TMT) companies, AI is rapidly transforming internal audit—enhancing efficiency and scaling adoption across planning and risk assessment.

Rising cyber and AI risks

Nearly 1 in 3 cite cybersecurity and AI governance as the primary risks facing TMT companies.

Reactive vs proactive IA

32% said their internal audit function focuses on post-implementation reviews and compliance, while **31%** highlighted involvement in risk assessment during planning stages.

AI powers audit planning

30% cited audit plan development and risk assessment as the most successful internal audit process using AI in the TMT sectors.

Efficiency gains from AI

44% cited increasing efficiency/time savings as the most tangible value from using AI in their internal audit function.

Source: KPMG US, "On the CAE Agenda KnowledgeCast" (May 2026).

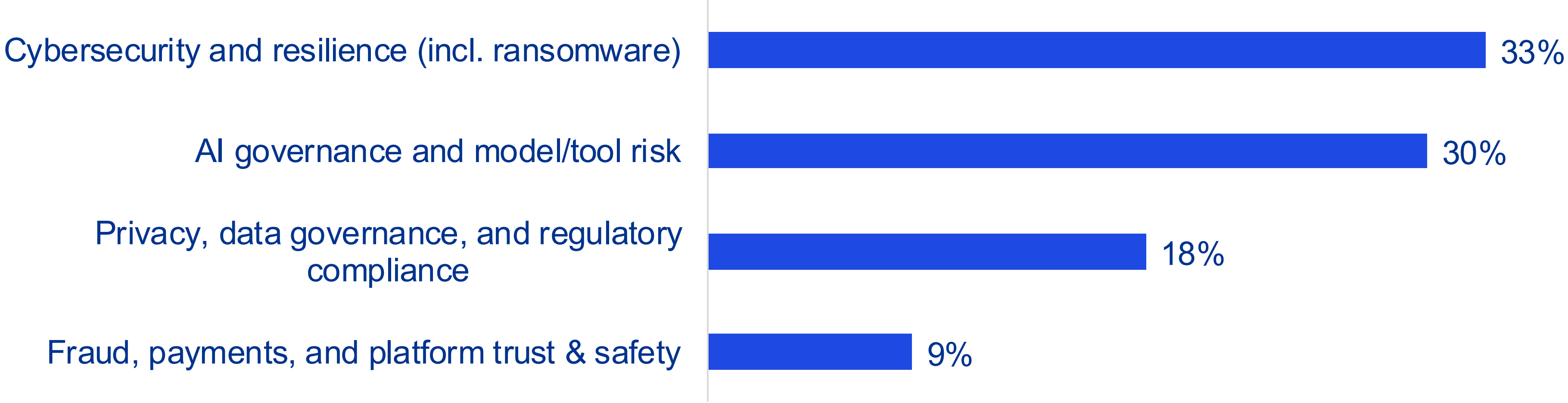
> *"Our big shift in working with clients is helping move from traditional defensive auditing to more predictive risk management—an approach many tech clients are adopting as they scale new products."*

—Parth Jhaveri, US TMT Leader, Internal Audit & Controls, KPMG LLP

Cyber and AI reshaping TMT risk—IA must stay ahead

AI governance and cybersecurity are the primary risks for TMT companies, driving a shift in internal audit toward predictive, technology-enabled risk management.

Most significant risks facing technology, media, and telecommunications companies in 2026



Additional risks under 5%:

- Third-party / cloud concentration risk (4%)
- Transformation (2%)
- Geopolitical/regulatory disruption (1%)
- Revenue recognition / SOX / ICFR (1%)
- Product/engineering execution risk (0.4%)
- Other (2%)

Source: KPMG US, "On the CAE Agenda KnowledgeCast" (May 2026).

Internal audit shifting from compliance to strategic partner

Internal audit functions remain primarily compliance-oriented; however, increasing involvement in planning and advisory indicates a shift toward proactive, real-time risk partnership aligned with technology-driven transformation.

Internal audit's current role in major transformation initiatives within TMT organizations

32% primarily focuses on post-implementation reviews and compliance

31% are actively involved in risk assessment during the planning stages

23% serve as a key strategic partner and advisor throughout the entire project lifecycle

14% have limited or no involvement in transformation projects

Source: KPMG US, "On the CAE Agenda KnowledgeCast" (May 2026).

AI adoption rising: Chat tools leading the charge

Internal audit teams predominantly leverage general AI tools, while gradual adoption of custom agents reflects early-stage transformation, focusing on efficiency gains and transitioning toward more advanced, embedded AI capabilities.

Type of tools currently being used by the internal audit function

General purpose AI chat interfaces	37%	Custom-built AI agents	17%
Unsure / still evaluating	16%	Not using AI tools in IA today	13%
AI features embedded in audit enablement / GRC tools	11%	Others	6%

Source: KPMG US, "On the CAE Agenda KnowledgeCast" (May 2026).

AI gains strongest in planning process, end-to-end scale limited

AI adoption in internal audit is delivering early impact in planning and risk assessment, while limited use in execution highlights a lag in scaling advanced capabilities across end-to-end audit processes.

Most successful internal audit processes using AI in the TMT sector

30% Audit plan development and risk assessment

19% IA project planning

17% IA project reporting

11% IA project delivery/fieldwork

8% Not using AI

8% IA department administration

Additional successful IA processes using AI:

SOX/ICFR (3%) | Management action plan follow up (2%) | Professional practices, incl. QAIP (1%)

Source: KPMG US, "On the CAE Agenda KnowledgeCast" (May 2026).

AI transforming audit impact: From efficiency to strategic insight

AI in internal audit is delivering clear value in speed and insight generation, but inconsistent outcomes across assurance and repeatability highlight uneven adoption and the need to scale beyond early use cases.

Most tangible value seen from using AI in internal audit

Increased efficiency / time savings	44%
No measurable return yet	14%
More accurate outcomes	7%
New or faster insights	20%
Higher degree of assurance	11%
Repeatable routines (i.e., continuous auditing)	5%

Source: KPMG US, "On the CAE Agenda KnowledgeCast" (May 2026).

Practical advice from the KnowledgeCast speakers

Top actions to consider

Connect on LinkedIn

Parth Jhaveri

US TMT Leader, Internal Audit & Controls, KPMG LLP

AI: Be prepared to help the business think about adoption and governance risks in real time.

Relationships: Dedicate time to building relationships and aligning IA with the dynamic nature of business that defines technology companies.

Impact and value: Think about how IA communicates its value and impact on the organization, building a brand focused on enablement rather than slowing down the business.

Connect on LinkedIn

Julie Simpson

Vice President, Head of Internal Audit and Chief Audit Executive, eBay

Get on board: The AI train is coming whether you are ready or not.

Critical AI skills for IA people:

- AI fluency in general – You don't need to be an expert, but you need to know how to use it.
- AI in general day-to-day use (email, spreadsheets etc.).
- AI in internal audit use (report writing, testing, etc.).
- AI in advisory/audit services – Risk assessment/auditing of our product/tech AI models (accuracy, bias, etc.).

Training our people is going to look very different and will be particularly important for the incoming staff.

On the CAE agenda – Q1 & Q2 2026

Technology, media, and telecommunications

The role and focus of internal audit (IA) in the technology, media, and telecommunications (TMT) sectors are ever-evolving. This installment of the KPMG *On the CAE Agenda* series provides quick insights into what IA leaders within the TMT industries have been hearing, doing, and discussing with their stakeholders across the core elements of their business agendas during the first half of 2026, and how these trends can shape their priorities for the remainder of the year.

Hot topics in IA and key focus areas for TMT

- **AI governance and quality:** "Black box" decision-making, biased algorithms, and lack of human oversight for AI-powered systems; Documentation/procedures, stakeholder engagement, and incident handling
- **Cybersecurity & data privacy:** Cybersecurity resilience (response and recovery for data breaches and theft of intellectual property); threat prevention
- **Third-party risk management:** Security vulnerabilities; the challenge of having visibility into third parties' evolving data usage practices and actively managing the risks associated with new AI functionalities; risk related to contingent workers (e.g., co-employment)
- **Macroeconomic and geopolitical conditions:** Trade compliance and restrictions, tariffs and sanctions, inflation and interest rates, competition, lack of unemployment, economic uncertainty, and geopolitical instability ongoing; export controls impacting market access and supply chain
- **Intellectual property (IP) protection:** IP theft from insiders or external actors, and inadequate controls over sensitive data
- **Human capital and talent management:** Challenges in finding and retaining the right talent in key areas and operational culture change; talent acquisition strategies and employee retention programs; alignment with business goals; employee relations; succession planning
- **New products & enhancements rollout:** R&D and design/production process, market alignment, regulatory and quality compliance; time-to-market, cost & ROI analysis
- **Supply chain resilience:** Single source dependencies, raw materials shortages, logistical disruptions

Spotlight on

Data, analytics, and insights

- Adoption/use of AI technologies in IA
- Data-driven enterprise and IA risk assessment
- Need for more specialized or mature capabilities around technology, data, and insights
- IA's role in the company's data quality and governance journey
- Risks of agentic AI
- Enhancing IA's operational model
- Bias and transparency

Read our latest insights in internal audit:

- [KPMG Future of Internal Audit]
- [On the CAE Agenda library]
- [Internal Audit's Role in AI Transformation]
- [KPMG Future of SOX insights]

Operating model agility: IA's role in cost containment

- Continuously adapt audit plans to prioritize emerging risks in procurement and cost-saving opportunities using real-time data and analytics
- Employ agile auditing techniques to review inventory management systems and operational processes, especially regarding manufacturing, distribution, and held for sale
- Use technology to automate compliance checks and establish proactive controls, allowing for swift identification and reduction of discrepancies and shrinkage
- Use iterative assessment approaches to review investments for ROI, adapting evaluation criteria as projects evolve to ensure benefits are realized efficiently
- Implement adaptive expense control: Use flexible, technology-driven auditing processes around expense management, with the ability to rapidly address and correct noncompliance or excessive spending

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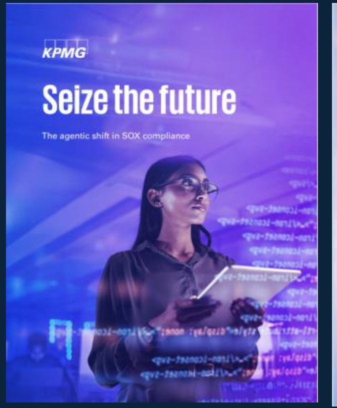
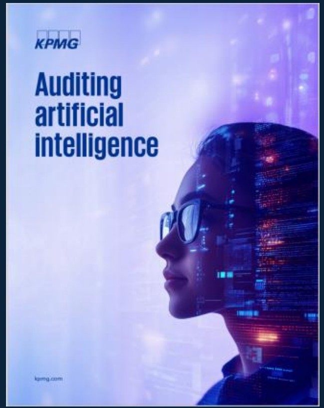
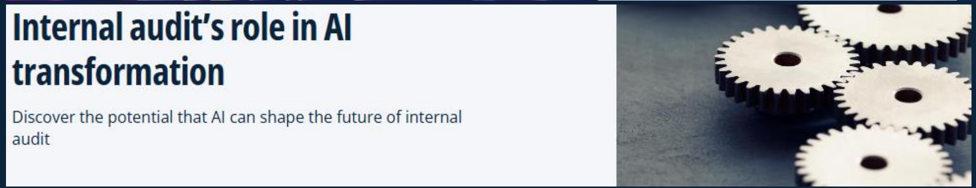
Learn about us: in

kpmg.com

Explore more by reading our recently-published thought leadership







For more internal audit insights, visit our thought leadership webpage:

[The KPMG Future of Internal Audit]

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