Impero

Compliance. Simplified.

2026 Trends & Predictions

Curated insights on governance, risk & compliance (GRC) for finance, tax and beyond

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Introduction: Why we curated these insights

Why we curated these insights

At Impero, we work every day with the people **responsible for mitigating risk.** And right now, the pressure on them is real. Looking ahead to 2026, there's little reason to believe it will ease.

Regulatory demands are increasing. Economic uncertainty isn't going away. And the push to incorporate AI into day-to-day workflows shows no signs of slowing.

Yet finance, tax, and governance, risk & compliance (GRC) teams are **being asked to do more faster, and with greater confidence often with fewer resources.**

To understand what the GRC landscape will look like across the finance and tax domains in 2026, we went straight to the source and spoke with the people closest to these challenges.

How and whom we curated insights from

This report brings together insights from **industry experts, practitioners, and senior leaders** across governance, risk and internal controls, audit, finance, and tax, from multiple industries and geographies.

It features real-life voices across different markets and industries, as well as insights from an anonymous survey, focused on capturing both strategic perspectives and real-world operational challenges shaping the governance, risk & compliance (GRC), financial controlling, tax tech and beyond landscape toward 2026.

The 2026 Trends & Predictions section of this report feature snippets from our curated voices, and their full trend & prediction in-depth insights can be seen in the second half of this report.

What follows in this report are their insights.

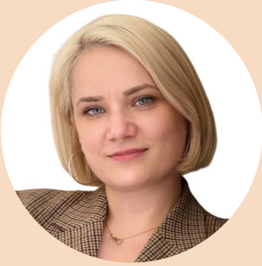
About Impero – Compliance. Simplified.

Impero simplifies risk management & internal controls across finance, tax and beyond. We empower teams to proactively work with risk and streamline internal controls performance, testing and reporting – all in one cloud-based system.

Built for flexibility, trusted for reliability, and designed for audit readiness.

We call it – **Compliance. Simplified.**

Insights curated from these experts



Alexandra Vlasova
Group Financial Risk Manager at Royal Unibrew

Christian Amberg
Partner, Tax Transformation at KPMG Deutschland

Christian Reimar
Senior Manager, Internal Controls & Compliance at Radiometer

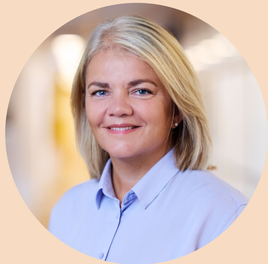
Jeanne Koch Rasmussen
Partner, GRC at PwC Denmark

Kimberly Cole
Chief Risky Woman, Founder of Risky Women

Kristian Bollerup
VP, Corporate Risk & Internal Audit at LEGO

Kristina Wiese Tranbjerg
Chief GRC Specialist at Energinet

Michael Panzer
Tax Compliance Officer at DZ Bank



Ragna Kr. Johannsdottir
Sr. Director, Group Internal Controls and ERM at STARK Group

Robbie O'Neill
Financial Compliance Specialist at Scandinavian Tobacco Group

Shingo Soga
Consulting Partner - Risk & Governance Solutions, RSM UK

Thomas Felzmann
Partner, Tax CMS at Grant Thornton

Why focus on curated insights

"Trust and transparency are part of who we are as a company at Impero. They've long guided our approach to risk, controls, and compliance, but today they also define our sense of community.

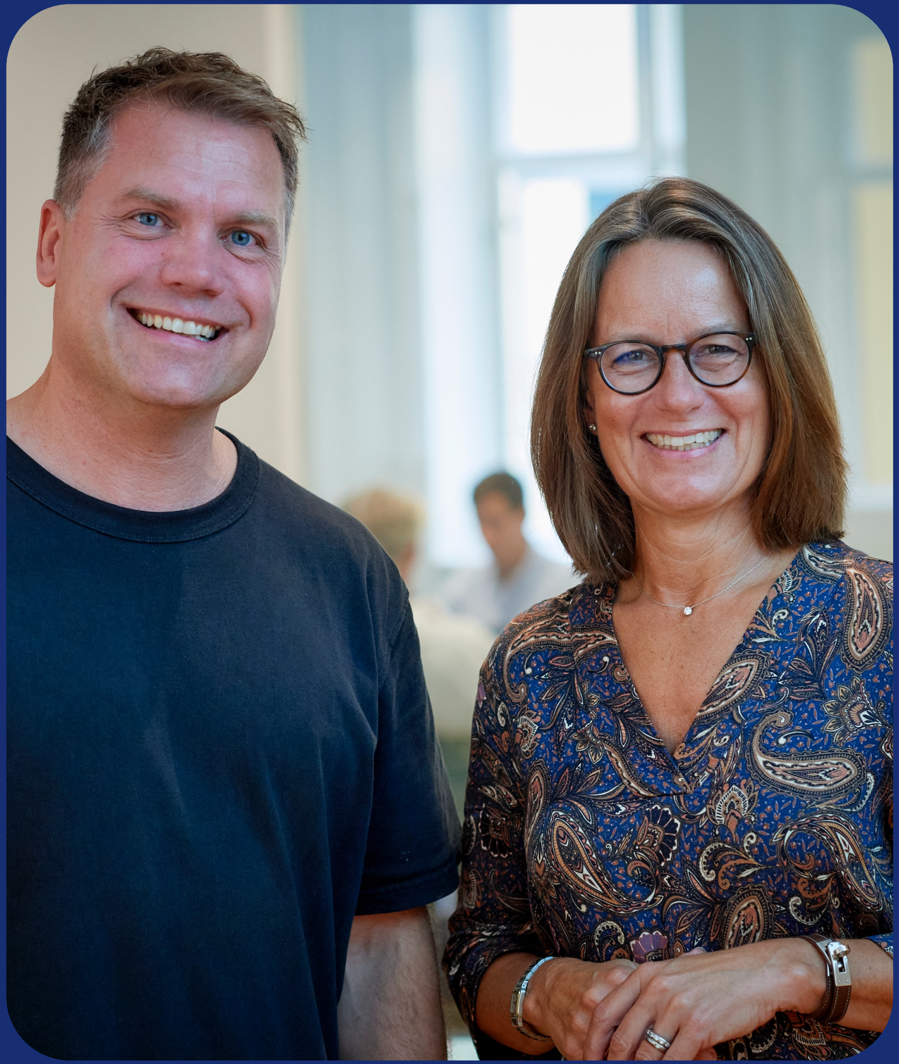
By openly sharing real-world experiences in financial and tax compliance - especially what isn't working - we push boundaries, challenge processes, and drive meaningful improvement.

By gaining insights from across the industry, we add a vital new dimension of perspective.

As regulatory landscapes differ from market to market, navigating global versus local requirements has become increasingly complex for risk- and control-focused professionals.

This is where community plays a critical role - helping us learn from one another, bridge those gaps, and move forward with greater confidence."

Rikke Stampe Skov
CEO at Impero – Compliance. Simplified



Our Co-Founder, Jacob Engedal Sørensen, and CEO, Rikke Stampe Skov

Insights curated from Impero

Rikke's 2026 prediction

Rikke Stampe Skov
CEO at Impero –
Compliance. Simplified

In 2026, internal controls will no longer be a year-end exercise. They will function as a real-time capability embedded directly into finance and tax operations.

As automation and AI become standard, the organizations that succeed will be those that combine technology with clear ownership, ensuring controls are not only executed continuously but also fully explainable and auditable – and thereby a focus on how organizations actually prove compliance.

The central challenge will continue to be fragmentation across people, processes and technology – and the most expensive risk will be not knowing quickly enough where the issue started, who owns it, and whether it's isolated or systemic.
This evolution will drive a new control model: embedded controls, continuous monitoring, and always-on evidence built into core processes rather than layered on afterward. Controls will need to address not just transactions, but also the logic, automation, and models that generate financial and tax outcomes. Sampling and spreadsheets will matter less than data quality, audit trails, and end-to-end ownership. Organizations that treat controls as "documentation only" will struggle; those that treat controls as a digital capability and focus on effective execution at scale will build resilience.

That's why true progress in 2026 will come from boards, executives and practitioners that treat risk & internal controls as a digital capability rather than a compliance checkbox. Organizations that build a robust finance and tax "central nervous system" of internal controls will reduce risk, improve audit readiness, and move towards actual operational risk & control management, instead of last-minute evidence gathering.

Insights curated from Impero

Jacob's 2026 prediction

Jacob E. Sørensen
Co-Founder at Impero – Compliance. Simplified

In 2026, risk management and internal controls will no longer be activities organisations focus on once a year. They will become part of everyday management. Companies will move away from policies and controls that look good on paper, but do not work in practice.

What will matter is having continuous clarity on whether the most important risks are properly identified, owned, and managed.

AI will be a key focus area for many companies and organisations. Adoption will accelerate, but the emphasis will shift toward using AI only where it delivers clear and measurable value. Rather than pursuing AI for its own sake, organisations will focus on practical use cases that support better decisions, stronger oversight, and simpler ways of working.

At the same time, economic uncertainty will continue to make organizations price sensitive. This will drive a more pragmatic approach to selecting and implementing software solutions. Large, complex, and overly ambitious implementation projects will increasingly be avoided. Instead, companies will choose solutions that fit their actual needs and maturity level and can be implemented incrementally.

Progress in 2026 will come from breaking complex challenges into manageable steps. Organisations will focus first on what matters most, create value early, and expand over time. This approach of breaking "elephant-sized" tasks into smaller pieces will define how successfully risk and control frameworks are embedded into daily operations and deliver sustainable results.

2026 Trends & Predictions

In this section, we've compiled the key themes across the trends & predictions from industry experts, practitioners and senior leaders for the new year.

#1 Prediction: From periodic to continuous GRC

2026 marks the tipping point from point-in-time assurance to continuous monitoring.

Annual testing, samples, and manual evidence collection are no longer fit for purpose in a fast-moving risk environment.

Continuous assurance is not a future ambition: it is becoming a baseline expectation.

Trends for 2026:

- Annual and sample-based testing **can't keep up with modern risk**
- Evidence collection is moving from **manual to automated**
- Assurance is becoming **continuous, exception-driven, and real-time**
- Roles are shifting from testers to **control engineers and reviewers**

#1 Prediction: From periodic to continuous GRC

What our industry experts say

“By the end of 2026, expect continuous, AI-enabled controls to be on the rise. Organizations will begin the shift from large testing teams to control engineers and data stewards.”

Jeanne Koch Rasmussen, PwC Denmark

“Think of it as risk management shifting from a slow annual check-up to a real-time heartbeat monitor.”

Kimberly Cole, Risky Women

“I believe that the GRC landscape will shift toward continuous financial compliance, where controls are monitored in near real time rather than through periodic testing.”

Christian Reimer, Radiometer

“Organizations will move beyond traditional, manual control testing and monitoring and move toward continuous, real-time risk assessment and predictive analytics.”

Shingo Soga, RSM UK

“Automation and AI will increasingly be used to: continuously test control performance, identify deviations and anomalies, and reduce manual testing effort.”

Kristina Wiese Tranberg, Energinet

#1 Prediction: From periodic to continuous GRC

What our industry experts say

“[Some of the improvements that would make risk, internal controls and TCMS more effective in organizations in 2026] are Continuous Controls Monitoring (CCM) and automated audit rules: real-time controls instead of periodic spot checks (e.g. automatic plausibility checks, audit notes for values deviating from the normal range, red flag logic for unusual transactions, etc.).”

Michael Panzer, DZ Bank AG

“[The one improvement that would make risk, internal controls and TCMS more effective in organizations in 2026 is to] implement a continuous control monitoring for tax-relevant processes, paired with tax data governance. Build a Tax Compliance Management System that maps top tax risks to a small set of high-impact, automated key controls (not hundreds of low-value checks) and runs automated tests (e.g., VAT coding anomalies, master data changes, e-invoice validation failures, IC mismatches, posting vs. invoice reconciliation).”

Christian Amberg, KPMG Deutschland

#2 Prediction: AI is both the biggest opportunity & the biggest risk

Artificial Intelligence (AI) is universally cited as the single most impactful force shaping GRC in 2026 — and also the most difficult to govern. AI does not eliminate risk — it redistributes it.

And while it poses a great opportunity to advance risk & control management, it also poses an operational risk.

Trends for 2026:

- **AI accelerates** control testing, monitoring, and anomaly detection
- It also **introduces new risks**: bias, opacity, model drift, shadow AI
- AI is becoming both a **control enabler and a risk object**
- AI will have a major impact on how you work with risk & controls, but **human judgment remains essential**

#2 Prediction: AI is both the biggest opportunity & the biggest risk

What our industry experts say

"AI is set to be our greatest value driver in 2026, and our greatest control challenge."

Ragna Kr. Johannsdottir, STARK Group

"By the end of 2026, expect continuous, AI-enabled controls to be on the rise."

Jeanne Koch Rasmussen, PwC

"AI will turbocharge control testing and risk detection — and create brand-new risks of its own."

Kimberly Cole, Risky Women

"[AI] should hopefully help us to improve control testing and monitoring, but it will also be helping the criminals to find ways around our controls, so this will likely impact on both sides."

Robbie O'Neill, Scandinavian Tobacco Group A/S

#2 Prediction: AI is both the biggest opportunity & the biggest risk

What our industry experts say

"I believe that AI will play a big role, both as a helping tool but also as a risk-factor that can be hard to govern using traditional methods."

Christian Reimar, Radiometer

"I think AI should start to come in to play in 2026... AI is also an adversarial risk that underlines the importance of having well-organized, structured internal controls in place, to have something to support your foundation as an organization."

Kristian Bollerup, LEGO

"Widespread integration of advanced data analytics and AI in internal control frameworks will define the risk and control landscape in 2026."

Shingo Soga, RSM UK

#3 Prediction: Simplicity beats volume (fewer, smarter controls)

In 2026, strong assurance will come from well-designed, risk-based controls, not from the number of controls in place.

The focus is shifting from *adding* controls to *improving* them - making them fewer, clearer, and aligned with the risks and objectives they are meant to address.

Organizations are simplifying frameworks to improve clarity, enable automation, and focus effort where it truly matters.

Trends for 2026:

- A focus on **quality, rather than quantity** when it comes to internal controls
- Finding a balance between **simplicity, standardization and pragmatism in compliance** versus robustness, ambiguity and complexity

#3 Prediction: Simplicity beats volume (fewer, smarter controls)

What our industry experts say

"We have seen automation create noise before: more checklists, more policies, and overlapping control frameworks.... Those who chase volume – more people and more controls – will only increase costs and reduce assurance quality."

Jeanne Koch Rasmussen, PwC

"Many organizations struggle to balance simplicity with robustness. Overly complex frameworks can slow down implementation, while overly simplified ones fail to deliver compliance assurance. The key is a risk-based approach that prioritizes material risks and aligns with business realities."

Thomas Felzmann, Grant Thornton

"Controls should not be about ticking compliance boxes, it should be about spending resources on things that really make a difference."

Robbie O'Neill, Scandinavian Tobacco Group

#3 Prediction: Simplicity beats volume (fewer, smarter controls)

What our industry experts say

“Many controls are described as control activities rather than as precise, testable controls, which creates ambiguity in design and effectiveness testing...Improving clarity and standardization in control definitions is essential for stronger governance and for leveraging technology effectively.”

Shingo Soga, RSM UK

“Radical simplification and integrating compliance into the process design...Adherence to good governance should not rely on detective controls, we should aim for an environment where only preventive controls remain in 2026. The goal is still to mitigate risks, but the mindset must shift toward designing compliance into the process rather than adding more controls to compensate for gaps.”

Alexandra Vlasova, Royal Unibrew

"Establishing a shared baseline of governance, compliance and controls that addresses all these requirements in one place will be key to effective and efficient management.“

Kristian Bollerup, LEGO

#4 Prediction: Fragmentation is the enemy of insight

As risk & control environments grow in scope and complexity, fragmentation has become one of the biggest barriers to effective oversight.

Risks, internal control, and GRC obligations are often spread across systems, teams, and taxonomies — creating activity without clarity.

In 2026, organizations are increasingly recognizing that insight comes not from more data, but from integrated, coherent views that help leaders understand what truly matters.

Trends for 2026:

- Prioritizing **a centralized and coherent source** of risk & internal control data for better audit readiness
- A more **integrated, end-to-end risk perspective** across business functions and geographies

#4 Prediction: Fragmentation is the enemy of insight

What our industry experts say

"...scattered data sources, manual interfaces and only partially automated tax processes — this prevents measurable, reliable automated controls and makes audit evidence difficult."

Michael Panzer, DZ Bank

"Without a clear overview of compliance obligations and supporting controls, organizations risk performing duplicate controls, over-controlling low-risk areas, and under-controlling the most critical risks..."

Kristina Wiese Tranberg, Energinet

"The biggest challenge [organizations face today in managing risks and controls for TCMS] is missing end-to-end ownership of tax-relevant data and process reality."

Christian Amberg, KPMG Deutschland

"Business owns the risks, while assurance functions own the governance narrative. This gap results in controls being perceived as a ticking-box activity and governance being interpreted as "control first," whereas healthy assurance always starts with risks."

Alexandra Vlasova, Royal Unibrew

#4 Prediction: Fragmentation is the enemy of insight

What our industry experts say

"Management receives tons of information about these items, but based on very different taxonomies, different scopes, different methodologies, etc. and are confused about what is important and what is not important and more of a nice-to-have. Providing that coordinated assurance overview is a key topic for 2026."

Kristian Bollerup, LEGO

"GRC must stop being a data dump of extracts and instead become a reconciliation engine that validates predefined parameters against the actual data source."

Alexandra Vlasova, Royal Unibrew

"In a big complex organization operating across geographies and time zones, one of the main challenges are a consolidated view of risks controls and responsibility.

Fragmented ownership of controls, spreadsheet-driven evidence, and delayed issue remediation make it difficult to maintain consistent compliance and respond quickly to audit or regulatory findings."

Christian Reimer, Radiometer

#5 Prediction: People, culture, and ownership still determine success

Technology is designed to scale risk, controls and GRC programs. But it is people that make it live and breathe.

As automation and AI reshape how risks and controls are identified, tested, and monitored, one thing remains constant: Risk, controls and compliance succeed or fail based on people.

Trends for 2026:

- Organizations that treat risk, controls and compliance as a pure check box activity **risk losing accountability, context, and trust** — the very elements that make assurance credible
- Human judgment, clear ownership, and risk-aware **culture determine whether technology delivers insight** or simply scales inefficiency

#5 Prediction: People, culture, and ownership still determine success

What our industry experts say

"Human judgement and trust remain essential."

Jeanne Koch Rasmussen, PwC

"...And yes, we will still need human verification, but the core mechanics will be automated."

Alexandra Vlasova, Royal Unibrew

"The tax function of the future should be globally oriented, managed by humans and supported by machines."

Michael Panzer, DZ Bank AG

"It will be hard to pinpoint one thing [that would make risk & internal controls more effective in organizations in 2026], but clear ownership, automated control testing, real-time indicators and dashboards, and workflow follow ups [are all factors]."

Christian Reimer, Radiometer

#5 Prediction: People, culture, and ownership still determine success

What our industry experts say

“The winning organizations won’t be the ones with the most dashboards — they’ll be the ones that blend automation with human wisdom, courage, and curiosity.”

Kimberly Cole, Risky Women

“AI will not replace professional judgement, but it will serve as a powerful sense-making layer, continuously connecting objectives, risks, obligations, and controls to support better decision-making.”

Kristina Wiese Tranberg, Energinet

Key trends & insights for 2026

Continuous assurance becomes the baseline

Periodic, sample-based testing is giving way to real-time monitoring, exception handling, and continuous evidence across risk, controls, and compliance.

Control effectiveness outweighs control volume

Fewer, well-defined, risk-based and preventive controls are replacing complex, control-heavy frameworks that create noise without insight.

AI shifts from experimentation to governance

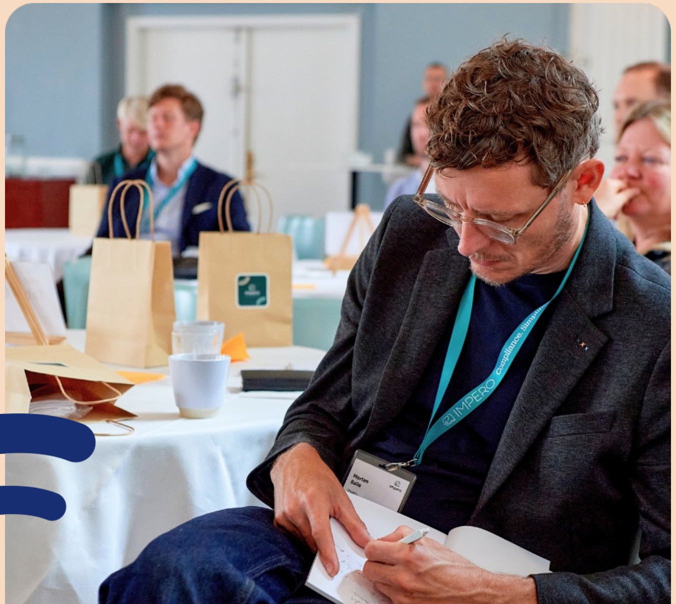
Organizations are moving beyond pilots toward clearly defined AI use cases, with greater focus on transparency, control, and human oversight.

Integration unlocks insight

Fragmented systems and taxonomies limit decision-making. Integrated views across finance, tax, GRC, risk, and compliance are becoming essential for leadership oversight.

People remain the differentiator

Human judgment, clear ownership, and risk-aware culture determine whether technology delivers value or simply scales inefficiency.



The regulatory landscape for risk & controls in 2026

Things to keep an eye on in 2026

- **IDW PS 980 auditing standard:** In Germany, we'll see an increase in organizations working towards the IDW PS 920 auditing standard. This entails addition audits to prove the effectiveness **(Wirksamkeitsprufung)** and robustness/appropriateness of the internal controls **(Angemeseheitsprufung).** Passing these audits will ensure more robust compliance management systems (CMS) per the Institut der Wirtschaftsprüfer [German Institute of Public Auditors] within the domains of finance, tax and beyond.

- **Provision 29:** In the UK, Provision 29 of the UK Corporate Governance Code will come into effect for all financial years starting January 1, 2026 or later. This update requires boards to be able to prove the effectiveness of their internal controls.

- **Selskabsloven - Paragraf 115:** While not a new regulation, the Danish Companies Act does require the establishment of procedures for risk management and internal controls. Similar paragraphs exist in other countries, such as the Swedish Aktiebolagslag – Paragraph 49 b.

- **Horizontaal Toezicht:** In the Netherlands, we expect continued adoption of Horizontaal Toezicht (Horizontal Monitoring), a cooperative compliance framework between organizations and the Dutch Tax and Customs Administration. This approach emphasizes transparency, trust, and demonstrable effectiveness of internal controls over tax processes based on evidence of well-designed and effectively operating controls.

The regulatory landscape for risk & controls in 2026

What our industry experts say

"The shortage of new talents and experienced professionals and the increase in regulatory requirements will accelerate the shift toward automated workflows....The era of 'paper tiger' frameworks is ending."

Thomas Felzmann, Partner Tax CMS, Grant Thornton AG

"Implementation of the revised UK Corporate Governance Code, specifically Provision 29, will have the biggest impact in the new year.... This is a major shift from descriptive reporting to formal accountability, elevating internal controls to a strategic priority."

Shingo Soga, RSM UK

"Regulators keep everyone on their toes, especially on AI, ESG, privacy, and operational resilience."

Kimberly Cole, Risky Women

The regulatory landscape for risk & controls in 2026

What our industry experts say

“Increased speed in policy changes (AI, ESG, data protection etc.) requires compliance teams to be ready for changes and assist with company-wide process changes.”

Christian Reimer, Radiometer

“ESG, financial regulation, data protection, cyber and operational resilience requirements will continue to converge.”

Kristina Wiese Tranberg, Energinet

What practitioners told us

A practitioner's perspective on in 2026

In addition to in-depth conversations with industry experts and leaders, we also collected anonymous survey* responses from practitioners working with GRC, risk, internal controls, finance, and compliance on a daily basis.

These responses provide a grounded view of current challenges, priorities, and expectations for the years ahead.

Key themes from the survey:

- Strong demand for **automation and more efficient controls**
- Frustration with **manual work, complexity, and fragmented processes**
- Growing awareness of **AI's potential — paired with caution**
- Repeated emphasis on **ownership, culture, and tone from the top**
- Desire for controls that **reflect how the business actually operates**

*Anonymous survey conducted in Q3/Q4 2025

What practitioners told us

1. On automation & continuous controls

“A significant shift from manual, detective controls towards automated, preventive controls.”

“Automation is driving increased efficiency in data analysis, reconciliation, and the delivery of information to supervisory bodies.”

2. On ownership, culture, and effectiveness

“Risk management being better embedded in the culture of the organization.”

“Start looking broader, not only at "internal controls". Internal controls as a business enabler and a holistic view from bottom to the top.”

3. On fragmentation & systems

“Homogenization of underlying systems and processes driving greater consistency in control operation.”

*Anonymous survey conducted in Q3/Q4 2025

The Full Predictions

For transparency, we're sharing the full predictions from our industry experts.
You can read them in detail in the following pages.

Full Predictions – Part 1/6

Alexandra Vlasova, Group Financial Risk Manager at Royal Unibrew

I do believe the biggest shift will be in evidence capturing and finally moving toward continuous audit by connecting ERP systems directly with GRC. GRC must stop being a data dump of extracts and instead become a reconciliation engine that validates predefined parameters against the actual data source. The role of the control operator will evolve into validating the flagged exceptions and following up, not manually collecting evidence. Another major point is the role of AI operators in GRC: AI will be used to design good-quality controls based on predefined parameters and risks, perform the risk-control mapping, and surface deficiencies. And yes, we will still need human verification, but the core mechanics will be automated.

AI adoption and ESG becoming part of financial controls and risks will be the biggest impact factors. I also expect a talent shortage due to increasing regulatory pressure, combined with a parallel trend toward automating compliance and shifting certain activities to AI operators. AGI will accelerate this further, pushing companies to treat AI capabilities as a standalone governance domain, not an add-on to human processes

If I could name one challenge, it would be the structural misalignment in the governance model. Business owns the risks, while assurance functions own the governance narrative. This gap results in controls being perceived as a ticking-box activity and governance being interpreted as "control first," whereas healthy assurance always starts with risks. Until the model is realigned, the cycle of misperception and inefficiency will continue

Radical simplification and integrating compliance into the process design. ERP must talk to GRC, and GRC back to ERP. Adherence to good governance should not rely on detective controls, we should aim for an environment where only preventive controls remain in 2026. The goal is still to mitigate risks, but the mindset must shift toward designing compliance into the process rather than adding more controls to compensate for gaps.

Christian Amberg, Partner, Tax Transformation at KPMG Deutschland

[The biggest prediction for the risk & control for tax landscape in 2026 is that] Tax Compliance Management Systems will become data- and process-driven, instead of documentation-driven.

[The factors that will have the biggest impact on internal controls for tax in 2026 are] **1.** mandatory digital VAT capabilities (e-invoicing + EU-wide digital reporting), **2.** Tax authorities' expectation of demonstrable control effectiveness (not just control design), **3.** Automation/AI + ERP transformation.

The biggest challenge [organizations face today in managing risks and controls for TCMS] is missing end-to-end ownership of tax-relevant data and process reality. Tax Compliance Management often exists as a framework and documentation, but tax risk actually sits in interfaces, master data, and operational workarounds. Controls are often manual, sample-based, and periodic, while the risk is continuous and high-volume. Evidence is hard to produce consistently (who changed what, when, why; which transactions were impacted; was the control executed and effective). Result: Organizations spend a lot of effort explaining controls, but struggle to prove control performance at scale.

[One improvement that would make risk, internal controls and TCMS more effective in organizations in 2026 is to] implement a continuous control monitoring for tax-relevant processes, paired with tax data governance. Build a Tax Compliance Management System that maps top tax risks to a small set of high-impact, automated key controls (not hundreds of low-value checks) and runs automated tests (e.g., VAT coding anomalies, master data changes, e-invoice validation failures, IC mismatches, posting vs. invoice reconciliation).

Christian Reimar, Senior Manager – Internal Controls & Compliance at Radiometer

I believe that by the GRC landscape will shift toward continuous financial compliance, where controls are monitored in near real time rather than through periodic testing. This means greater reliance on automated controls, data analytics, and AI to detect financial reporting, fraud, and compliance risks early
This will also mean a shift away from periodic control testing based on samples.

As mentioned above I believe that AI will play a big role, both as a helping tool but also as a risk-factor that can be hard to govern using traditional methods. Furthermore:

- Increased speed in policy changes (Ai, ESG, Data protection etc.), which requires compliance teams to be ready for changes and assist with company-wide process changes
- Complex technology landscape. Legacy ERP systems coupled with newer additions, AI and so forth increases the number of hidden risks

In a big complex organization operating across geographies and time zones, one of the main challenges are a consolidated view of risks controls and responsibility.

Fragmented ownership of controls, spreadsheet-driven evidence, and delayed issue remediation make it difficult to maintain consistent compliance and respond quickly to audit or regulatory findings.

It will be hard to pinpoint one [improvement that would make risk & internal controls more effective in organizations in 2026], but

- Clear ownership
- Automated control testing
- Real time indicators and dashboards
- Workflow follow up

The above will help move towards a mature internal control department where there's limited follow up time, and more value added to other departments. This will also make risk work part of every day life, rather than an add-on compliance project.

Full Predictions – Part 2/6

Jeanne Koch Rasmussen, Partner at PwC Denmark

As AI matures and becomes more accessible, controls and monitoring will be pushed into every corner of the business. The traditional flow of risk identification, assessment, and testing will change. Leaders using AI-driven insights will request control design and evidence earlier in the process.

We have, however, seen automation create noise before: more checklists, more policies, and overlapping control frameworks. The real questions become: why the risk matters, why the risk appetite is set where it is, and why a specific control is the right response. Take control of the process by involving the Compliance function early as an adviser and evaluate where continuous monitoring adds signal rather than creating alert overload.

Human judgement and trust remain essential. Train teams to use AI for efficiency, not just scale. It takes disciplined effort to keep a control framework simple and applicable, standardise taxonomies, and embed compliance by design in platforms. Done well, this will turn automation from surveillance into assurance.

By the end of 2026, expect continuous, AI-enabled controls to be on the rise. Organisations will begin the shift from large testing teams to control engineers and data stewards. Those who chase volume – more people and more controls – will only increase costs and reduce assurance quality. Those who embrace compliance by design will enable fewer, smarter controls, faster issue detection, and a risk culture that supports business performance.

Kimberly Cole, Chief Risky Woman, Founder of Risky Women

Risky Women believe that 2026 will be defined by convergence. Automation + Data + Human judgment + Culture.

2026 is the year GRC finally goes continuous — with AI powering the monitoring, and humans powering the judgment. Think of it as risk management shifting from a slow annual check-up to a real-time heartbeat monitor. The winning organizations won't be the ones with the most dashboards — they'll be the ones that blend automation with human wisdom, courage, and curiosity (and some very Risky Women energy).

From our Risky Women Radio guests we heard [the biggest impact on risk & internal controls in 2026] will be: AI, behaviour, fraud, and regulatory whiplash. AI will turbocharge control testing and risk detection — and create brand-new risks of its own. Human behaviour & culture become headline risks, not footnotes. Influence, psychology, and ethics matter more than ever.

Fraud gets smarter, faster, and more human-targeted (deepfakes, social engineering, cross-border networks).

Regulators keep everyone on their toes, especially on AI, ESG, privacy, and operational resilience. The machines get faster, the people get trickier, and the rules keep changing — a fun playground for the brave.

The biggest challenge organizations face today: Fragmentation — too many systems, too many owners, too many versions of "the truth."

Risk data lives everywhere and nowhere. Teams work in silos. Controls are tested at different cadences. Dashboards multiply, but insight doesn't. And underneath it all, culture is uneven and risk literacy varies wildly. It's the GRC equivalent of trying to run a relay race where every runner thinks they're in a different lane.

Kristian Bollerup, VP, Corporate Risk & Internal Audit at LEGO

A priority for 2026 is to integrate the insights on governance, risk (management) and controls, which is currently provided by a variety of assurance providers.

Management receives tons of information about these items, but based on very different taxonomies, different scopes, different methodologies, etc. and are confused about what is important and what is not important and more of a nice to have. Providing that coordinated assurance overview is a key topic for 2026, I think.

Another topic that really is a common challenge is the widespread compliance landscape that organizations are facing these days. Most organizations are faced with a variety of compliance requirements coming left, right and center, adding to their own, existing policies and guidelines. Establishing a shared baseline of governance, compliance and controls that addresses all these requirements in one place will be key to effective and efficient management.

The ambition should be that any regulator can come in and ask for an updated status, and then that status is readily available (from whatever system, shared solution or overview you have available).

In fact, the above improvements on the overall GRC artefacts would really make risk management and internal controls more effective in organizations. If you had an aggregated overview of risks across the organization, which also supported an overview of compliance regimes, and had a similar overview of mitigating activities – such as internal controls – that would be the silver bullet for GRC! Easier said than done, but that really should be the ambition, I believe!

One additional item on internal controls; I think AI should start to come in to play in 2026. Using AI – and automation in general – to support your controls should already be on your radar, but it requires foundational elements of internal controls to be in place before you can harvest the benefits of automation and AI-driven insights.

This is even more important when you consider that AI is also an adversarial risk that underlines the importance of having well-organized, structured internal controls in place, to have something to support your foundation as an organization.

Full Predictions – Part 3/6

Kristina Wiese Tranbjerg, Chief GRC Specialist at Energinet

Risk and internal controls do not exist in isolation. In a GRC context, they are deliberate management instruments designed to balance strategic ambition, regulatory expectations, and internal governance requirements. When GRC is done right, it integrates risk and controls seamlessly into decision-making and performance management. Some organizations may already apply these principles without labeling them as GRC, but positioning risk and controls as separate from GRC creates silos and undermines the holistic approach that GRC is meant to achieve.

Risk management identifies the uncertainties that may prevent the organization from achieving its objectives. Internal controls are a core part of compliance – not only related to reporting, but to ensuring that an organization operates in accordance with external regulation and internal requirements, while executing its strategy.

I think that by 2026, GRC will evolve from managing risks and controls to governing the organization's ability to achieve its objectives within regulatory and governance constraints. It is not that it is new as such, but it is indeed needed and should be the primary focus to "survive" in the current rapid changing risk landscape. The primary shift will be from:

- control and compliance activities focused on documentation and reporting

to

- objective-centric GRC, where strategy, compliance, risk and controls are assessed as one integrated management system.

Risk will increasingly be understood as uncertainty that threatens strategic and operational objectives, while internal controls will be assessed by how effectively they enable reliable execution and sustained compliance. For years, the focus has been on testing control effectiveness—checking if tasks were performed on time and properly documented. It's time to shift that effort toward the right risks and the right controls. AI will not replace professional judgment, but it will serve as a powerful sense-making layer, continuously connecting objectives, risks, obligations, and controls to support better decision-making. It will also transform testing, allowing organizations to focus on challenging what truly matters rather than just documenting processes.

The foundation must be strong—built on analysis and understanding of what really drives resilience and performance. Year after year, we've seen disproportionate effort spent on documentation; AI can help with that too. And by strengthening the connections between risks, controls, and objectives, ownership and adaptability become part of the culture. Overall, I see 3 factors as being the most important [in their impact on GRC, risk and internal controls in 2026].

1. Strategy-driven expectations from leadership
Boards and executive management will expect GRC to:

- explain how compliance affects strategic choices
- clarify trade-offs between ambition, risk appetite and regulatory exposure
- provide insight, not just assurance

I think this will fundamentally reshape how GRC is designed and positioned. But it is critical that leadership and boards understand what GRC is, why they cannot operate without it, and why it is a business necessity in today's market conditions and risk landscape. The era of "black swans" is over—organizations now face a horizon filled with multiple uncertainties that are harder to predict. Resilience has become the new imperative. GRC, done right, is not a reporting exercise; it is the framework that enables companies to navigate complexity, adapt to change, and sustain performance under pressure.

From the day you enter the door, everyone should be able to navigate in a GRC context. It must become second nature to think GRC when you think strategy—because in a volatile world, governance, risk, and compliance are not optional; they are the foundation for sustainable performance.

2. AI and automation changing how controls are tested and used.
Automation and AI will increasingly be used to:

- continuously test control performance
- identify deviations and anomalies
- reduce manual testing effort

The real impact is that GRC functions can move beyond simply verifying whether controls work and instead focus on whether those controls address the right risks—the ones that truly matter for strategic resilience and operational integrity. This shift changes the conversation from compliance-driven box-ticking to value-driven risk management. It means asking: Are we protecting what matters most? Are our controls aligned with evolving risk landscapes and business priorities? Automation and AI free up capacity so GRC professionals can spend time on these higher-order questions, ensuring that governance is not just effective, but relevant.

I have worked with SOX (Sarbanes-Oxley) for years, and that is just one example of the compliance-heavy regimes we need to move beyond. The future is not about ticking boxes—it's about integrating business and compliance as one coherent system. We are fortunate to have AI as an enabler, but technology alone is not the answer. The real shift is in mindset: moving from static control testing to dynamic risk alignment, from documentation to insight, and from reactive compliance to proactive resilience. AI can help automate the routine, surface anomalies, and connect objectives, risks, and controls in real time—but it is up to us to use that capability to strengthen the foundation and focus on what truly matters for the business.

Full Predictions – Part 4/6

Kristina Wiese Tranbjerg, Chief GRC Specialist at Energinet (continued)

3. Increasing regulatory complexity and overlap ESG, financial regulation, data protection, cyber and operational resilience requirements will continue to converge. This will force organizations to:

- gain a consolidated overview of obligations
- reuse controls across multiple compliance domains
- avoid fragmented and duplicative control environments

To achieve this, GRC systems must evolve beyond static reporting. Ideally, they should provide an integrated obligation and compliance log that links requirements to risks, controls, and ownership. This capability ensures transparency, reduces duplication, and enables organizations to demonstrate compliance across multiple frameworks without reinventing the wheel.

In a converging regulatory landscape, such functionality is not a luxury — it's a necessity for efficiency and resilience.

The 'C' in GRC—Compliance. I often see it overlooked when working with objectives and strategy, yet it defines the boundaries within which the business operates. Compliance is just as important as risk because it ensures that when we pursue our goals, we do so within the rules and obligations that govern the business. In a converging regulatory landscape, embedding compliance into strategic thinking is not optional — it's essential. The biggest challenge [organizations face today in managing GRC, risks and controls] is lack of strategic anchoring and overview. Many organizations still:

- focus controls primarily on reporting (financial and ESG)
- manage regulatory compliance in silos
- design controls without a clear link to objectives and material risks

Without a clear overview of compliance obligations and supporting controls, organizations risk:

- performing duplicate controls
- over-controlling low-risk areas
- under-controlling the most critical risks
- treating compliance as an end in itself, rather than as a means to enable effective and lawful execution

The result is often high effort, limited insight, and reduced effectiveness.

The real issue is that risk and compliance are not integrated into strategic decision-making. Controls should not only work — they should address the risks that matter most for achieving objectives. Without this alignment, organizations spend resources where it adds little value and remain exposed where it matters most.

[One improvement that would make GRC, risk & internal controls more effective in organizations in 2026 is to] redesign GRC around objectives and material risks – not around controls

Controls are not an end in themselves. Their purpose is to:

- protect strategic and operational objectives
- support compliance with regulatory and internal obligations
- reduce uncertainty around execution and outcomes

For those familiar with COSO, this framing is more practical — but it is essential when considering how GRC will evolve. Effective GRC integrates controls into governance and performance, rather than treating them as isolated mechanisms.

Testing controls will remain important. However, with AI and automation taking over much of the testing effort, organizations must focus their expertise on control design and relevance. This leads to a clear principle for 2026: No controls without risks.

And yes, it still happens. For this principle to work, organizations must strengthen risk identification and risk description:

- risks must be clearly linked to objectives
- described in terms of uncertainty and impact
- assessed based on materiality and strategic relevance

Weak risk descriptions lead to weak, duplicative or unnecessary controls. Strong risk identification enables controls that are:

- Proportionate
- Targeted
- aligned with strategic priorities and license to operate

When GRC is anchored in objectives, compliance and risk, internal controls move from being a compliance burden to becoming strategic enablers of reliable execution.

AI will amplify this shift by connecting objectives, risks, obligations, and controls in real time—creating a dynamic view for leadership. Instead of static reports, boards and executives will receive forward-looking insights that support better decisions. GRC will move from being a compliance burden to becoming a strategic enabler of resilience and performance.

Michael Panzer, Tax Compliance Officer at DZ Bank

The most important development [in the risk & control tax landscape in 2026] could be that AI-supported automation/tax intelligence, together with increased digitalisation on the part of the (German) tax authorities, will influence tax risk compliance.

I expect audit processes to shift towards real-time data analysis with automated risk signals and increased digital external audits — making errors in data quality, governance or algorithms the main source of tax risks.

The interpretation and requirements of the German tax authorities regarding the audit facilitations from the DAC7 Implementation Act (Article 97 § 38 EGAO) in the presence of an effective TCMS (from the perspective of the tax authorities) will be exciting.

Full Predictions – Part 5/6

Michael Panzer, Tax Compliance Officer at DZ Bank (continued)

In my view, the most influential factors [on internal controls for tax in 2026] will be:

- Data quality & data governance (single source of truth for tax-relevant master data and transactions). Without clean data, even automated controls are not fully effective.
- Use of AI/automation (process automation, anomaly detection) IT controls are becoming an integral part of TCMS. The tax function of the future should be globally oriented, managed by humans and supported by machines.
- Digitisation of tax administration & real-time reporting/disclosure requirements (e.g. more machine-readable reporting requirements, more extensive data analysis by authorities).
- Regulatory speed & complexity: Global requirements (such as global minimum tax and similar) changes control content and documentation requirements.

In my opinion, the biggest practical hurdle [organizations face today in managing risks & controls for TCMS] is the lack of system maturity, combined with a lack of data and process integration: scattered data sources, manual interfaces and only partially automated tax processes — this prevents measurable, reliable automated controls and makes audit evidence difficult.

There is a high risk of inconsistencies between core accounting systems, subsidiary ledgers and reporting. Product complexity can lead to misclassification of new products, and misconfigurations can lead to systemic errors. Added to this are a shortage of skilled workers at the intersection of tax and IT and the management of third-party/cloud risks.

In my view, practical and implementable measures [that would make risk, internal controls and TCMS more effective in organizations in 2026] are:

- Data foundation + single source of truth: A tax-relevant data model with a central (tax) data lake (tax data repository) and booking rules (tax tagging). Product-specific, automated data forwarding reduces data inconsistencies and incorrectly transferred (manually entered) data.
- Continuous Controls Monitoring (CCM) + Automated Audit Rules: Real-time controls instead of periodic spot checks (e.g. automatic plausibility checks, audit notes for values deviating from the normal range, red flag logic for unusual transactions, etc.).
- Rule-based AI: AI models only as support, with traceable logic, versioning and responsibilities. This ensures that controls remain audit-proof.
- Cross-functional governance (tax-finance-IT-legal): Cross-departmental control of tax data, clear roles (1st/2nd/3rd line) and SLAs for tax issues.
- Third-party/cloud risk controls & cyber security: Third-party procurement management with contractual clauses on tax requirements, KPIs for data quality and provision, SOC reports, API monitoring, backup/recovery tests.
- Use of process tools for automated risk and control monitoring and audit-proof documentation. As few manual control activities as possible.

Ragna Kr. Johannsdottir, Sr. Director, Group Internal Controls and ERM at STARK Group

I think that AI is set to be our greatest value driver in 2026, and our greatest control challenge. It's ubiquitous, democratized, fast, and opaque, while our governance, risk and audit methods are still catching up, as traditional control frameworks were built for deterministic systems.

That mismatch creates real risks around data provenance, model drift and controls, bias, and "shadow AI". The rules of the game are changing, and I'm looking forward to the challenge.

Robbie O'Neill , Financial Compliance Specialist at Scandinavian Tobacco Group

[The biggest prediction for the GRC/Risk (& control) landscape in 2026] is unpredictable! With the wild nature of global economics and politics at the moment, this is not a time to make assumptions about the future, be ready for anything!

[The factor will have the biggest impact on risk and internal controls in 2026] must be AI. It should hopefully help us to improve control testing and monitoring, but it will also be helping the criminals to find ways around our controls, so this will likely impact on both sides.

[The biggest challenge organizations face today in managing risks and controls] is cyber security. The pace technology is moving makes it very hard to keep ahead.

[One improvement that would make risk & internal controls more effective in organizations in 2026] is no different from any other year, focus on mitigating risks and adding value.

Controls should not be about ticking compliance boxes, it should be about spending resources on things that really make a difference.

Shingo Soga Consulting Partner – Risk & Governance Solutions, RSM UK

Shift in risk landscape driven by AI and data: Widespread integration of advanced data analytics and AI in internal control frameworks will define the risk and control landscape in 2026. Organisations will move beyond traditional, manual control testing and monitoring and move toward continuous, real-time risk assessment and predictive analytics.

This shift will enable proactive anomalies detection, automation, effective predictive modelling and enhanced assurance through dynamic dashboards and AI-driven insights.

Full Predictions – Part 6/6

Shingo Soga Consulting Partner – Risk & Governance Solutions, RSM UK (continued)

Internal control set to become strategic priority: Implementation of the revised UK Corporate Governance Code, specifically Provision 29, will have the biggest impact in the new year. It requires boards of listed companies, and those voluntarily applying the Code, to monitor and review the effectiveness of their risk management and internal control framework annually, declare the effectiveness of controls in an annual report and disclose any failures and provide progress updates on previously reported issues.

This is a major shift from descriptive reporting to formal accountability, elevating internal controls to a strategic priority. Companies will need to identify what constitutes "material controls" (financial, operational, compliance, and reporting), ensure robust documentation, and possibly conduct dry runs ahead of the first mandatory declaration in early 2027 for December year-end firms.

Biggest challenges organisations face in managing risks and controls: Defining what constitutes a "key control" and articulating it clearly is a significant challenge for organisations. Many controls are described as control activities rather than as precise, testable controls, which creates ambiguity in design and effectiveness testing.

This can lead to inconsistent interpretation, difficulty in automation and monitoring, and challenges in meeting regulatory expectations, especially with frameworks requiring disclosure of material controls. Improving clarity and standardisation in control definitions is essential for stronger governance and for leveraging technology effectively.

Making risks and internal controls more effective: Implementing an integrated GRC tool to deliver real-time evidence of internal control operation and effectiveness could make a significant impact. Centralising control documentation and testing results, automating workflows and alerts, providing dashboards for management and auditors and supporting compliance with frameworks like the UK Corporate Governance Code. This would transform internal controls from a static compliance exercise into a dynamic, data-driven process.

Thomas Felzmann, Partner, Tax CMS at Grant Thornton

The era of "paper tiger" frameworks is ending. Companies are increasingly adopting operationalisation tools, and the focus in 2026 will be on using them effectively. Success will hinge on striking the right balance: solutions must be intuitive and scalable, avoiding unnecessary complexity while delivering comprehensive coverage for regulatory and business requirements.

In the German market, we are also noticing that the need for support in obtaining exam facilitation (within the framework of the current trial phase) is increasing. (Tax)cms projects are also becoming increasingly broadly based and involve cross-functional expertise (e.g. customs, employment law, ESG, finance). License costs for an operationalization tool are thus spread over several shoulders.

The shortage of new talents and experienced professionals and the and the increase in regulatory requirements will accelerate the shift toward automated workflows. Smart automation will become a key driver for efficiency and consistency in tax processes.

Many organisations struggle to balance simplicity with robustness. Overly complex frameworks can slow down implementation, while overly simplified ones fail to deliver compliance assurance. The key is a risk-based approach that prioritizes material risks and aligns with business realities.

A well-structured audit plan tailored to the specific needs of each organisation will enable efficient and targeted performance of controls, strengthening compliance and productivity.

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