

KPMG, Singapore auditors group unveil AI governance playbook

KPMG in Singapore, the local arm of the audit and advisory firm, and the Institute of Internal Auditors Singapore launched an AI governance playbook in Singapore on May 12.

The move comes as companies adopt more autonomous systems in business operations.

The guide, called *The Agentic Opportunity*, draws on IIA Singapore's *Risk in Focus 2026* report and local Singapore data.

It covers human capital, cybersecurity, and digital disruption.

Speakers at the launch said many organizations still lack the skills, oversight, and clear accountability needed to audit and govern AI.

They also said internal audit is being pushed to advise on emerging risks and readiness instead of only checking controls.

Agentic AI brings an 84% auditability gap

- The playbook covers “agentic AI,” systems built to make decisions, take actions, and adapt with human workers instead of simply automating tasks.
- That change raises a governance problem because these systems can act in unintended ways and use reasoning that companies struggle to interpret or review.
- The need for guidance is clear, with 84% of organizations saying they doubt their ability to audit AI agents.
- Without dependable controls, that lack of oversight could slow deployment of more advanced AI by weakening trust.

AI governance is changing cyber defense and internal roles

- The playbook answers threats in the “Risk in Focus 2026” report, which ranks cybersecurity as the top global risk.
- AI now powers cyber defense tools and more convincing attacks, including phishing or deepfakes, so internal audit teams need to help organizations get ready.
- AI adoption is also changing how companies work by blurring the lines among internal audit, risk management, and compliance during digital transformation such as AI rollout.
- Internal audit teams now need to go beyond routine checks and give assurance, with advisory input when needed, across the AI lifecycle from design through ongoing monitoring.

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