

# Audit Committee Leadership Network

June 2018

ACLN

VIEWPOINTS



## Internal audit transformation

Today's internal audit functions are often challenged to perform both traditional assurance activities and new, value-creating tasks. As businesses consider new business models and integrate new digital platforms, internal auditors must adopt new approaches to testing risks and controls—which may be enabled in part by digital technologies. This environment, in turn, requires a new approach to recruiting and training people so that the internal audit function is staffed with the right mix of skills. Amid these circumstances, the audit committee, through its oversight responsibility, has an opportunity to help the chief audit executive (CAE) and the internal audit team deliver greater value for the broader organization.

### Executive summary

On June 1, 2018, members of the Audit Committee Leadership Network (ACLN) met in Washington, DC, to discuss the evolution of the internal audit function. Ken Robinson, senior vice president of Exelon Audit Services, and Lisa Hartkopf, Americas internal audit leader at EY, joined members for the discussion. *For guest biographies, please see Appendix 1, on page 11. For a complete list of participants, please see Appendix 2, on page 12.*

This *ViewPoints* includes background information and synthesizes the perspectives that members shared before and during the meeting on the following topics:<sup>1</sup>

- **The agenda of a digitally enabled internal audit function** [page 2]

Today's business environment requires internal audit functions to monitor how technological innovation is changing their companies and to understand the corresponding changes to risks and controls. At the same time, internal audit can deliver new value by implementing and creating digital tools for the function itself and for the business. As internal audit functions uncover new opportunities to help their companies better understand the risks associated with certain changes, audit committee chairs stress the importance of these functions maintaining their focus on providing business assurance.

- **Talent and staffing approaches of the internal audit function** [page 5]

In today's environment, internal audit functions need a broader range of skills, including experience with information technology as well as more traditional audit competencies. To achieve this mix of talent, organizations are taking advantage of a range of staffing approaches, drawing talent from other parts of the business or cosourcing responsibilities to third parties. Audit committee chairs noted that managing a more complex internal audit

function, staffed with a wider range of skills, requires a skilled CAE with clout across the organization.

- **Audit committee oversight of internal audit** [page 7]

The audit committee’s oversight of internal audit is as important now as it ever has been. Audit committee chairs identified a range of practices that can help ensure a forward-looking internal audit team. These include encouraging assessments that go beyond the basics and truly benchmark performance, elevating the CAE’s position among management by demonstrating their respect for the executive in the role, and ensuring that the function has the resources needed to accomplish its mandate.

*For a list of discussion questions for audit committees, please see Appendix 3, on page 13.*

## The agenda of a digitally enabled internal audit function

Changes in the risk environment, increasing regulatory pressure, and technological advancements have led to an expanded scope and the development of new capabilities for many internal audit functions. Members and guests noted that internal auditors face competing demands to deliver their assurance work while providing strategic insight to the business.

### Technological transformation requires internal auditors to adopt new processes

Companies are harnessing new technologies—mobile and cloud computing, the internet of things, automation, and artificial intelligence (AI)—to replace legacy systems with new digital platforms, interact with customers and suppliers in new ways, and move into new lines of business. In addition, many companies are undergoing a broader business-model transformation.

The widespread adoption of new technologies by finance organizations and across other functions creates new challenges for internal auditors. An EY expert, speaking at a meeting of another Tapestry network of audit chairs, noted, “Big digital platforms will change the way auditing is done. The disruption of moving to new digital systems is huge ... How do you audit that change? How do you audit end-to-end digital processes? You will have to audit something totally different in nature.”<sup>2</sup> The expert pointed to a data integrity problem that may emerge when new business processes make use of older data: “The difficulty is that the data captured years ago is often incomplete, which is now becoming an issue. Now these data might influence things like credit ratings, et cetera. Yet the data captured in the past may not have been as diligently compiled.”<sup>3</sup>

Companies are adopting digital strategies that reshape their businesses in fundamental ways. These large-scale transformations necessitate new controls and require internal audit to rethink its approach to monitoring the business.

## Digital tools enable new audit techniques

Advances in technology not only create new ways of doing business but also help internal audit teams deliver better results. Members and guests discussed how internal auditors could use and even develop digital tools.

### *Advanced data analytics*

Data analytics has the potential to dramatically improve the efficiency and effectiveness of internal audit's work. While businesses have used data analytics for some time, new, advanced analytical tools offer forward-looking capabilities that "improve ability to predict outcomes—and manage strategic risk—through scenario analysis and forecasting," allowing the internal audit team to "better understand the financial impact of key strategic and operational decisions."<sup>4</sup> Data mining is the process of identifying and analyzing patterns in massive data sets, then simplifying those patterns so humans can learn new things from them.<sup>5</sup>

Mr. Robinson noted his team's use of data analytics in driving risk assessment: *"These analytics help the team know where to focus its attention."* Data from social media, among other sources, provides new insights for internal audit, noted one member: *"Management monitors social media to better understand customer satisfaction, but we've also been able to correlate this data to key risks by identifying potential kickbacks and bribes. Social media is becoming an important source for internal audit, because it highlights spontaneous activities and statements not captured in other forms, like email."*

### *Automation and AI capabilities*

Large-scale automation will allow more routine auditing tasks to be done by machine, freeing internal audit professionals to focus their attention on other, more valuable tasks. One tool currently being deployed to create greater efficiencies in internal audit is robotic process automation (RPA), which "operates as a virtual workforce controlled by the business operations teams ... It captures and interprets existing applications, manipulates data, triggers responses and communicates with other systems, [and] it can be applied to existing applications (without changing the current IT landscape)."<sup>6</sup>

Ms. Hartkopf noted that many internal audit teams are in the early stages of RPA implementation: *"Internal audit teams are using RPA to test the controls around account records, for example account reconciliations. While humans still determine the testing attributes and perform testing on the sufficiency of documentation, robotics can complete 80% of the work, primarily related to data comparison."* Mr. Robinson added that his team is exploring opportunities to implement RPA: *"Robotics will give us leverage while maintaining quality in areas like our general controls and purchase to pay."*

In a pre-meeting conversation, a member mentioned a company that is leading automation efforts in the member's industry, but expressed caution regarding the quick application of these technologies: *"A company cannot afford to roll out a process without sufficient testing. If*

*you start using an automated technique and it misses something, the price of failure is very steep.*" During the meeting, Mr. Robinson noted the importance of establishing a governance framework for these digital tools in order to ensure proper controls are in place when they are deployed.

Members also explored the potential implications for internal audit functions as AI technology improves and its use becomes more widespread. AI describes technologies that are "capable of ingesting information and instructions, learning from interactions with human beings and responding to new situations and questions in a human-like way."<sup>7</sup> AI has the potential to enable internal audit functions to comprehensively and continuously review large data sets rather than random samples. According to one data analytics executive, "[AI allows for] a new level of analysis that reviews an entire population of data to find transactions that look different. As the advanced algorithms get smarter, looking across more industries and company data examples, they identify anomalies more quickly and efficiently."<sup>8</sup>

### Opportunities exist for internal audit to provide broader advice

A 2018 EY report noted, "[Internal audit] must balance priorities and resources to help the organization address the risks it faces today, anticipate emerging risks and provide business insights that may help management gain a competitive advantage. The [internal audit] function must maintain a focus on basic and core activities, but it must also be ready to take on more of an advisory role."<sup>9</sup> Mr. Robinson said, *"We must cover the basics; core blocking and tackling must be done with excellence and efficiency. Then, we as a function can ask, How do I become a strategic adviser? It's a both/and scenario."*

Members and guests shared examples of how internal auditors are providing added value:

- **Operational improvement.** Members said that because of internal audit's unparalleled access across business units and geographies, the function can provide a unique perspective on ways to improve processes. Several members said that their internal auditors have become more effective at sharing practices that they discover in one area of the business with management, other business unit leaders, and the audit committee.
- **Special projects.** Some internal audit functions are helping their companies realize value in mergers and acquisitions, technology investments, and other large-capital projects. An EY study of internal audit found that "CAEs are taking leadership roles in the strategic transactions, and [internal audit] teams are often involved in the project management of the integration."<sup>10</sup>
- **Innovation.** Internal audit can also lead innovation efforts by creating useful digital tools for other functions. Mr. Robinson noted the importance of giving oversight responsibility for those technologies back to the business. *"Handing off oversight takes away any concern of breaching independence and eliminates the time cost of my team having to maintain the tool,"* said Mr. Robinson

In a pre-meeting conversation, Ms. Hartkopf noted, *“We are seeing a shift in internal audit focus to include more operational and strategic audits as organizations look to expand beyond just achieving their financial and compliance assurance objectives.”* During the meeting, she noted how leading internal audit teams are seeking opportunities to provide advice earlier in the process. *“As strategic advisers, we are risk control consultants. We often come in after the fact and say what’s wrong; instead, we could provide proactive advice,”* she said.

Some members remained cautious about internal audit’s role as a business adviser. One member said, *“I get anxious when the internal audit function is viewed as an internal consultant and starts diverting its focus away from what I care about.”* Another member agreed: *“I have to coach them that their fundamental job is controls. The demand from line operations for internal audit services presents a real challenge to our internal audit team.”* Mr. Robinson appreciated the delicate balance that internal auditors must strike: *“Internal audit functions can be progressive in their thinking and add value to the organization, but we sometimes have to be reminded that the core work is assurance work. I tell my team I get fired for not dealing with those issues.”*

### **Internal audit teams are becoming more agile**

Digital changes have also prompted internal auditors to rethink their model for assessing risks and designing a plan to audit those risks. Ms. Hartkopf said that many internal audit functions have moved from an annual risk-assessment process to a more regular analysis of the risk environment. *“We’re encouraging companies to do their risk assessment more frequently than once a year. Organizations and their risks are changing so quickly that they should be more frequent,”* she said. She added that it is becoming more common for internal auditors to take a *“six-plus-six approach to audit planning, where they plan out the next six months and have a plan for what they would do in the following six months, appreciating that it is all subject to change as the most important risks change.”*

In addition to a more dynamic approach to audit scoping, many internal audit functions are also changing their approach to reporting. In some cases, this means providing more interim updates and tailoring their deliverables to the business’ needs. Ms. Hartkopf explained, *“The reality is that internal audit can do a lot more than just deliver formal reports with a rating. We are seeing more instances where internal audit can do different things to help educate the business, such as sharing draft partial reports or providing verbal updates so that the findings can be implemented in a more timely manner.”*

### **Talent and staffing approaches of the internal audit function**

ACLN members discussed the organizational choices and challenges that their internal audit functions face. They noted that the staffing models and resource plans that internal audit implements should flow naturally from its mandate. Finding the right talent to lead and staff the function is a challenge, noted several members. Others also questioned what the right size and scale of the function should be.

## **Broadening the team's skill set presents challenges**

In the past, many companies staffed internal audit with career auditors sourced from auditing firms or internal audit organizations at other companies. Today, it is important for internal audit functions to have a broader knowledge of the business and greater technology expertise.

One member asked, *"The skills needed today are different—what skills does internal audit need?"* Ms. Hartkopf replied, *"Historically, the focus was on audit experience and business knowledge. Now, it's about problem solving, critical thinking, and a technology background. It's less about coming from audit."* Mr. Robinson said, *"The challenge is getting those IT skills; one example we've identified is cloud engineering. While we can find some expertise in-house, other skills are gained through alternative staffing models."* He added, *"We want creative thinking, and to attract that talent, we have to market the internal audit organization that way. It is hard to recruit certain talent if you aren't seen as having that type of thinking."*

### ***Pulling talent from other parts of the business***

One approach to staffing internal audit teams draws on staff from various lines of business who rotate into internal audit for a period of time, typically two or three years but sometimes for an unspecified length of time. Team members who rotate through internal audit are often at different stages in their careers. In some cases, very senior employees are tasked with running the internal audit function as part of their ascent to an even more senior leadership role in the company. In other cases, relatively junior employees are assigned to internal audit to help develop their skills and provide a fresh perspective.

A rotational model creates certain challenges, such as ensuring that employees without traditional auditing backgrounds can still provide independent assurance and finding the right balance between staff with professional audit talent and those with business but not auditing experience. Most members said it was important to have executives rotate in and out of the internal audit function. One member observed, *"Good internal audit groups rotate, and the better the group gets, the more rotation you will see."* Mr. Robinson agreed: *"There needs to be a balance between permanent and rotating staff. At one company, our goal was 60% rotating and 40% permanent, but there isn't a one-size-fits-all model. It depends on the size of the organization, the overall source of talent, and how the function fits into the organizational construct."*

### ***Supplementing skill specializations by cosourcing talent***

Advances in technology and access to third-party resources raise questions about how best to staff a global internal audit function. Members discussed the considerations of their companies' internal audit functions when assembling a team.

In a pre-meeting discussion, Ms. Hartkopf noted, *"[One] approach is to implement a flexible model that dedicates a portion of the internal audit budget to bring in outside resources. The use of external expertise (e.g., third parties, contingent resources) is more important than ever"*

*given the volume, complexity, and speed of disruption. Internal audit and other company personnel cannot keep up with having the most current and in-depth knowledge of the constantly changing technology, business models, and evolving risk landscape.”*

In some cases, companies draw upon outside resources to supplement the internal audit team’s accounting knowledge. *“In a rotation model, where people without an audit background are assigned to the function, the cosourced staff become the permanent auditor, training the rotational staff on core competencies,”* said Ms. Hartkopf. In other cases, companies rely on outside providers to fill gaps during extremely busy periods or to deliver technical expertise that the internal audit function cannot otherwise deliver.

### **CAEs balance core responsibilities with strategic objectives**

An Institute of Internal Auditors (IIA) survey found that CAEs in North America had approximately 18 years of internal audit experience.<sup>11</sup> While experience and seniority were important to many members, there were a handful of other abilities that members were also keen to see in their CAE. One member highlighted the importance of audit expertise and a vision for transforming the function: *“The individual in the role matters; it’s not a particular profile. In one company, we have a tenured audit professional who is leveraging technology to enable us to do more with data analytics.”*

Ms. Hartkopf described a significant challenge that many CAEs face: *“Gaining a seat at the executive table for strategic conversations presents a real challenge. CAEs are not often part of strategy discussions that would enable them to understand where the company is going and what the business is facing.”* Members sympathized with this challenge and asked about solutions. Ms. Hartkopf emphasized, *“The perception of internal audit needs to change. Internal audit leaders must go out and have conversations with management, showing the value being added to the business. Internal audit cannot maintain its checklist processes and expect a change in perception by the broader organization.”*

### **Audit committee oversight of internal audit**

In North America, according to the IIA’s most recent annual survey of the internal audit profession, 88% of CAEs report to the full board or audit committee, which makes a strong relationship between the two very important.<sup>12</sup> Members and guests noted several helpful practices for fostering strong relationships between the audit committee and internal audit and advocating for the function.

### **Insist upon a meaningful assessment process**

The IIA’s Standard 1312 requires that internal audit functions be reviewed once every five years by a qualified, independent assessor or an external assessment team.<sup>13</sup> Members were interested in which assessment approaches were likely to deliver actionable feedback that would help their internal audit functions recognize opportunities for improvement. Ms. Hartkopf said, *“The most helpful evaluations provide benchmarking and go beyond check-the-*

*box activities. These assessments look at the types of audits being performed, asking, is it routine or are specialty audits being performed? What is the source of intelligence for internal audit? How is internal audit's engagement with management?"* Mr. Robinson agreed, noting that strong assessments *"evaluate the risk assessment process itself and deeply question the source of intelligence."*

In addition, under Standard 1312, the CAE must report to the board on the form and frequency of the assessments, as well as the qualifications of the external assessor.<sup>14</sup> The audit committee can play a more active role in selecting assessment methods and in hiring third parties. One member asked about the specific role of the committee in this process. Both guests agreed that a good assessment strategy involves both a third-party evaluation and a review of those results by the audit committee.

### Work with the CAE to improve internal audit's reports to the committee

Members noted that their internal audit teams utilize a range of techniques for reporting to the audit committee. At one company, the audit committee receives all internal audit reports, a practice that others found excessive. Some members highlighted the benefit of dashboards and executive summaries to communicate key risk areas. *"We use executive summaries. It helps to focus the committee's attention and to not bog the group down in materials. We want to focus on what matters—what the material is telling us about the risks,"* said one member.

One member described an effective practice for ensuring that risks flagged in reports are properly addressed by the internal audit team: *"As a committee, we focus on the mitigation process. We now have a practice that if a team misses a mitigation twice they have to report on their progress face-to-face with the audit committee. It's a motivator for the team and has been effective."*

### Support internal audit through active engagement

Members and guests offered additional suggestions for audit committees to help support and empower their internal audit professionals:

- **Maintain an open line of communication.** Members and guests noted the value of frequent and transparent communication between the audit committee and internal audit. *"As a CAE, it's helpful to have clear expectations outlined by the audit committee and to maintain ongoing dialogue about those expectations,"* said Mr. Robinson.
- **Meet the internal auditors outside of audit committee meetings.** Members recommended meeting with the CAE on occasions other than board meetings. Some members reported having weekly or monthly ad hoc conversations lasting one to two hours on various issues. Off-cycle meetings can play a dual role: they offer the CAE an opportunity to be open about any concerns, and they help signal to the rest of the executives that the audit committee values the internal auditor's candor, openness, and independence. Mr. Robinson

recommended, *“The audit committee should spend time with the internal audit organization. Spend a day with the team, see how they do their work and how they think.”*

- **Reinforce the importance of the role.** One member noted that easy access to senior management and the audit committee signals the CAE’s importance, as does salary. According to one commentator, CAEs’ “clout and pay are rising as boards increasingly worry about cybercrime, regulatory compliance and personal liability.”<sup>15</sup>
- **Establish metrics to track performance.** Many members were interested in hearing what metrics others use to evaluate the success of their internal audit departments. Ms. Hartkopf suggested, *“Audit committees should consider requesting their CAEs to perform benchmarking on metrics, actions, and deliverables of other internal audit functions to provide ideas for expectation setting between the audit committee and CAE.”*

## Conclusion

Digital transformation creates new challenges for internal audit functions but also brings with it new opportunities to enhance their overall value to their organizations. To do so requires a new approach to talent and staffing, focused on recruiting a team with different professional experience and supplementing it with outside help as necessary. Audit committee chairs see an opportunity to elevate these functions and better integrate risk assessment into the business, but at the same time they worry that internal auditors might lose their focus on providing assurance. To ensure this focus, audit committees can play a more meaningful role in the assessment process and serve as a stronger advocate for the function.

## About this document

The Audit Committee Leadership Network is a group of audit committee chairs drawn from leading North American companies committed to improving the performance of audit committees and enhancing trust in financial markets. The network is organized and led by Tapestry Networks with the support of EY as part of its continuing commitment to board effectiveness and good governance.

*ViewPoints* is produced by Tapestry Networks to stimulate timely, substantive board discussions about the choices confronting audit committee members, management, and their advisers as they endeavor to fulfill their respective responsibilities to the investing public. The ultimate value of *ViewPoints* lies in its power to help all constituencies develop their own informed points of view on these important issues. Those who receive *ViewPoints* are encouraged to share it with others in their own networks. The more board members, members of management, and advisers who become systematically engaged in this dialogue, the more value will be created for all.

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## Appendix 1: Guest biographies

### **Lisa Hartkopf**

As EY Americas internal audit leader, Lisa oversees the firm's internal audit operations in North and South America.

Prior to her current role, Lisa spent the last 12 years assisting companies with their business process and risk agendas. Her work has included starting up internal audit and SOX functions; acting as an interim chief audit executive; guiding the finance transformation and controls agenda for a company operating in bankruptcy and with material weaknesses; performing IPO controls readiness activities; and coordinating and executing countless internal audits.

Lisa is a member of the Institute of Internal Auditors, a member of the American Institute of Certified Public Accountants (AICPA), and a six sigma green belt. Lisa served on the AICPA Council and has held various leadership positions on the board of directors of the Illinois CPA Society, where she is now serving as the immediate past chairman. She is also currently serving as a director on the Illinois CPA Endowment Fund board of directors and as a director on the Internal Audit Foundation board of trustees for the Institute of Internal Auditors.

### **Ken Robinson**

Since 2016, Ken Robinson has been Senior Vice President of Exelon Corporation, where he is responsible for leading the Internal Audit and Financial Controls group across Exelon's family of energy/utility companies.

Prior to Exelon, Ken spent several decades with Procter & Gamble (P&G) Company, having joined the company in 1977. Most recently, Ken was the Chief Audit Executive and Global Risk and Compliance Leader, leading P&G's Global Internal Audit function and developing and implementing its Enterprise Risk and Compliance Framework. Prior to leading P&G's Audit, he was CFO of Personal Beauty and CFO of P&G's Global Sales organization and Middle East Business located in Saudi Arabia.

In addition, Ken is a member of the Financial Accounting Foundation Board of Trustees and Morgan Stanley's Private Bank NA Board of Directors and Executive Leadership Council.

## Appendix 2: Participants

Members participating in all or part of the meeting sit on the boards of over 20 public companies:

- Dave Dillon, Audit Committee Chair, 3M and Union Pacific
- Bill Easter, Delta Air Lines
- David Herzog, MetLife and DXC.technology
- George Muñoz, Altria
- Mary Schapiro, ACLN alumna
- Tom Schoewe, General Motors
- Jim Turley, Audit Committee Chair, Citigroup and Emerson Electric
- David Vitale, Audit Committee Chair, United Continental
- Maggie Wilderotter, Hewlett Packard Enterprise

EY was represented in all or part of the meeting by the following:

- Kelly Grier, US Chair and Americas Managing Partner-Elect
- Steve Howe, US Chairman and Americas Managing Partner
- Frank Mahoney, Americas Vice Chair of Assurance Services

## Appendix 2: Discussion questions for audit committees

- What are some key changes in how the business operates at your companies? How are digital technologies changing the business?
- In what ways do these changes present challenges for internal audit? Is it becoming more difficult to assess controls and risks? What steps has internal audit taken to address these challenges? How has internal audit's time allocation changed as a result?
- How are your internal audit teams leveraging new technologies to improve their efficiency and effectiveness?
- What are your internal auditor's priorities? How does the function add value to the organization beyond providing traditional assurance and SOX testing?
- How is the internal audit function organized? What skills are most important in members of your internal audit team? What skills are you most likely to cosource?
- Does internal audit serve as a training ground for other roles in the company? Why or why not?
- What traits are most critical for success as a CAE?
- How do the audit committee, CAE, and internal audit team build trusting, productive relationships?
- How does the audit committee support the head of internal audit and the internal audit function generally? Where do you see room for change or improvement?
- What are the reporting lines for internal audit? What are the benefits and challenges of those reporting lines?

## Endnotes

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- <sup>1</sup> *ViewPoints* reflects the network's use of a modified version of the Chatham House Rule whereby names of members and their company affiliations are a matter of public record, but comments are not attributed to individuals or corporations. Quotations in italics are drawn directly from conversations with network members in connection with the meeting.
- <sup>2</sup> European Audit Committee Leadership Network, *The Impact of Digital Technologies on Internal Audit*, ViewPoints (Waltham, MA: Tapestry Networks, 2017), 2.
- <sup>3</sup> European Audit Committee Leadership Network, *The Impact of Digital Technologies on Internal Audit*.
- <sup>4</sup> EY, *Is the Future of Finance New Technology or New People?* (London: EYGM Limited, 2016), 5.
- <sup>5</sup> Alexander Furnas, "Everything You Wanted to Know About Data Mining but Were Afraid to Ask," *Atlantic*, April 3, 2012.
- <sup>6</sup> EY, *Robotic Process Automation in the Finance Function of the Future* (Ernst & Young Accountants LLP, 2016), 2.
- <sup>7</sup> EY, *Is the Future of Finance New Technology or New People?*<sup>11</sup>.
- <sup>8</sup> Jayne Gest, "Data Analytics and AI Are the Future of Internal Audit and Fraud Investigation," *Smart Business*, January 29, 2018.
- <sup>9</sup> EY, *In a Digital World, Do You Know Where Your Risks Are?* (New York: Ernst & Young LLP, 2018), 4.
- <sup>10</sup> EY, *Internal Audit's Role During the Strategic Transactions Life Cycle* (London: EYGM Limited, 2013), 3.
- <sup>11</sup> Terry Sheridan, "How the Role and Skills of a Chief Audit Executive Are Evolving," *AccountingWEB*, April 19, 2016.
- <sup>12</sup> Institute of Internal Auditors, Audit Executive Center, *2017 North American Pulse of Internal Audit: Courageous Leadership: Instilling Confidence from Within* (Lake Mary, FL: Institute of Internal Auditors, 2017), 24.
- <sup>13</sup> Institute of Internal Auditors, *International Standards for the Professional Practice of Internal Auditing (Standards)* (Institute of Internal Auditors, 2016), 8.
- <sup>14</sup> Institute of Internal Auditors, *International Standards for the Professional Practice of Internal Auditing*.
- <sup>15</sup> Maxwell Murphy, "The Rise of the Chief Audit Executive," *Morning Ledger* (blog), *Wall Street Journal*, October 25, 2016.