ICA INTERNATIONAL COMPLIANCE ASSOCIATION

# Navigating the future

The role of governance, risk and compliance in modern business

# Contents

# Executive summary

Today's business environment is characterised by conflict and instability, with geopolitical tensions fuelling market volatility across the globe. Meanwhile, ongoing economic headwinds, coupled with shifting political and social currents, have translated into a move, in some jurisdictions, towards deregulation.

In tandem with these developments, the rapid evolution of technologies such as AI is revealing new business opportunities as well as new risks for those operating within regulated sectors. Overlaying this is a lack of consistency in the approach taken by different jurisdictions towards these technologies.

Against this volatile background, there is pressure on all parts of a regulated business to be both more agile and more efficient. But with investments in compliance having grown consistently year on year since the 2008 financial crisis, the focus on controlling budgets and demonstrating value may be particularly pronounced for those working within the governance, risk and compliance (GRC) space.

How, then, are GRC practitioners experiencing and responding to these conditions? We surveyed the ICA membership to find out how they are approaching:

- the challenges of managing GRC costs
- the risks and opportunities surrounding the use of AI, both within GRC functions and across the business more widely
- the impact of deregulatory activities
- the need to 'futureproof' GRC.

In the face of the conditions outlined above, the survey results reveal that GRC practitioners are engaged with the nature and scale of the issues confronting them, establishing a clear vision of how their roles must develop to continue to meet emerging challenges, and building an understanding of the evolving skillset that this entails.

# A strategic role

Notably the findings point to a growing maturity in how GRC defines itself and in how it is perceived and valued within the business. This is demonstrated through the increasingly strategic role that GRC is carving out for itself within organisations, framing its value-add in terms of how it can support the business through choppy waters.

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▶ **28%** of respondents ranked 'understanding the business' as the most important GRC activity

▶ 'Engagement in strategic planning' was viewed as the **most important** measure for futureproofing the GRC function

▶ 'Relationship management' was regarded as the **most important** skill or behaviour for future GRC professionals to possess.

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Significantly, the largest number of survey respondents (**28%**) ranked 'understanding the business' as the single most important GRC activity, followed by 'educating the business' (**17.2%**) and 'interpreting and applying regulatory requirements' (**15.6%**) (see **Section 3**). Moreover, 'engagement in strategic planning' was viewed as the most important measure for future-proofing the GRC function (see **Section 4**).

These results reflect the fact that those working in GRC no longer view their role as simply being 'the expert in the room'. Instead, they must wed technical knowledge with an ability to interpret the relevant regulations – including the regulator's intentions and direction of travel – as well as a practical understanding of how those rules apply to their business, drawn from an appreciation of the broader commercial context including the sector and markets in which they operate and the needs of their customers.

# Shifting priorities

This embedding of GRC within the business – as a trusted partner as opposed to a source of friction – is further demonstrated by the respondents' approach to the emergence of AI and the burgeoning climate of deregulation, both of which might, on their face, be viewed as a threat to GRC roles.

Indeed, only **4.7%** of those surveyed reported that 'activity is underway to remove governance, risk and compliance controls' in response to moves by some governments to reduce the regulatory burden on firms, whereas **48.4%** reported that these measures have had 'no impact at all' on them (see **Section 3**). Added to this, **41%** of respondents were 'not concerned at all' about GRC jobs being displaced by AI (**Section 2**).

Participants reported that compliance budgets are not experiencing wholesale cuts but are instead being reorientated to meet the needs of this new world. Some **40.6%** of respondents had seen their budget 'increase slightly' over the last

three years, while **27.9%** had seen a 'significant' increase over the same period. Meanwhile, only **8.8%** of respondents reported that 'resourcing cuts will have to be / have already been made to stay within allocated budgets for 2025', whereas **27.6%** had 'sufficient budget to meet expected challenges' with 'some budget in reserve for unanticipated events' and **20.7%** revealed that 'the budget will cover planned activities but makes no allowance for additional challenges arising in the year' (**Section 1**).

The majority of respondents (**54.8%**) said that concerns over the rising cost of GRC were being met through adapting compliance focus or reprioritising compliance strategies. This compared with **16.5%** who suggested that increased costs would be met through the removal of roles via redundancies or redeployment and **47%** through 'increased investment in automation' (**Section 1**).

# The role of technology

Indeed, the results suggest that those working in GRC are viewing AI technology increasingly as a tool which has the potential to support them in meeting the perennial challenges of keeping up with constant regulatory change, thereby enabling them to direct more energy towards the more strategic aspects of the role.

However, although they are actively exploring the potential of AI, most are yet to move forward with deployment. Only **1.6%** of those questioned had 'fully integrated' AI into GRC processes, while **32%** were 'in the early stages of incorporating AI into our compliance framework' (**Section 2**).

Nevertheless, **51%** viewed 'advancements in AI and technology' as the biggest driver for change in GRC over the next five years. Although they believe 'new regulations and laws' will continue to be a significant driver of change (**22%**), there is a clear expectation that technology will ease much of this burden, freeing GRC professionals to focus on other aspects of the role (**Section 5**). Indeed, **36%** expect GRC to move to an increased reliance on AI, with fewer manual roles over the next five years (**Section 5**).

> **The findings point to a growing maturity in how GRC defines itself and in how it is perceived and valued within the business**

# Evolving skillsets

A further **36%** expect the next five years to be characterised by GRC becoming increasingly integrated with strategic decision-making. Accordingly, respondents described an evolution in the skillset that GRC practitioners require in order to fulfil this progressively more strategic, business advisory role.

▶ **51%** viewed 'advancements in AI and technology' as the biggest driver for change in GRC over the next five years

▶ **36%** expect GRC to move to an increased reliance on AI, with fewer manual roles over the next five years

▶ Only **1.6%** of those questioned had 'fully integrated' AI into GRC processes

Notably, **28.8%** of participants viewed 'relationship management' as the most important skill or behaviour for future GRC professionals to possess. By comparison, only **2.5%** of participants viewed 'technical compliance expertise' and **8%** viewed 'expertise in regulatory change' as the top skills needed. (**Section 4**)

GRC professionals, in order to both support and influence key stakeholders, must continue to wed their technical understanding of the regulatory environment with an ability to communicate effectively with the business and influence key stakeholders.

# Survey background

As the leading professional body for the global regulatory and financial crime compliance community, ICA surveyed our global membership of over 30,000 members in 155 countries, to better understand the challenges and opportunities shaping the GRC landscape and how GRC professionals are responding to them.

The survey comprised 29 questions covering topics including:

- The cost of compliance
- AI and associated risks
- The impact of deregulation
- The future of governance, risk, and compliance

We received 383 responses to the survey, from individuals working in 87 countries (see **Figure 3**). Over 30 sectors were represented, with some **25%** of responses from those in banking and a further **19%** from the broader financial services sector.

Respondents were at all levels of seniority, with **44%** of participants operating at either senior manager or director level (**Figure 2**).

▶ **383** responses

▶ **87** countries

▶ Over **30** sectors

**Figure 1: What is your area of work? (You may select more than one answer)**



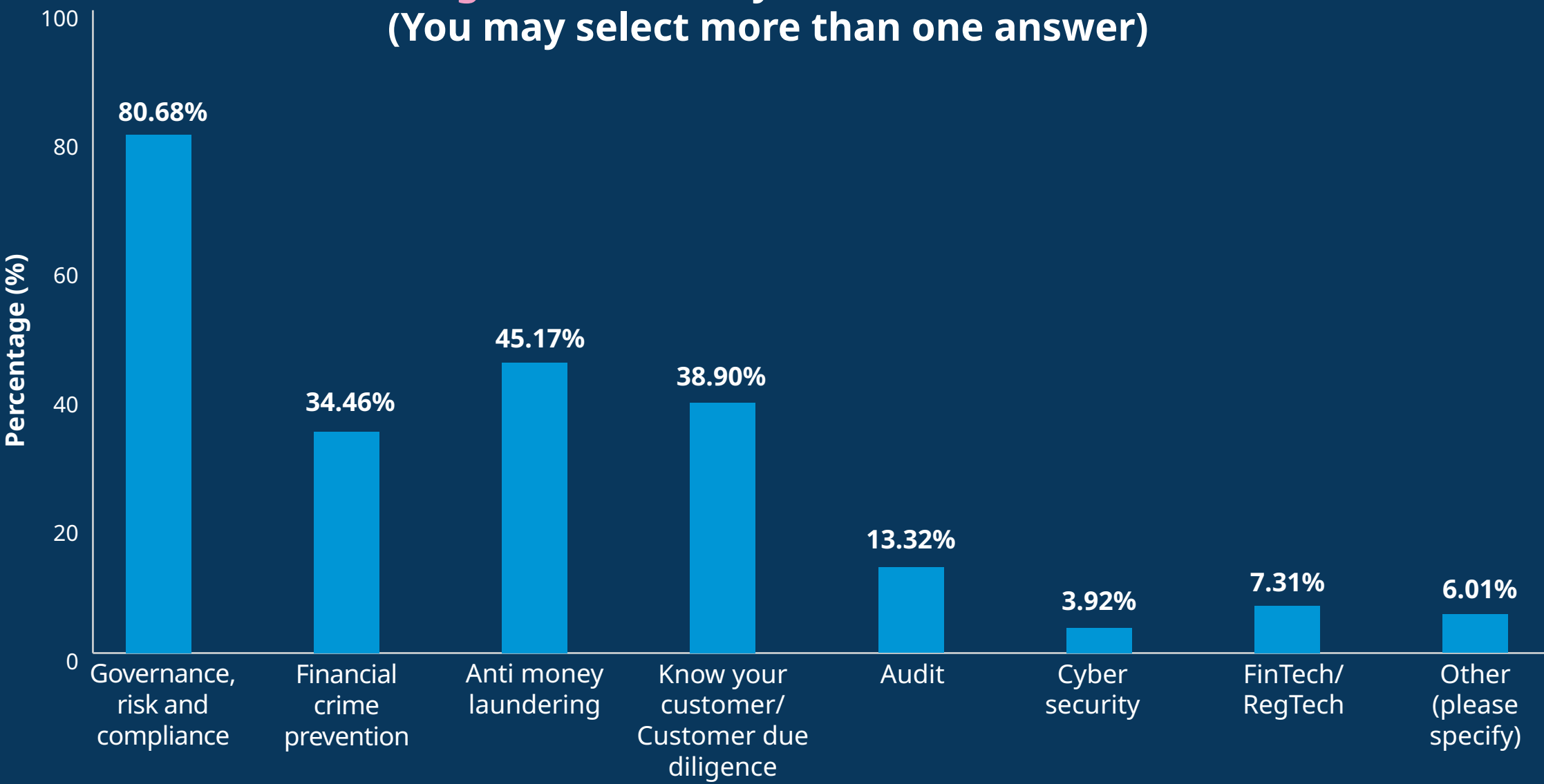**Figure 2: What is your seniority?**

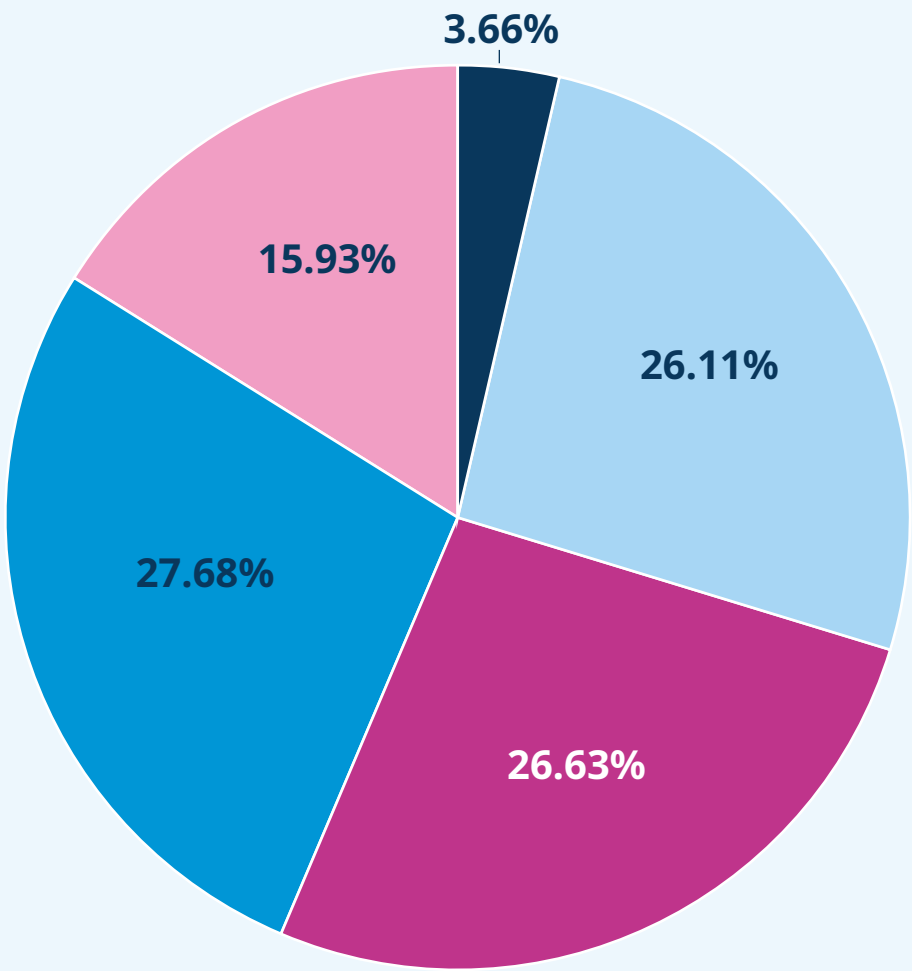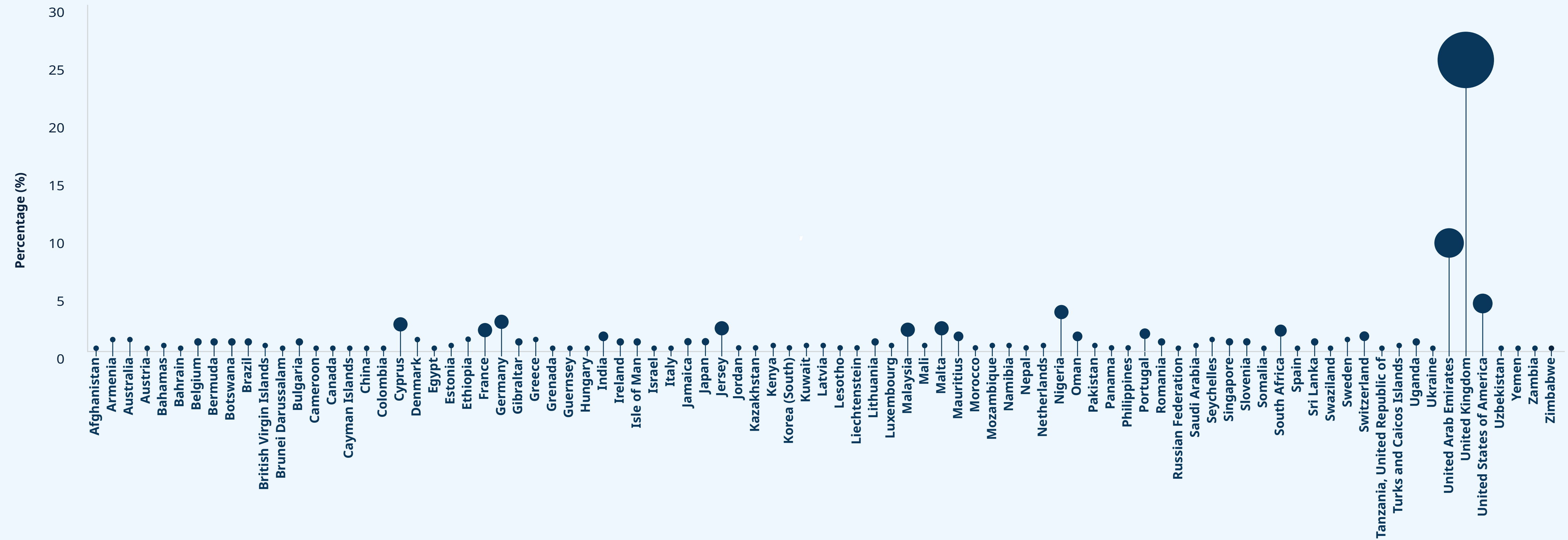| | |
|---|---|
| ■ New Entrant/ Operations | 3.66% |
| ■ Analyst/ Team Member | 26.11% |
| ■ Manager | 26.63% |
| ■ Senior Manager | 27.68% |
| ■ Director | 15.93% |

**Figure 3:** What country is your firm headquartered in?

# SECTION 1: The cost of compliance

The costs of GRC have increased steadily ever since the 2008 financial crisis, in response to successive waves of regulation and an ever-broadening remit for GRC practitioners, and they can now account for a significant proportion of a firm's annual budget, particularly in heavily regulated sectors. Indeed, for **9.6%** of survey participants, over **10%** of the firm's annual budget was allocated to GRC costs (**41.8%** 'didn't know').

This upward trend in GRC spend has persisted in recent years, with **40.6%** of respondents reporting 'slight' increases in GRC investment over the last three years, while **27.9%** had seen a 'significant' increase over the same period. In the light of this, several governments now believe that regulation is stifling the growth of their economies and are seeking to reduce the regulatory burden on firms (see further **Section 3**, below). For many industry observers, these conditions suggest that a scaling back of compliance investment is inevitable.

**Figure 4:** What percentage of your firm's annual budget is allocated to governance, risk & compliance costs?

| | | |
|---|---|---|
| Less than 2% | 20.69% |
| 2-5% | 17.62% |
| 5-10% | 10.34% |
| More than 10% | 9.58% |
| I don't know | 41.76% |

20.69%
17.62%
10.34%
9.58%
41.76%
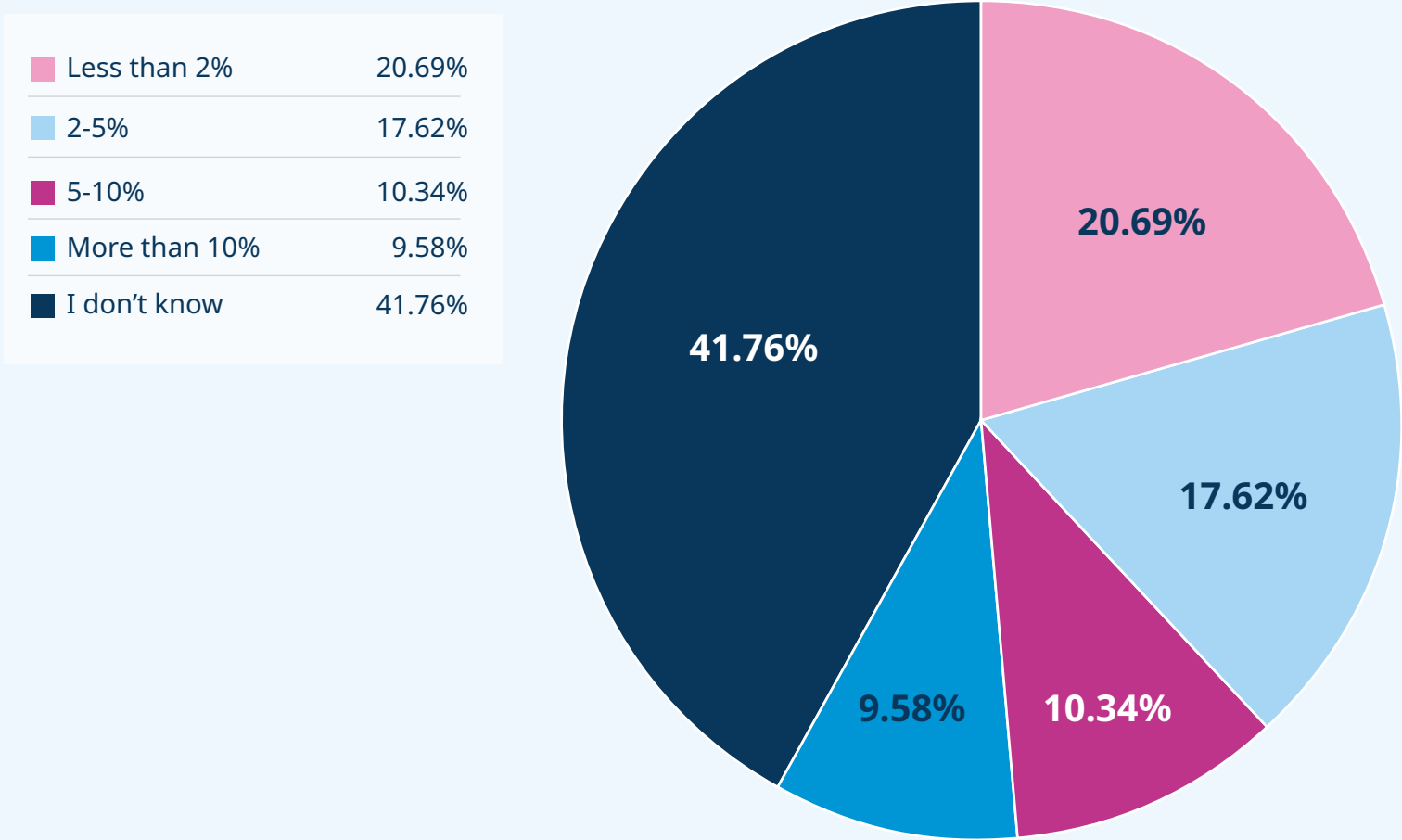
**Figure 5:** How has your firm's investment in governance, risk & compliance changed over the past 3 years?

Percentage (%)

- Decreased significantly: 4.21%
- Decreased slightly: 4.21%
- Stayed the same: 22.99%
- Increased slightly: 40.61%
- Increased significantly: 27.97%
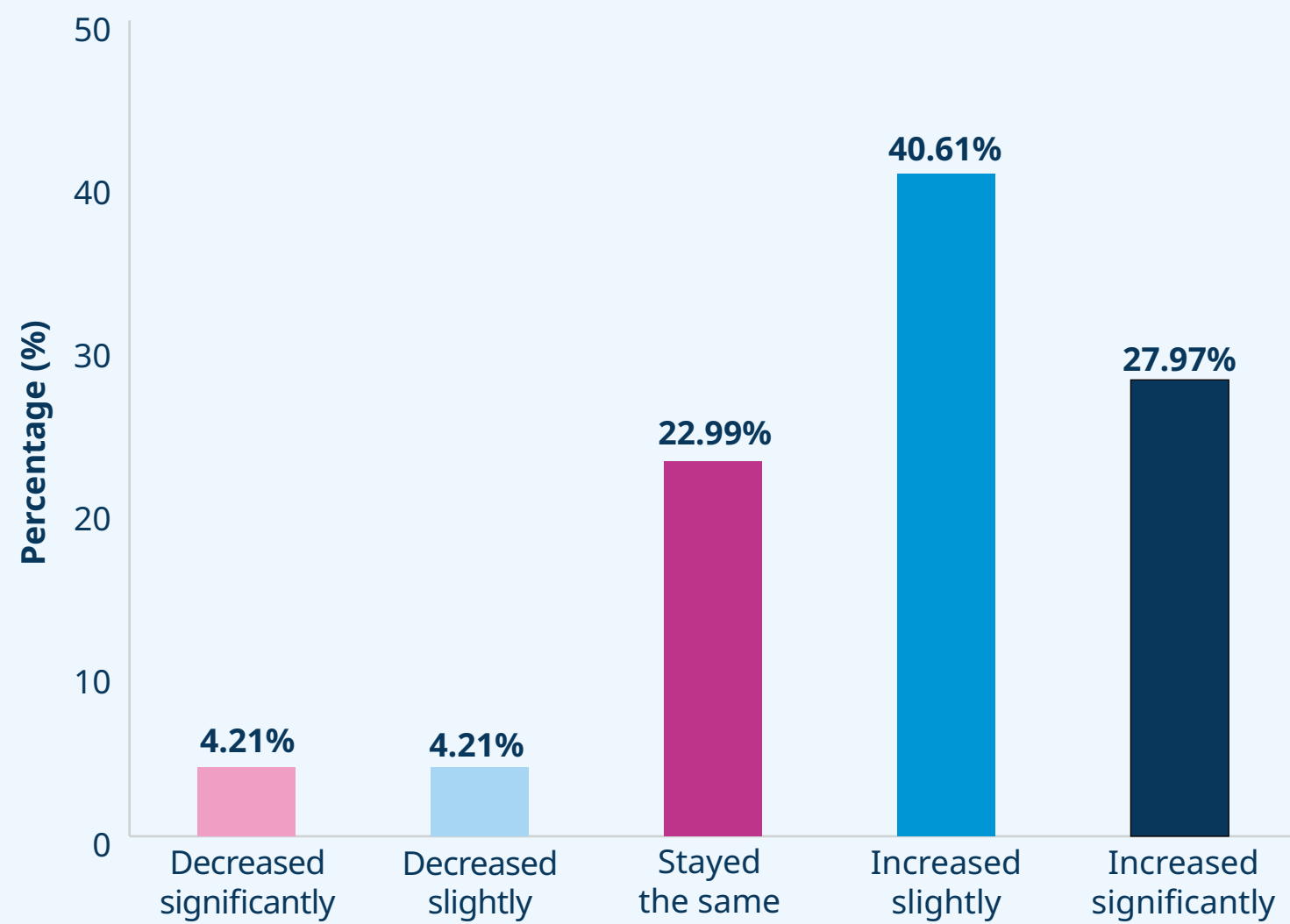
However, the survey results suggest that challenges around the cost of compliance have not yet translated into reduced investment in GRC. On the whole, GRC functions appear to be sufficiently resourced to meet current challenges. For the current year, only **8.8%** of respondents reported that 'resourcing cuts will have to be / have already been made to stay within allocated budgets', whereas **27.6%** had 'sufficient budget to meet expected challenges' with 'some budget in reserve for unanticipated events'. A further **20.7%** revealed that 'the budget will cover planned activities but makes no allowance for additional challenges arising in the year'.

These results suggest that GRC is well embedded within the respondents' organisations and is not an area that is being singled out for cuts in an environment in which most functions across the business will be coming under budgetary pressure. While almost a fifth (**19.5%**) of those questioned suggested that 'risk-based decisions have needed to be made in order to cut planned activity and resource to meet available budget', this is perhaps to be expected given the current economic conditions and it is likely to be a common to all business units rather than being restricted to GRC alone.

> **Challenges around the cost of compliance have not yet translated into reduced investment in GRC**

**Figure 6: To what extent does your governance, risk & compliance budget for 2025 reflect the regulatory challenges that your firm is facing in the year?**

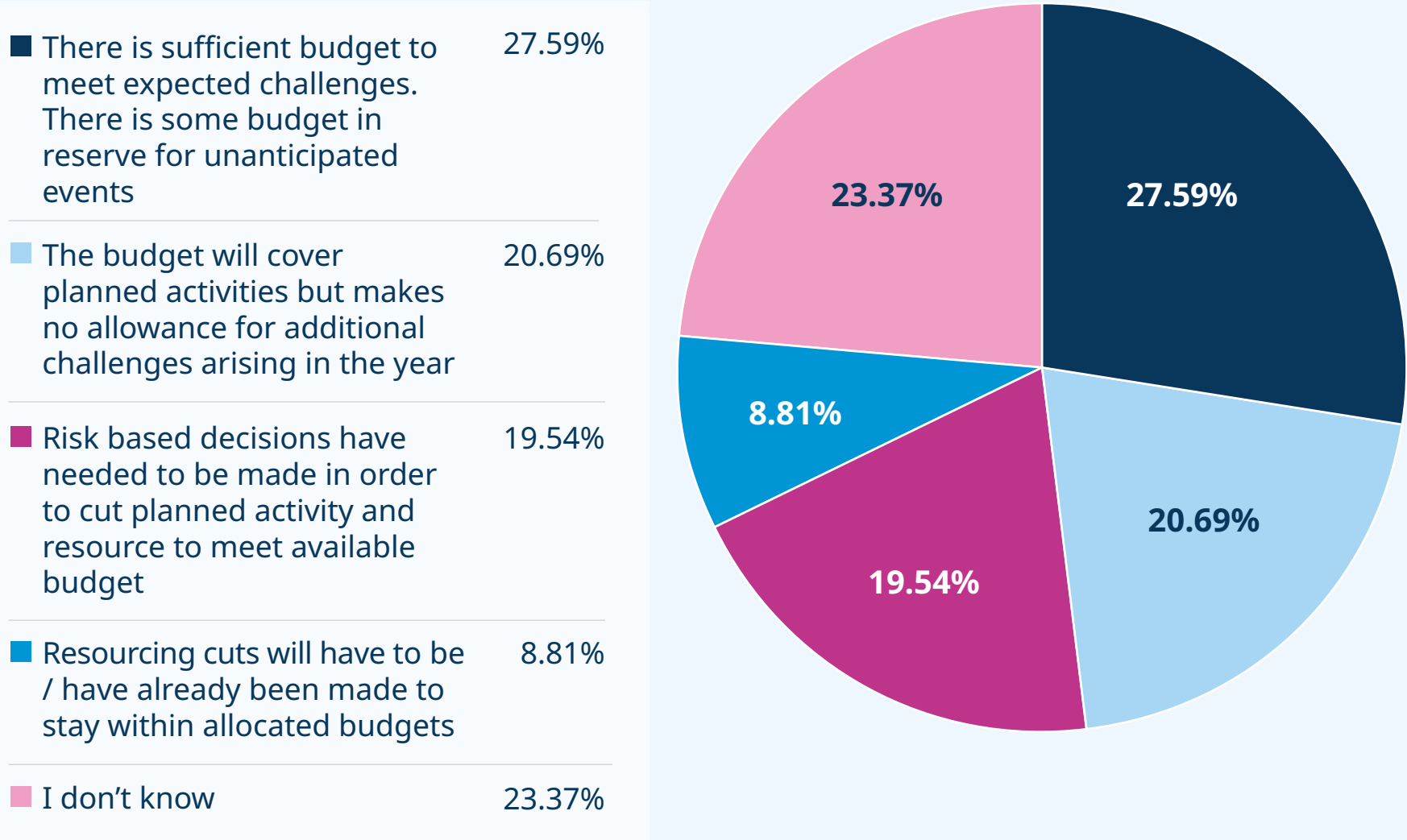| | |
|---|---|
| ■ There is sufficient budget to meet expected challenges. There is some budget in reserve for unanticipated events | 27.59% |
| ■ The budget will cover planned activities but makes no allowance for additional challenges arising in the year | 20.69% |
| ■ Risk based decisions have needed to be made in order to cut planned activity and resource to meet available budget | 19.54% |
| ■ Resourcing cuts will have to be / have already been made to stay within allocated budgets | 8.81% |
| ■ I don't know | 23.37% |



Pie chart values: 23.37%, 27.59%, 20.69%, 19.54%, 8.81%

## Figure 7: What are some of the most challenging aspects of managing governance, risk & compliance costs? (Please rank by importance)



**Keeping up with new regulations**
- 7.66%
- 10.73%
- 10.73%
- 14.18%
- 18.01%
- 38.70%

**Investing in technology**
- 8.81%
- 12.64%
- 23.75%
- 16.86%
- 19.16%
- 18.77%

**Managing regulatory requests**
- 4.98%
- 20.69%
- 15.33%
- 21.84%
- 27.20%
- 9.96%

**Hiring or training specialised staff**
- 8.43%
- 17.24%
- 21.84%
- 22.99%
- 16.09%
- 13.41%

**Supporting business expansion**
- 24.52%
- 18.39%
- 16.86%
- 14.56%
- 13.03%
- 12.64%

**Managing fines or penalties**
- 45.59%
- 20.31%
- 11.49%
- 9.58%
- 6.51%
- 6.51%

| Score: | 4.4 | 3.81 | 3.75 | 3.61 | 3.11 | 2.31 |

Legend: ■ Rank 1  ■ Rank 2  ■ Rank 3  ■ Rank 4  ■ Rank 5  ■ Rank 6

Not surprisingly regulatory change was highlighted as the single biggest challenge for respondents, with **38.7%** citing 'keeping up with new regulations' as the number one issue when it comes to managing GRC costs (see **Figure 7**). Significantly, as will be discussed further in **Section 3**, below, moves to cut red tape seem unlikely to diminish this challenge in the immediate term.

In the main, respondents planned to meet GRC cost challenges through reprioritising compliance strategies (**54.8%**), and through greater investment in (**47.1%**) and adoption of automation (**27.2%**). A smaller number of respondents were addressing rising costs through removal of roles (**16.5%**), replacing senior staff with more junior roles (**9.2%**), or cutting back on staff training (**7.3%**), findings which, while worth noting, do not support the view that the current climate is seeding a wholesale scaling back of GRC resource across all businesses.

Moreover, as will be discussed in the sections that follow, GRC professionals are taking an increasingly proactive approach, embracing technology and the development of new skills in order to redefine the role and remain relevant to the business.

**Figure 8:** **What changes are intended to be made within your compliance function to address concerns with the rising cost of governance, risk & compliance?**
**(You may select multiple answers)**



Bar chart data:
- Adapting compliance focus/ re-prioritising compliance strategies: 54.79%
- Increased investment in automation: 47.13%
- Increased adoption of automation with no additional investment: 27.20%
- Removal of roles through redundancy or redeployment: 16.48%
- No changes: 14.18%
- Removal or reduction of salary increases / bonuses (either for compliance specifically or as part of a firm-wide exercise): 10.73%
- Replacement of senior staff with more junior roles (either through natural attrition or redundancy): 9.20%
- Reduction in training for staff: 7.28%
- Other (please specify): 2.68%

Percentage (%)

**Figure 9:** How embedded is the use of AI within governance, risk & compliance at your firm?
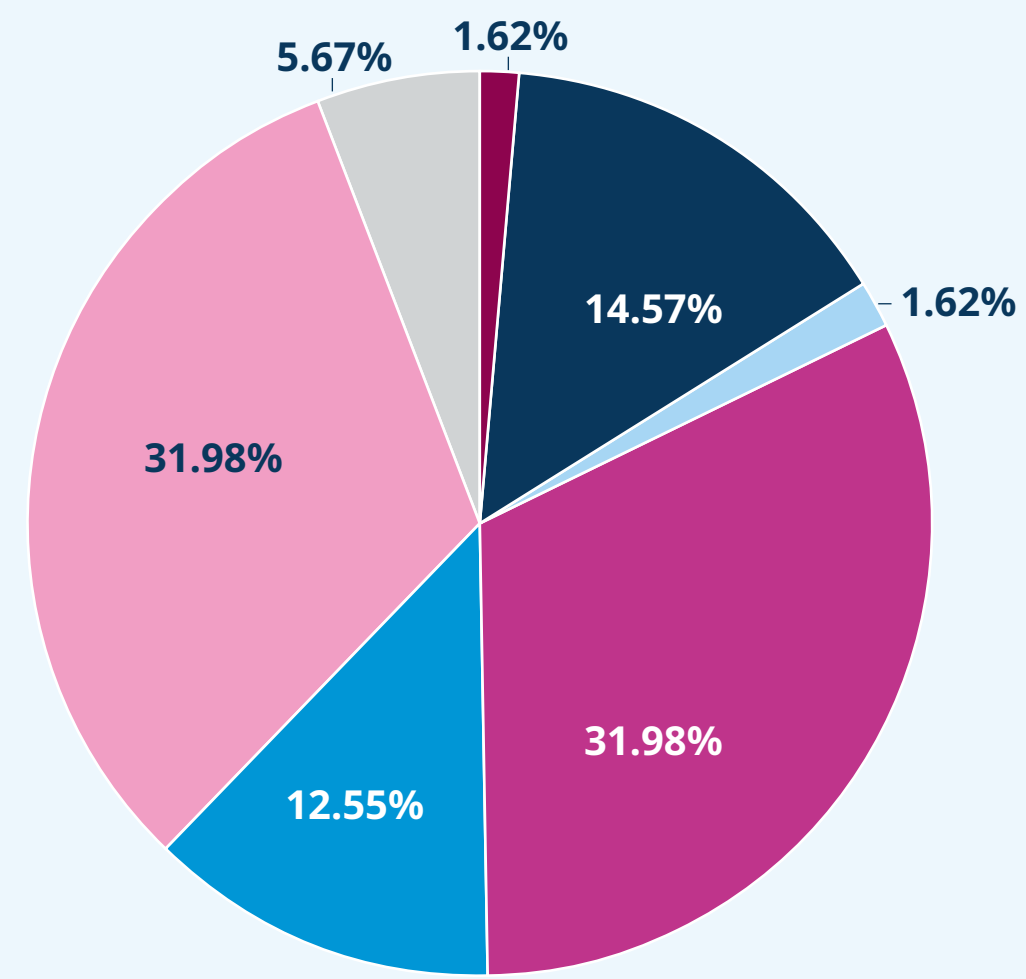


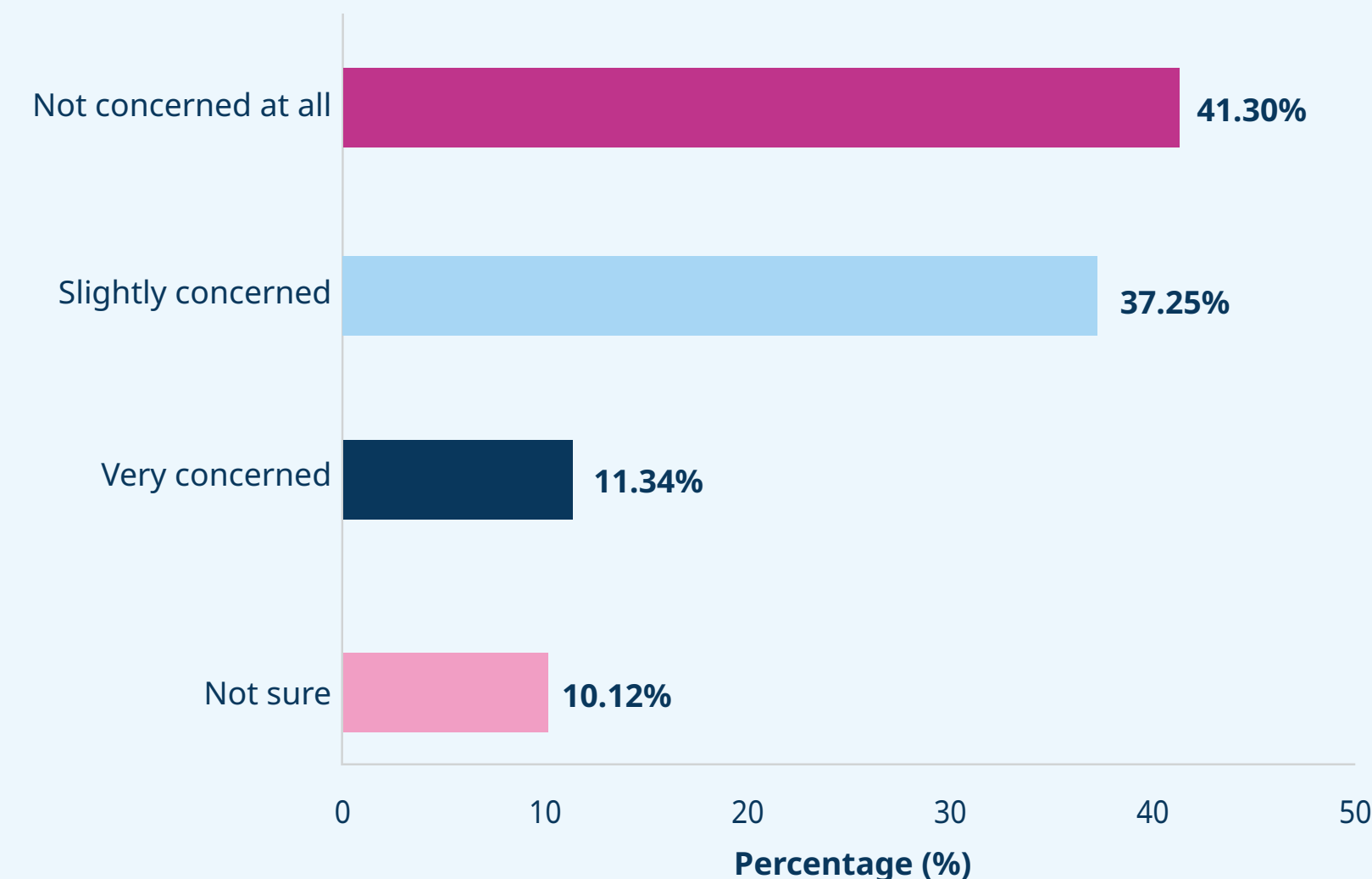| | | |
|---|---|---|
| ■ AI plays a role in our efforts, but there are areas still managed manually | | 14.57% |
| ■ Our governance, risk & compliance department relies heavily on AI for monitoring and reporting | | 1.62% |
| ■ We are in the early stages of incorporating AI into our compliance framework | | 31.98% |
| ■ AI is used sporadically within governance, risk & compliance | | 12.55% |
| ■ AI has not yet been adopted for governance, risk & compliance purposes in our firm | | 31.98% |
| ■ I'm not sure | | 5.67% |
| ■ AI is fully integrated into our governance, risk & compliance processes | | 1.62% |

# SECTION 2: The risks and uses of AI

The continued expansion of AI into our personal and professional lives has had a considerable impact on businesses of all sizes, introducing both new opportunities and new threats, and requiring organisations to rapidly develop an understanding of potential use cases, an assessment of the potential risks, as well as the necessary governance frameworks required for its safe and effective introduction.

Although respondents overwhelmingly viewed technology as a solution to rising GRC costs, with **47%** planning to increase investment in automation, the majority remained in the early stages of AI implementation within GRC. Only **1.6%** of those questioned had 'fully integrated' AI into GRC processes, while **32%** were 'in the early stages of incorporating AI into [their] compliance framework', and **32%** had not yet adopted AI for GRC purposes.

▶ **1.6%** of respondents had 'fully integrated' AI into GRC processes

▶ **32%** were 'in the early stages of incorporating AI into [their] compliance framework'

▶ **32%** had not yet adopted AI for GRC purposes

**Figure 10:** How concerned are you about the job displacement by AI of governance, risk & compliance roles?



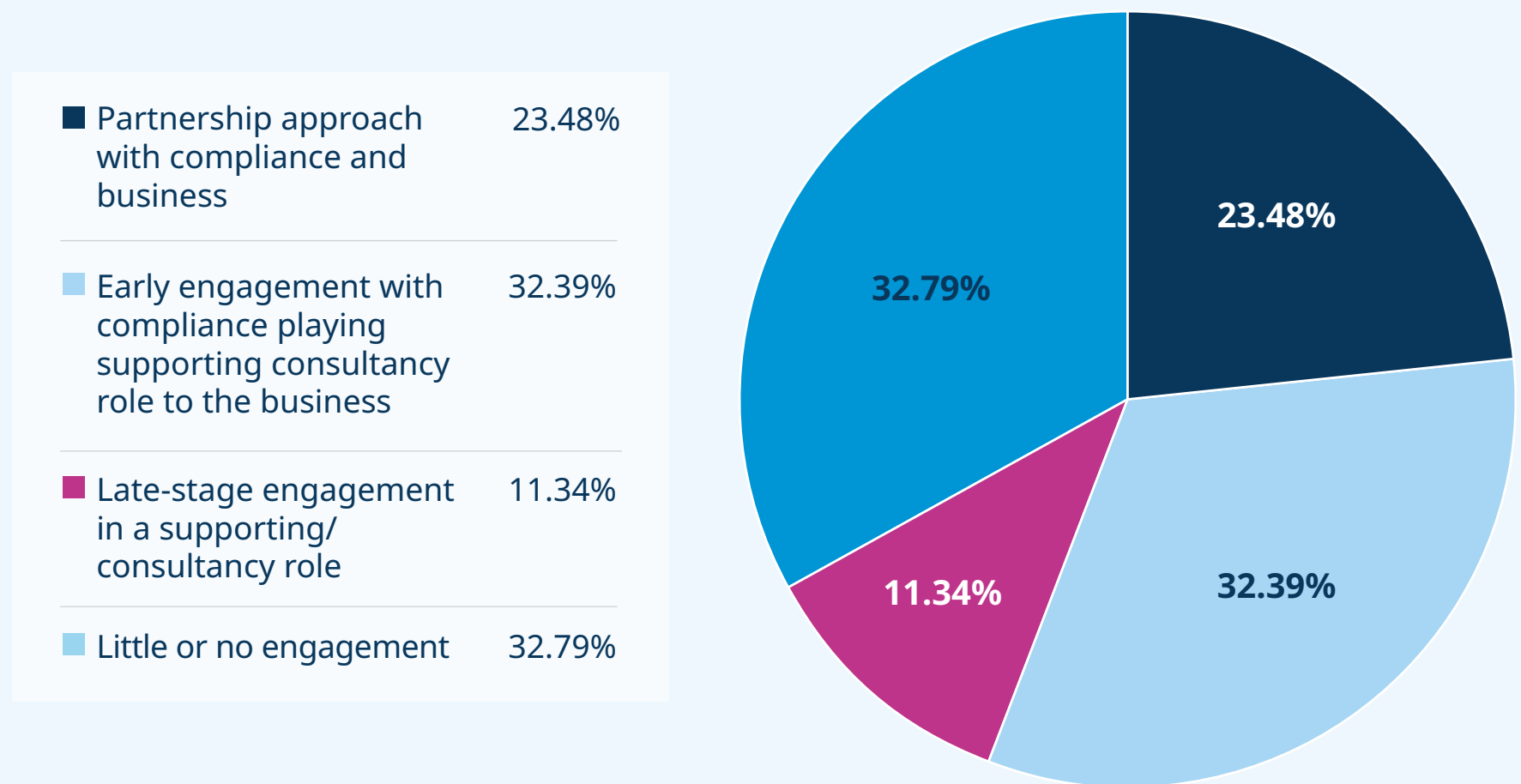| Category | Percentage |
|---|---|
| Not concerned at all | 41.30% |
| Slightly concerned | 37.25% |
| Very concerned | 11.34% |
| Not sure | 10.12% |

Percentage (%)

The results suggest that AI uptake in GRC is proceeding at a slower pace than in some other business units. Indeed, The Bank of England reported at the end of 2024 that **75% of firms** in the financial sector were already using AI, with the highest number of use cases being within Operations and IT. It would seem, then, that businesses are prioritising AI adoption in those areas where they can most swiftly realise operational efficiencies, with GRC having to wait in line for AI investment.

When ChatGPT first burst onto the scene, concerns over AI replacing jobs – not only within GRC – were front and centre of the conversation. And while these remain an ongoing topic of discussion, the survey results suggests that these anxieties are beginning to ease. Significantly, **41.3%** of respondents were 'not concerned at all' about GRC jobs being displaced by AI, compared with **11.3%** being 'very concerned'.

**Figure 11: To what extent is the governance, risk & compliance department involved in supporting other functions of the business in their implementation of AI solutions?**

| | |
|---|---|
| ■ Partnership approach with compliance and business | 23.48% |
| ■ Early engagement with compliance playing supporting consultancy role to the business | 32.39% |
| ■ Late-stage engagement in a supporting/ consultancy role | 11.34% |
| ■ Little or no engagement | 32.79% |



In part, this may be attributed to the relatively slower uptake of AI within GRC functions (when compared with other business units) outlined above. It may also be an indicator that businesses are beginning to develop a firmer grasp of the potential (and limitations) of AI and the governance necessary for its effective and reliable deployment, and to narrow down the resulting use cases accordingly.

However, the survey revealed that the extent to which GRC departments are involved in supporting other functions in their AI implementation can vary widely. Nearly a third (**32.8%**) of respondents reported that GRC had 'little or no engagement' with other business functions in their implementation of AI, compared with **23.5%** who enjoyed a 'partnership approach with compliance and business' and a further third (**32.4%**) who were engaged early in the implementation process to play a supporting consultancy role to the business.

Interpreting these results is challenging. The lack of engagement reported by many respondents may simply mean that other parts of their businesses have not yet made significant steps in AI implementation. On the other hand, it could reflect a broader cultural issue in those organisations regarding engagement with GRC more generally.

What is clear is that respondents believe that AI governance and ethics should be a significant area of focus for GRC in the coming years (see further, **Section 5**), so bridging any existing gaps between the business and compliance in the area of AI implementation should be a priority.
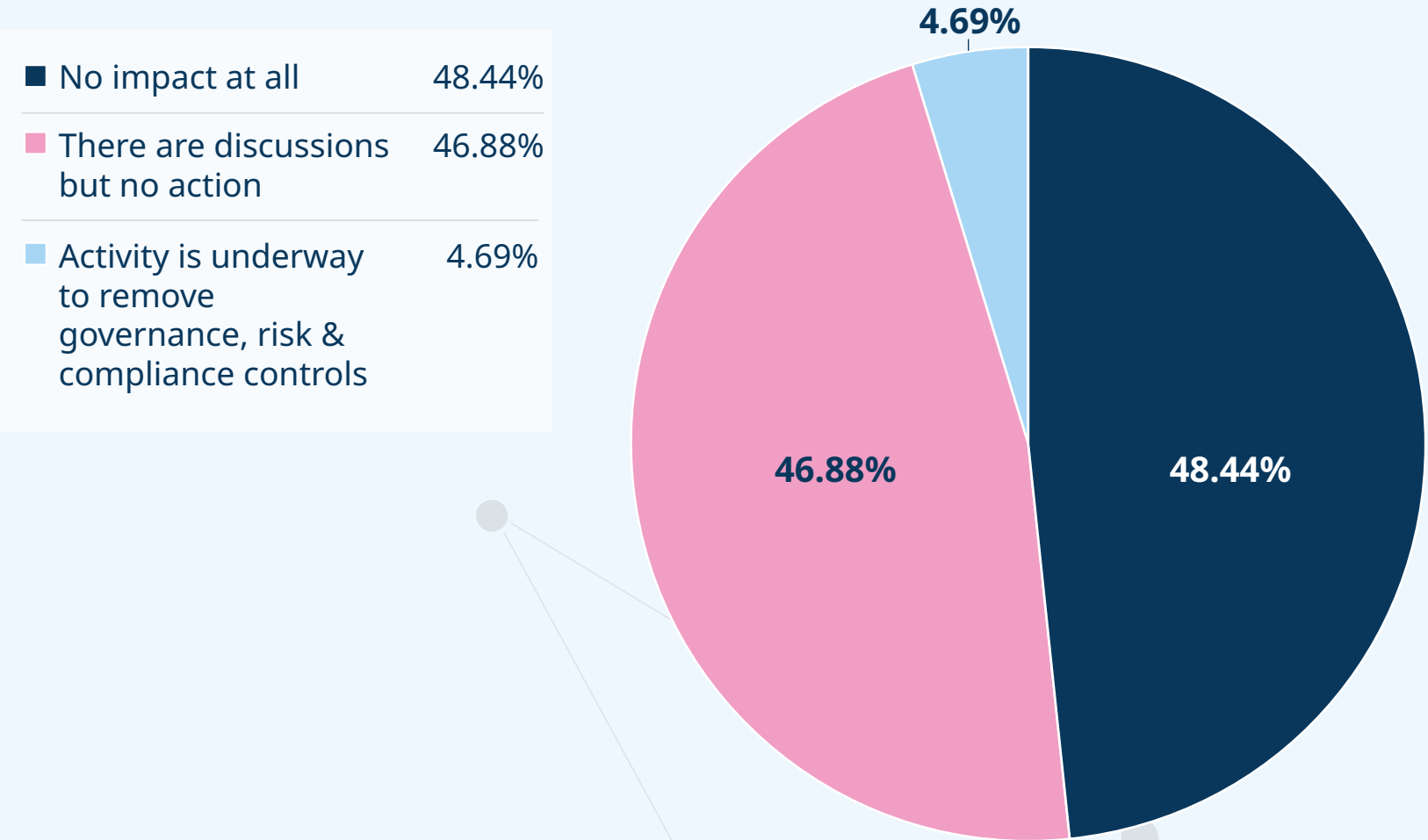
# SECTION 3: GRC in a climate of deregulation

The issue of deregulation looms large on the GRC agenda. While this has been most pronounced in the US – for example through measures to cut funding for regulatory agencies and calls for them to revoke ten regulations for every new one added – moves to reduce red tape are also afoot in other jurisdictions, such as the UK. For firms with a global footprint, this shifting regulatory landscape presents significant challenges.

How, then, are these developments affecting GRC professionals? Notably, only **4.7%** of those surveyed reported that 'activity is underway to remove governance, risk and compliance controls' in response to moves to reduce the regulatory burden, whereas **48.4%** reported that these measures have had 'no impact at all' on them.

What can we understand from these results? There are several potential interpretations. First and foremost, while a lot of noise has been generated around deregulation, it remains 'early days'. Given the speed with which changes are being tabled, the political motivation underlying them, and the unpredictability of the current climate, organisations may quite reasonably be taking the time to fully understand the implications of these developments for their businesses.

> **In the immediate term, deregulation means change as opposed to a reduction in compliance workload**

**Figure 12:** Various governments have indicated in recent times that they believe regulation to be stifling growth of their economies and are seeking to reduce the regulatory burden on firms. What kind of impact, if any, is this having on your firm at present?

| | |
|---|---|
| ■ No impact at all | 48.44% |
| ■ There are discussions but no action | 46.88% |
| ■ Activity is underway to remove governance, risk & compliance controls | 4.69% |

4.69%
46.88%
48.44%

In the immediate term, then, deregulation means, simply, change (and therefore work for GRC interpreting the potential implications of that change) as opposed to a reduction in compliance workload. As one survey respondent put it: 'Whilst the UK regulators are seeking to reduce the regulatory burden, the impact of analysing and co-ordinating the vast amount of regulatory change to support this goal is significant. I expect this will continue through 2025.'

In the words of another: 'A lot of changes will be proposed. However, firms will not be ready to implement these changes. The compliance function will remain necessary due to the need to translate new regulatory proposals.'

Second, the stripping back of red tape, through the simplification or removal of rules, does not erase the principles underlying those rules. The intention behind many of the regulations introduced in the wake of the financial crisis, which were aimed at protecting consumer outcomes and restoring confidence in financial services, have in turn informed and been enshrined within company culture and values, as well as within broader consumer and societal expectations. Indeed, as discussed below, many respondents highlighted the importance of culture as a means of ensuring that their organisations continue to do 'the right business in the right way', absent of the threat of enforcement. As one respondent explains: 'Regulatory complexity will intensify … Culture of compliance will become a competitive advantage'.

**The importance of culture was a further indicator of how GRC has become embedded within the organisations surveyed**
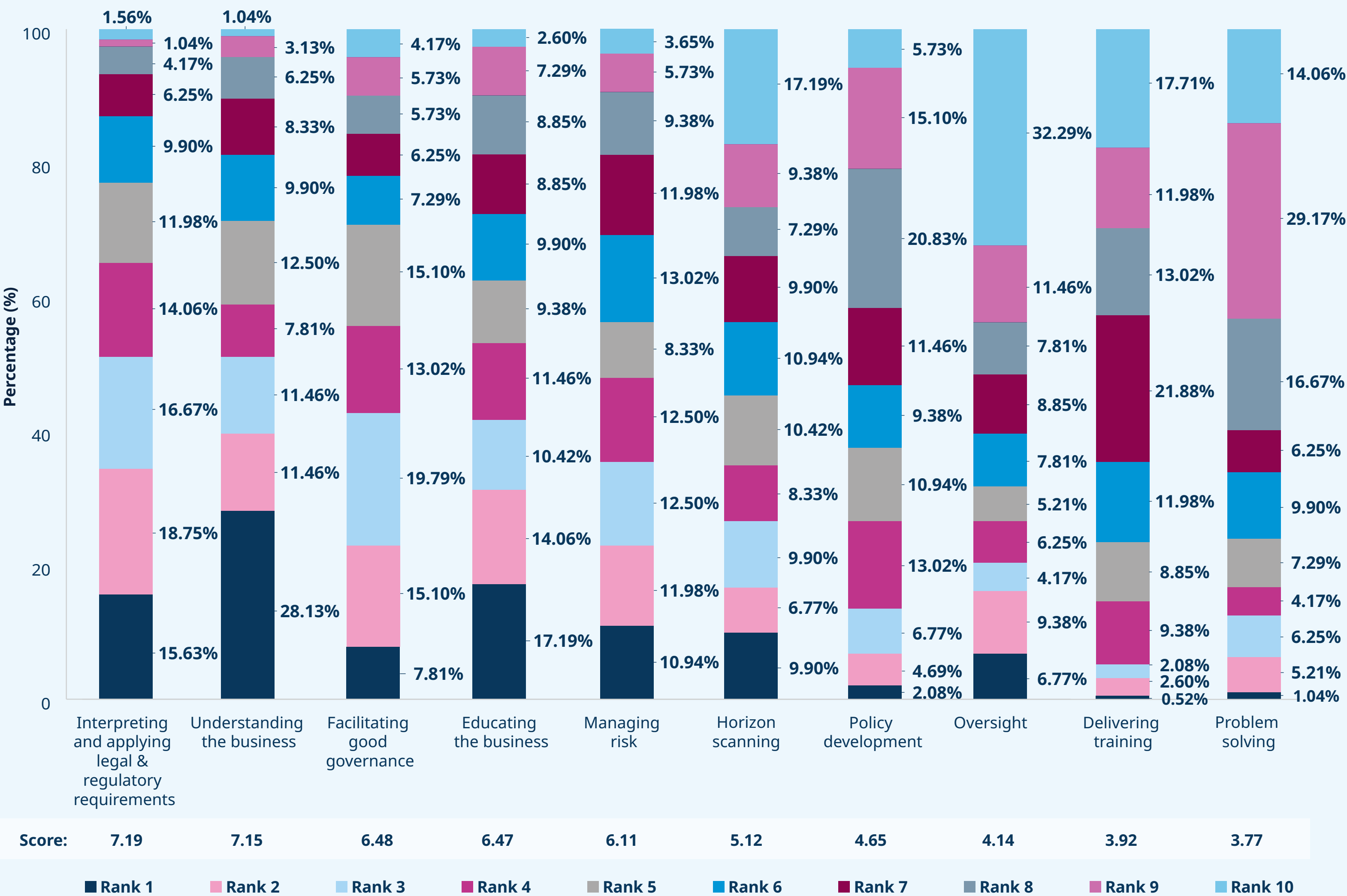
Furthermore, the policies, systems and processes that have been implemented to comply with successive rounds of regulation are not only ways of working that reinforce an organisational culture, but they also represent a sunk cost for businesses (or even an asset, when they can be revealed to support positive business outcomes such as improved understanding of customers or customer retention). It's not guaranteed that organisations will realise an immediate commercial benefit through removing such policies, systems and processes in response to a softening of the rules. Instead, they may incur costs through the associated disruption.

One participant summarised the situation as follows: 'These challenges will increase and demand more resources' rather than less.

Within a climate of deregulation, it is also interesting to note that **28%** of those questioned ranked 'understanding the business' as the *single most important GRC activity*, followed by 'educating the business' (**17.2%**) and 'interpreting and applying regulatory requirements' (**15.6%**).

This provides evidence of a significant evolution in GRC, with GRC professionals recognising the crucial importance of enabling and supporting their organisations and working as a partner to the business where, historically, they may have been viewed by some as an obstacle to it.

The importance of culture was a further indicator of how GRC has become embedded within the organisations surveyed. Respondents highlighted 'the importance of organisational culture', 'embedding a good compliance culture', and 'enabling a safe culture for speaking up' as key GRC activities and, moreover, ranked 'company culture and values' as the main factor that ensures their companies conduct 'the right business in the right way'.
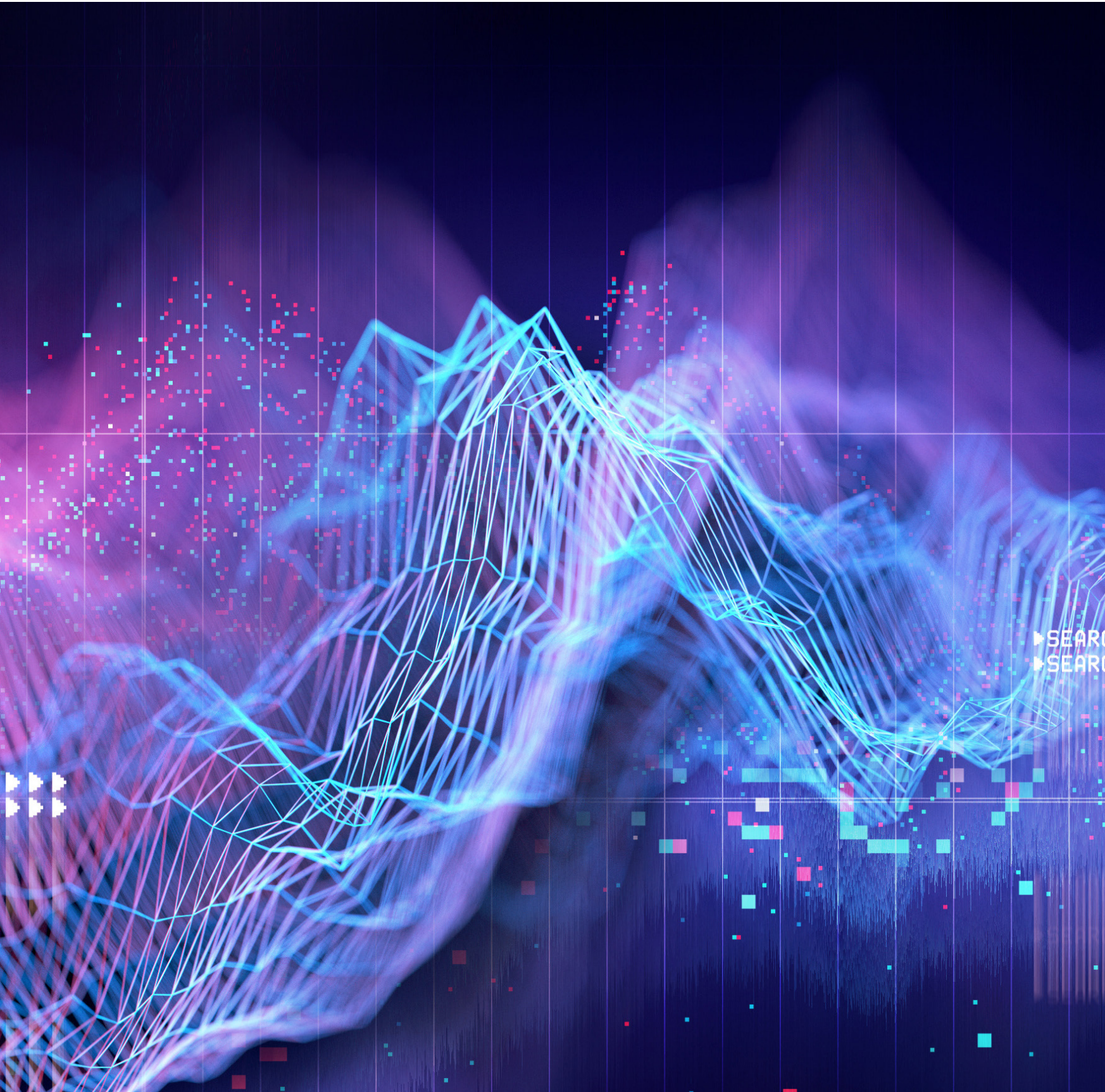


**Figure 14: Aside from the risk of regulatory penalties, which of the following factors ensure your company conducts "the right business in the right way"? (Rank in order of importance)**

Company culture and values: Rank 1 61.46%, Rank 2 11.98%, Rank 3 7.29%, Rank 4 7.81%, Rank 5 3.65%, Rank 6 2.60%, 5.21%

Reputational risk: Rank 1 19.27%, Rank 2 40.63%, Rank 3 18.75%, Rank 4 11.98%, Rank 5 4.69%, 2.60%, 2.08%

Business performance / competitive advantage: 7.29%, 10.42%, 20.31%, 20.83%, 19.79%, 14.58%, 6.77%

Staff attraction and retention: 2.60%, 15.10%, 21.88%, 19.27%, 18.75%, 11.98%, 10.42%

Supply chain / third party risk: 1.56%, 6.77%, 15.63%, 19.79%, 28.65%, 16.15%, 11.46%

Litigation risk: 4.17%, 9.90%, 14.58%, 16.15%, 31.77%, 16.15%

Shareholder activism: 3.65%, 5.21%, 8.85%, 5.73%, 8.33%, 20.31%, 47.92%

| Score: | 5.91 | 5.42 | 3.94 | 3.86 | 3.39 | 3.11 | 2.38 |

■ Rank 1  ■ Rank 2  ■ Rank 3  ■ Rank 4  ■ Rank 5  ■ Rank 6

# SECTION 4:
# Futureproofing GRC

In the light of the trends described in the preceding sections (chiefly, an increase in the impact of technology and an expansion of the strategic role of compliance in response to emerging challenges) it is not surprising to see that respondents prioritised 'engagement in strategic planning' and 'automation of compliance processes' as the most important measures needed to future-proof GRC. Some **23.3%** ranked the former as the single most important factor, and **19.6%** the latter.

**Figure 15:** Place the following in order of importance (from most important to least important) for future-proofing your governance, risk & compliance function, that is setting your compliance team up for success for the next 5 years



| Score: | 6.08 | 5.91 | 5.52 | 5.25 | 5.21 | 4.65 | 4.31 | 4.25 | 3.82 |

■ Rank 1   ■ Rank 2   ■ Rank 3   ■ Rank 4   ■ Rank 5   ■ Rank 6   ■ Rank 7   ■ Rank 8   ■ Rank 9
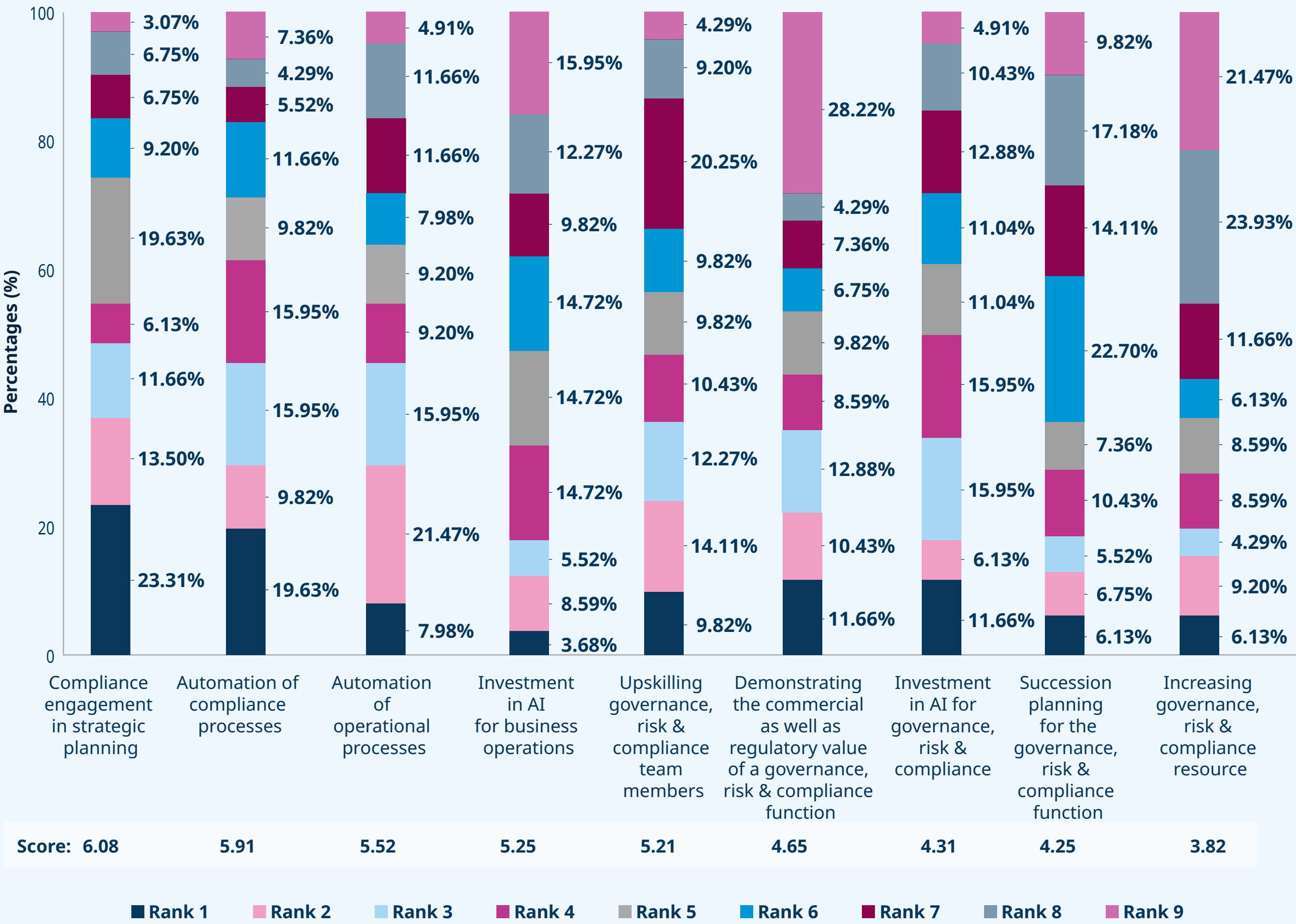
It is impressive to note that the most prized skill or behaviour that future GRC professionals must exhibit was, overwhelmingly, the ability to manage relationships. **28.8%** of participants viewed 'relationship management' as the most important skill or behaviour for future GRC professionals to possess, and **12.3%** viewed 'understanding the business' as their number one priority. By comparison, only **2.5%** of participants viewed 'technical compliance expertise' and **8%** viewed 'expertise in regulatory change' as the most important skills required to succeed in GRC.

This demonstrates unequivocally that GRC, now and into the future, is less about being 'the technical expert in the room', and increasingly about being an enabler of business, a trusted partner to the business who can interpret the regulations and how they apply to the business, and communicate this effectively to stakeholders. Plans to increase automation of GRC processes, described above and in **Section 1**, reinforce this trend, as technology is deployed to do the heavy lifting of managing routine or mundane compliance tasks, leaving practitioners to expand into a more strategic role, with appropriate technology oversight.

Being able to identify, engage with, and influence stakeholders, is therefore key to the future GRC professional. Indeed, 'communication' also ranked highly amongst participants, with **10.4%** of respondents ranking it either the first or second most valued skill, compared with **3.7%** who placed 'technical compliance expertise' as highly. Understanding and interpreting regulations and their implications for the business is nothing without the ability to obtain buy in for the GRC initiatives that they necessitate.

The breadth of skills and attributes required of a GRC professional is, of course, not limited to the long list we invited respondents to select from. Indeed, when asked to propose any skills missing from that list, one participant highlighted the following (several of which might be viewed as complementary to, or components of, broader 'relationship management' or 'communication'):

- Change management skills – the ability to lead and manage change initiatives as regulations, risks and technology evolve.

- Cybersecurity awareness – Basic understanding of cybersecurity risks and protections, given the growing cyber threat landscape.

- Cultural and global awareness – Sensitivity to operating across different cultures, legal systems, and regulatory expectations.

- Innovation mindset – Willingness to embrace and drive innovation, not just adapt to it.

- Critical thinking – The ability to independently assess situations and think beyond checklists or standard procedures.

- Storytelling with data – The skills to translate complex data insights into a compelling narrative for decision-makers.

- Collaboration and cross-functional working – Ability to work effectively with IT, Legal, Risk, Operations, and the board.

- Sustainability and ESG knowledge – Understanding how environmental, social and governance (ESG) factors impact compliance and risk frameworks.

> **28.8% of participants viewed 'relationship management' as the most important skill or behaviour for future GRC professionals to possess, and 12.3% viewed 'understanding the business' as their number one priority**

## Figure 16: Which of the following do you consider to be key skills and behaviours for future governance, risk & compliance professionals? (Place in order of importance)

| | Rank | | | | | | | | | | | | | | | | | | | | | | Score |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | 1 | 2 | 3 | 4 | 5 | 6 | 7 | 8 | 9 | 10 | 11 | 12 | 13 | 14 | 15 | 16 | 17 | 18 | 19 | 20 | 21 | 22 | |
| Relationship management | 28.83% | 13.50% | 11.66% | 7.98% | 6.75% | 3.07% | 3.68% | 3.07% | 4.29% | 1.84% | 3.07% | 2.45% | 1.84% | 0.61% | 0.00% | 1.23% | 1.84% | 1.23% | 0.00% | 1.84% | 0.00% | 1.23% | 17.85 |
| Adaptability | 7.98% | 22.09% | 12.27% | 7.36% | 7.36% | 7.36% | 7.98% | 1.84% | 3.07% | 4.29% | 1.84% | 0.61% | 2.45% | 0.00% | 1.84% | 1.84% | 1.84% | 1.84% | 1.23% | 0.61% | 1.84% | 2.45% | 16.5 |
| Personal resilience | 1.84% | 4.91% | 21.47% | 9.82% | 6.13% | 5.52% | 5.52% | 3.68% | 6.13% | 3.68% | 4.29% | 7.36% | 1.84% | 1.84% | 1.23% | 1.23% | 1.23% | 3.68% | 3.07% | 3.07% | 1.84% | 0.61% | 14.79 |
| Communication skills | 3.07% | 7.36% | 7.36% | 4.91% | 6.75% | 5.52% | 3.07% | 6.13% | 19.63% | 9.20% | 5.52% | 7.98% | 2.45% | 4.29% | 1.84% | 0.61% | 1.23% | 1.23% | 1.23% | 0.00% | 0.61% | 0.00% | 14.69 |
| Expertise in regulatory change | 7.98% | 4.29% | 6.13% | 3.68% | 3.07% | 6.13% | 19.02% | 7.98% | 9.20% | 1.84% | 4.91% | 5.52% | 4.29% | 2.45% | 3.07% | 0.61% | 4.29% | 1.84% | 1.84% | 1.23% | 0.00% | 0.61% | 14.55 |
| Ethical judgement | 8.59% | 5.52% | 3.68% | 3.68% | 3.68% | 7.36% | 6.13% | 20.86% | 5.52% | 6.13% | 5.52% | 3.68% | 3.07% | 1.23% | 5.52% | 1.84% | 2.45% | 0.61% | 2.45% | 1.23% | 1.23% | 0.00% | 14.47 |
| Data analysis | 2.45% | 2.45% | 1.84% | 5.52% | 6.13% | 16.56% | 7.98% | 6.75% | 3.07% | 6.13% | 6.75% | 3.68% | 4.91% | 6.75% | 3.68% | 2.45% | 2.45% | 1.84% | 2.45% | 1.23% | 4.29% | 0.61% | 13.15 |
| AI skills | 3.68% | 4.91% | 1.84% | 19.02% | 4.29% | 6.75% | 3.68% | 6.75% | 3.07% | 4.29% | 3.07% | 3.07% | 1.84% | 5.52% | 2.45% | 3.07% | 2.45% | 2.45% | 6.13% | 4.29% | 1.84% | 5.52% | 12.87 |
| Risk assessment | 3.07% | 5.52% | 6.13% | 2.45% | 5.52% | 3.07% | 3.68% | 5.52% | 6.75% | 6.13% | 3.68% | 3.68% | 4.29% | 20.86% | 7.36% | 3.68% | 1.84% | 2.45% | 3.07% | 0.00% | 0.61% | 0.61% | 12.58 |
| Expertise in technology | 1.23% | 2.45% | 2.45% | 2.45% | 17.18% | 8.59% | 6.13% | 4.91% | 6.75% | 4.29% | 6.75% | 1.23% | 6.75% | 2.45% | 1.84% | 4.29% | 3.07% | 3.68% | 3.07% | 5.52% | 3.68% | 1.23% | 12.55 |
| Technical compliance expertise | 2.45% | 1.23% | 4.91% | 3.07% | 3.68% | 3.07% | 0.61% | 4.91% | 1.84% | 3.68% | 23.93% | 9.82% | 4.91% | 9.20% | 3.68% | 6.75% | 1.23% | 5.52% | 0.61% | 3.07% | 1.23% | 0.61% | 11.65 |
| Risk management | 3.68% | 5.52% | 3.68% | 2.45% | 4.29% | 3.68% | 4.91% | 4.29% | 3.07% | 3.68% | 2.45% | 4.29% | 6.75% | 4.29% | 4.29% | 20.25% | 9.20% | 4.29% | 0.61% | 3.07% | 1.23% | 0.00% | 11.4 |
| Understanding the business | 12.27% | 8.59% | 1.84% | 3.68% | 2.45% | 4.29% | 3.68% | 3.68% | 4.29% | 4.29% | 1.84% | 2.45% | 0.61% | 1.23% | 1.84% | 2.45% | 2.45% | 0.61% | 2.45% | 26.99% | 6.75% | 1.23% | 11.26 |
| Project management capabilities | 0.00% | 1.23% | 2.45% | 3.07% | 1.84% | 2.45% | 3.07% | 3.07% | 3.07% | 21.47% | 6.75% | 7.98% | 6.75% | 4.91% | 5.52% | 4.29% | 5.52% | 3.68% | 5.52% | 1.23% | 2.45% | 3.68% | 10.66 |
| Problem solving | 0.61% | 2.45% | 2.45% | 5.52% | 3.07% | 2.45% | 4.29% | 3.68% | 6.13% | 3.68% | 1.23% | 2.45% | 2.45% | 2.45% | 22.70% | 12.27% | 8.59% | 2.45% | 5.52% | 2.45% | 1.84% | 1.23% | 10.28 |
| Auditing and monitoring skills | 0.61% | 0.61% | 0.61% | 3.68% | 4.29% | 3.07% | 2.45% | 0.00% | 3.07% | 3.68% | 2.45% | 20.25% | 10.43% | 7.36% | 6.75% | 8.59% | 6.75% | 4.29% | 4.91% | 1.84% | 1.84% | 2.45% | 9.98 |
| Influencing | 1.84% | 1.84% | 4.29% | 5.52% | 3.07% | 3.68% | 4.91% | 3.07% | 0.61% | 1.23% | 3.68% | 4.29% | 3.07% | 2.45% | 5.52% | 3.68% | 21.47% | 8.59% | 4.91% | 4.29% | 5.52% | 2.45% | 9.69 |
| Horizon scanning | 1.84% | 1.84% | 0.61% | 2.45% | 2.45% | 0.61% | 1.23% | 1.84% | 1.23% | 3.07% | 3.68% | 3.07% | 21.47% | 9.20% | 6.75% | 6.75% | 7.98% | 7.98% | 6.75% | 3.07% | 1.84% | 4.29% | 9.06 |
| Big picture thinking | 6.13% | 2.45% | 2.45% | 0.61% | 4.29% | 3.68% | 1.84% | 2.45% | 5.52% | 1.84% | 1.84% | 1.84% | 3.07% | 3.68% | 4.29% | 4.29% | 3.07% | 3.68% | 1.23% | 3.07% | 5.52% | 33.13% | 8.2 |
| Regulatory liaison | 0.61% | 0.61% | 1.23% | 1.23% | 3.07% | 1.23% | 1.84% | 1.84% | 1.84% | 2.45% | 1.84% | 1.84% | 2.45% | 4.91% | 2.45% | 3.68% | 3.68% | 30.06% | 11.04% | 11.66% | 6.75% | 3.68% | 6.9 |
| Networking | 0.61% | 0.00% | 0.00% | 1.84% | 0.00% | 1.23% | 2.45% | 1.23% | 0.61% | 2.45% | 3.68% | 1.84% | 1.84% | 1.23% | 3.07% | 1.23% | 5.52% | 4.29% | 29.45% | 13.50% | 13.50% | 10.43% | 5.45 |
| New product / service development | 0.61% | 0.61% | 0.61% | 0.00% | 0.61% | 0.61% | 1.84% | 2.45% | 1.23% | 0.61% | 1.23% | 0.61% | 2.45% | 3.07% | 4.29% | 4.91% | 1.84% | 3.68% | 2.45% | 6.75% | 35.58% | 23.93% | 4.48 |

# SECTION 5: The next five years

It is perhaps not surprising that a majority (**51.3%**) of respondents ranked 'advancements in AI and technology' as the number one driver of change in GRC over the next five years, given that the automation of GRC processes has already been identified as an essential component of future-proofing GRC (see **Section 4**). Moreover, 'AI governance and ethics' was flagged by the **35.9%** of respondents as the area that will require the most attention in GRC over the coming years.

GRC professionals are therefore viewing AI as a key issue from both a risk and opportunity perspective, both creating and relieving them of work. On the one hand, they are embracing the potential it presents to support them through automating GRC tasks. On the other hand, minds are also focused on the requirement for robust governance of AI, not only with GRC applications, but across the wider business, ensuring that right people are making the right decisions with the right information.

**Figure 17:** **What do you believe will be some of the biggest drivers of change in governance, risk & compliance over the next 5 years? (Please rank them in order of importance)**
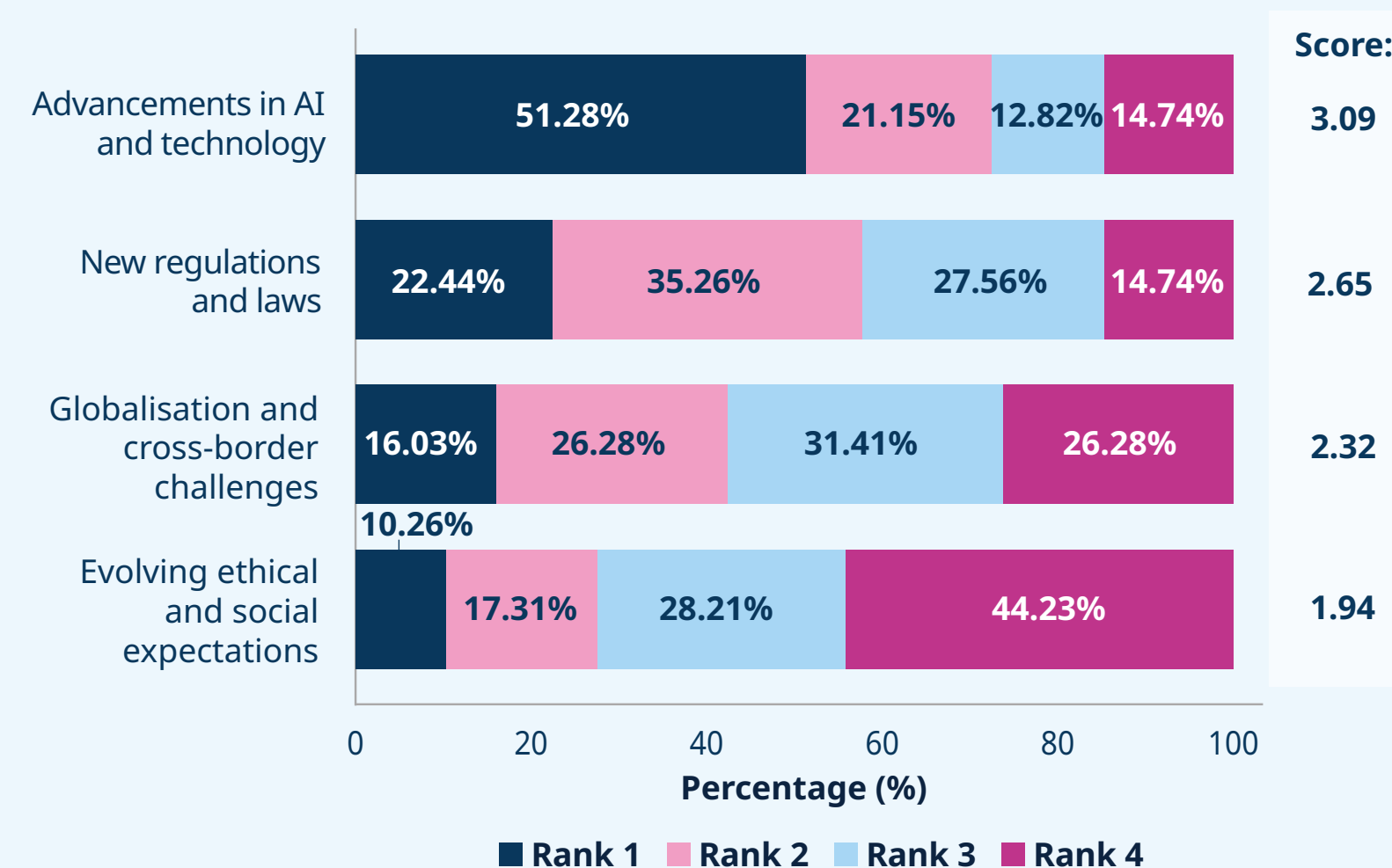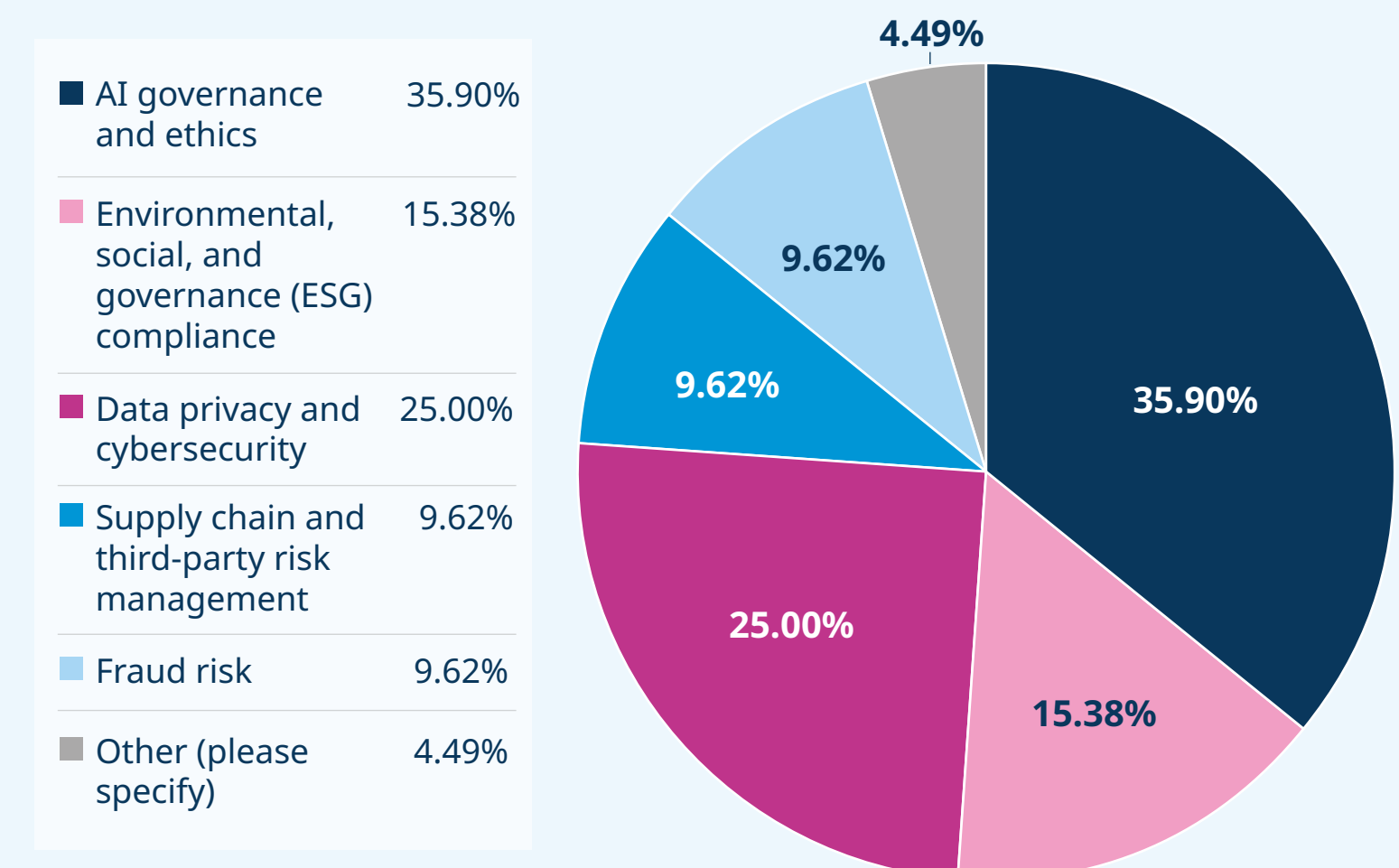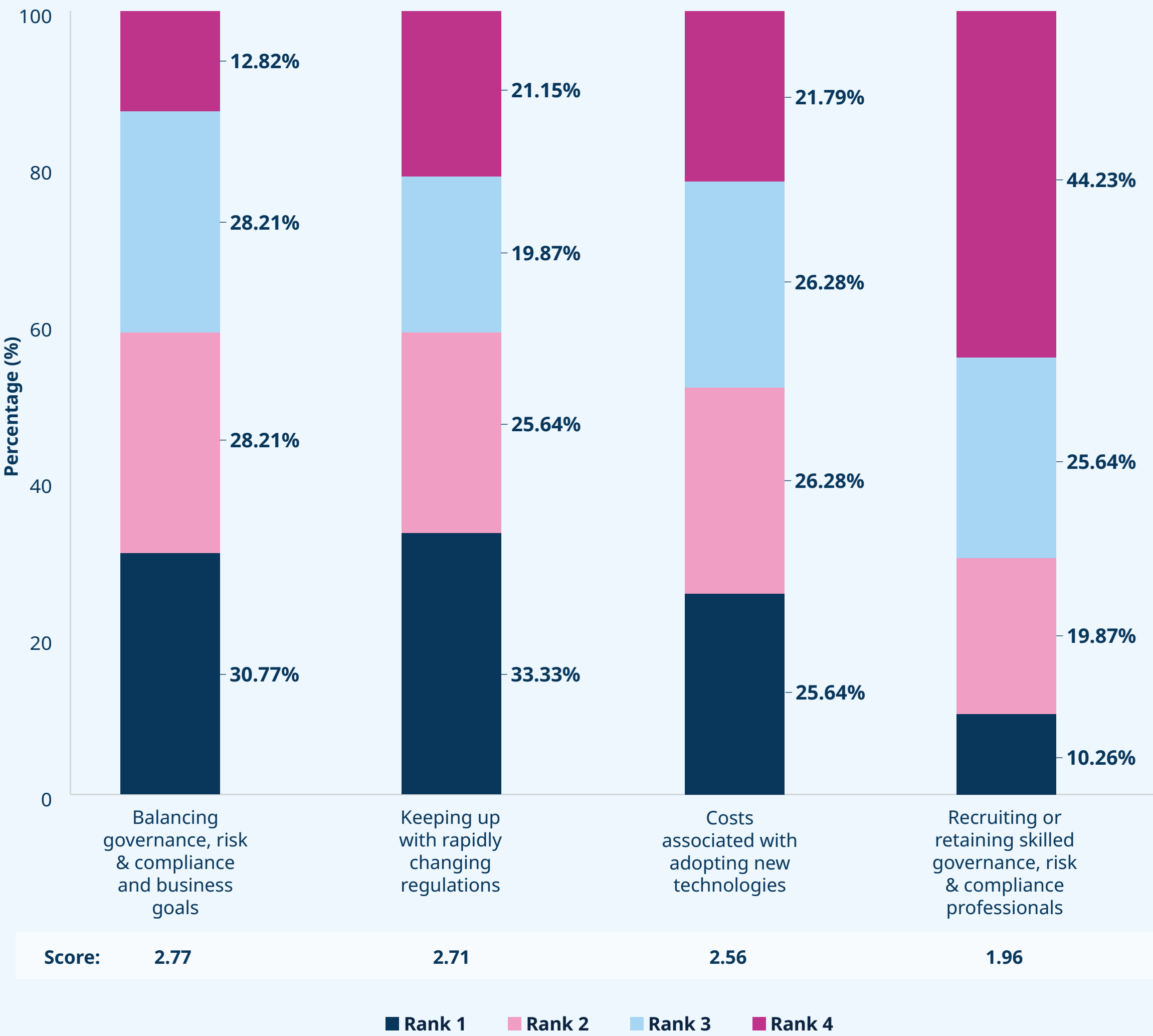
| | Rank 1 | Rank 2 | Rank 3 | Rank 4 | Score: |
|---|---|---|---|---|---|
| Advancements in AI and technology | 51.28% | 21.15% | 12.82% | 14.74% | 3.09 |
| New regulations and laws | 22.44% | 35.26% | 27.56% | 14.74% | 2.65 |
| Globalisation and cross-border challenges | 16.03% | 26.28% | 31.41% | 26.28% | 2.32 |
| Evolving ethical and social expectations | 10.26% | 17.31% | 28.21% | 44.23% | 1.94 |

Percentage (%)

■ Rank 1  ■ Rank 2  ■ Rank 3  ■ Rank 4

**Figure 18:** **Which area do you think will require the most attention in governance, risk & compliance?**

| | |
|---|---|
| ■ AI governance and ethics | 35.90% |
| ■ Environmental, social, and governance (ESG) compliance | 15.38% |
| ■ Data privacy and cybersecurity | 25.00% |
| ■ Supply chain and third-party risk management | 9.62% |
| ■ Fraud risk | 9.62% |
| ■ Other (please specify) | 4.49% |

4.49%
9.62%
9.62%
35.90%
25.00%
15.38%

'New regulations and laws' were viewed as the second biggest driver of change, while 'balancing GRC and business goals' and 'keeping up with rapidly changing regulations' were regarded as the most significant challenges in the next five years, again these results are perhaps not surprising given that change has been, and will continue to be, the only constant in GRC.
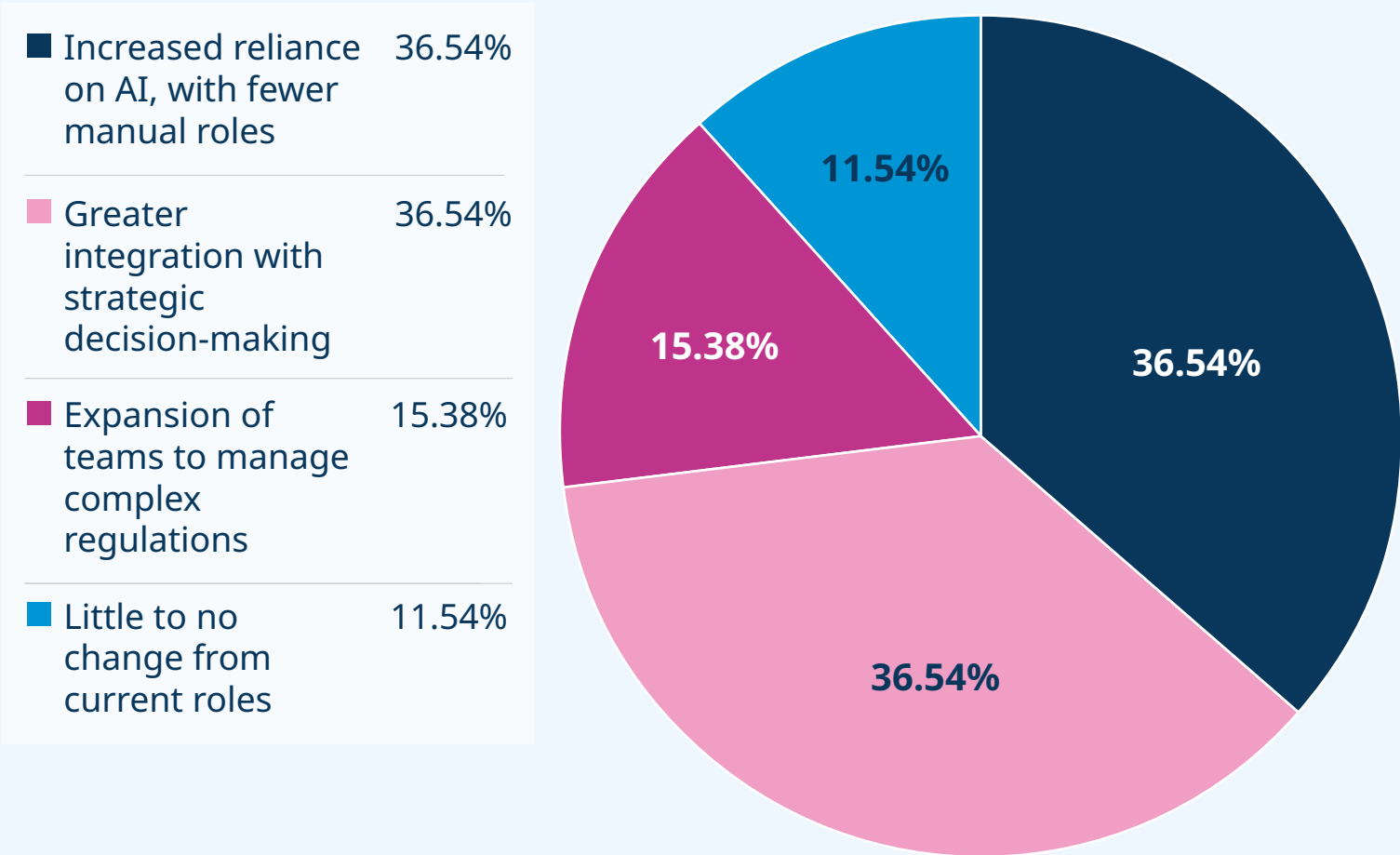
**Figure 20: What challenges do you foresee in adapting to governance, risk & compliance requirements in the next 5 years? (Please rank them in order of importance, starting with the most important to the least important.)**



| | Balancing governance, risk & compliance and business goals | Keeping up with rapidly changing regulations | Costs associated with adopting new technologies | Recruiting or retaining skilled governance, risk & compliance professionals |
|---|---|---|---|---|
| Rank 4 | 12.82% | 21.15% | 21.79% | 44.23% |
| Rank 3 | 28.21% | 19.87% | 26.28% | 25.64% |
| Rank 2 | 28.21% | 25.64% | 26.28% | 19.87% |
| Rank 1 | 30.77% | 33.33% | 25.64% | 10.26% |
| Score: | 2.77 | 2.71 | 2.56 | 1.96 |

■ Rank 1  ■ Rank 2  ■ Rank 3  ■ Rank 4

The question, then, is how GRC will evolve to meet these challenges. Given the vision of the future role for GRC implied elsewhere by the survey results – namely, as a strategic adviser to the business – it is not surprising that respondents ranked 'increased reliance on AI, with fewer manual roles' and 'greater integration with strategic decision making' as the main directions which they expect GRC to develop towards (see **Figure 19**).

The survey results therefore show a convergence on the view that, in the future, GRC functions will draw more heavily on technology to perform manual or routine tasks, enabling GRC professionals to direct greater resources towards influencing and partnering with the business. While respondents didn't view this as having an immediate threat on GRC headcount (see **Section 1**), there are perhaps some implications for the standard career path of an individual currently entering the profession, and the way in which new entrants will need to be upskilled once manual, hitherto entry level tasks have been automated.

**Figure 19: How do you expect governance, risk & compliance roles to evolve in your firm over the next 5 years?**

| | |
|---|---|
| ■ Increased reliance on AI, with fewer manual roles | 36.54% |
| ■ Greater integration with strategic decision-making | 36.54% |
| ■ Expansion of teams to manage complex regulations | 15.38% |
| ■ Little to no change from current roles | 11.54% |

Pie chart values: 36.54%, 36.54%, 15.38%, 11.54%

# Conclusion

The volatile and uncertain nature of our modern world creates both challenges and opportunities for businesses and is requiring GRC professionals to develop an expanded set of skills and attributes.

The results of this survey demonstrate how professionals across the globe are responding and adapting to these conditions. They highlight a growing maturity in the GRC function, as practitioners are taking positive steps to define an increasingly strategic role for themselves within their organisations.

▶ GRC will become increasingly integrated with strategic decision-making in the coming years

▶ Implementing AI into GRC processes, and ensuring effective governance around its use, is a priority

▶ Regulatory change – including deregulation – continues to create new streams of work for GRC professionals

▶ Relationship management, adaptability, resilience and communication skills have emerged as the most valued attributes for the GRC professional of the future

The impact of the political instability we have witnessed in recent months will continue to reverberate throughout regulated sectors, with initiatives to remove 'red tape' creating new streams of work for GRC professionals who are charged with interpreting and applying these regulatory changes to their businesses. Notably, survey respondents regarded 'understanding the business' as a key GRC activity, while 'engagement in strategic planning' was viewed as the most important measure for future-proofing the GRC function. Furthermore, they believed that 'relationship management' will be the most important skill for future GRC professionals to possess.

This represents a significant shift from the traditional view of compliance practitioners as simply 'the expert in the room'. To stand out, those working in GRC must be able to demonstrate an understanding of how the regulations apply to their business, which in turn requires an intimate understanding of the business, its markets, and its customers. For global businesses this challenge may be particularly acute given the divergence in regulatory approaches at an international level.

Meanwhile, the continued expansion of new technologies such as AI into our working and personal lives is already having a significant impact on both business operations and the broader risk landscape. The requirement for effective governance over AI implementation has therefore emerged as an imperative for organisations of all sizes. Moreover, identifying use cases for AI tools within GRC functions themselves, and implementing these effectively, is now a key priority for GRC functions.

The survey results showed that GRC professionals believe that AI has enormous potential to support them in their role, with **51%** of respondents viewing 'advancements in AI and technology' as the biggest driver for change in GRC over the next five years, reducing the reliance on manual processes and enabling practitioners to focus more on the aforementioned strategic aspects of the role. On the other hand, only a tiny proportion of those surveyed had fully integrated AI into GRC processes. Implementing AI into GRC processes, and ensuring effective governance around its use, will be front of mind for many in the immediate future.

Overall, the survey reinforces the adage that 'the only constant is change' and underscores the need for those in GRC to continue to evolve and adapt; to adopt a proactive rather than reactive approach in the face of this change. With GRC maturing as a profession, individuals and teams that implement a growth mindset and embrace the value of continuing professional development will be best placed to succeed during these challenging times.

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