

Newsletter

Message from the Chair

I welcome you to the second edition of our newsletter on current topics and events regarding the Chair of Internal Auditing.

First of all, I am thrilled by the feedback from our students, our colleagues in academia worldwide, and professionals on the first edition of our newsletter. Many thanks, we appreciate this very much!

Looking back at the past semester, we are very pleased that after two years

of pandemic challenges, this summer semester has allowed us to go back to face-to-face formats with our students again.

I have to admit, I have missed engaging and interacting with our students—ultimately experiencing their learning progress closely. And I believe, our students feel the very same way. Despite the extensive possibilities digitalization may offer, what are academic institutions if not a place of critical exchange and discussion?

On a personal note: As the newly elected Dean of the Mercator School of Management at the University of Duisburg-Essen, I am more than pleased and humbled at the same time with the trust placed in me.

I hope you enjoy reading our newsletter! Let me take this opportunity to thank all persons that have contributed to this edition and of course our readers.

Sincerely,
Prof. Dr. Marc Eulerich



Prof. Dr. Marc Eulerich

Congratulations to Dr. Ronja Krane on obtaining her Doctorate

The entire team of the Chair of Internal Auditing congratulates our valued research associate, Dr. Ronja



Dr. Ronja Krane

Krane, on successfully defending her thesis and obtaining her doctorate.

Since she began working as a research associate in 2016, Ronja has been extensively supporting the teaching and research activities of our Chair. In particular, she is a driving force in the further development of our IAEP program.

Her doctoral thesis is titled "Essays on the modern internal audit function in a global economy" and in-

cludes six papers which examine the topics of innovation in internal auditing, the drivers of IAF internationalization, internal auditors' relationship networks and conflict-handling styles, and the determinants of CAE compensation.

Qualitative and quantitative methods are used to analyze unique data sets and generate findings of relevance - especially for IAFs that operate in today's globalized world and face the challenges of ensuring adequate control

in an increasingly complex business environment.

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Research Activities

A Selection of Our Current Working Papers

Internal Auditor's Role in ESG Disclosure and Assurance: An Analysis of Practical Insights

Annika Bonrath, Marc Eulerich, and Vanessa I. Lopez Kasper

Using a dataset of 107 internal auditors, the authors investigate internal auditors' role in environmental, social, and governance (ESG) matters. They give evidence for organizations' and internal audit functions' (IAF)

ESG maturity being associated with ESG reporting, while IAFs' involvement in ESG shows a significant association with assurance of ESG reports. Their results support the notion that the environmental pillar is per-

ceived as the core element of sustainability bearing the highest risk, therefore propelling the need for assurance. The imbalance between assurance and consulting activities on part of IAFs stresses the potential to

position the IAF as a value-adding entity in a complementary relation towards external auditors.

The article can be downloaded [here](#).

The Effects of Internal Audit's Core Principles on Audit Outcomes

Christopher Calvin and Marc Eulerich

The effect that adherence to the Institute of Internal Auditors' Core Principles has on mission-based internal audit outcomes is investigated. Using 505 survey responses from Chief Audit Executives in Germany, Switzerland, and Austria,

the authors find that adherence to the Core Principles is associated with a greater scope of IA work, alignment with the strategic goals of the organization, usage of IA work product by a greater number of stakeholders, and a greater extent of IA work

product usage by those stakeholders. According to their findings, only half of the Core Principles are associated with at least one of these outcomes and no Core Principle is dominant in explaining all outcomes. Their results expand upon the fledg-

ling academic literature on the Core Principles, add to the existing literature on internal audit quality, and support practitioner adoption of the Core Principles.

The paper can be downloaded [here](#).

The Dark Side of Robotic Process Automation

Marc Eulerich, Nathan Waddoups, Martin Wagener, and David A. Wood

Prior research on Robotic Process Automation (RPA) has largely focused on how it benefits firms and employees. In contrast, the authors interview 26 high-profile RPA stakeholders at a Fortune 500 firm to ascer-

tain challenges, drawbacks, or pitfalls of using RPA. Five key problems related to RPA usage are identified: (1) RPA is often used as a quick-fix band-aid instead of fixing core system issues, (2) RPA can cause serious control

and security issues, (3) the true cost of RPA is often misunderstood and understated, (4) RPA governance is complicated and challenging, and (5) RPA usage can lead to a loss of process knowledge. Raising these

issues should allow practitioners to make more informed decisions regarding RPA implementations.

The paper can be downloaded [here](#).

Mergers and Acquisitions Research—A Bibliometric Analysis

Marc Eulerich, Raphael M. Kopp, and Benjamin Fligge

M&A remain a popular vehicle for organizational development to ensure future competitiveness. However, despite the extensive body of research in recent decades, significant gaps can be observed between the

understanding of M&A in the literature and the importance of M&A activities in practice. Heterogeneous perspectives, contradictory findings, and changing economic environments make M&A research a complex

endeavor and highlight the need for integrative approaches and holistic perspectives. This paper takes a holistic view of M&A research to map interrelationships among key documents, authors, institutions,

and countries; trace the evolution of M&A research over time; and suggest avenues for future research.

The paper can be downloaded [here](#).

All working papers can be found on [Prof. Dr. Marc Eulerich's author page at SSRN.com](#).

Research Activities

Get involved with our Research!

The Chair of Internal Auditing is currently conducting several studies on internal auditing and kindly asks for your support. Please also feel free to distribute the study links to your colleagues. Each observation helps audit research!

Assessment of emerging IT by internal auditors

There are several emerging digital trends impacting information technology (IT) as a whole. However, it remains questionable to what degree these are relevant for the practical application of these technologies. The study aims to investigate the operational importance of IT innovations in internal auditing.

The survey can be found [here](#).

Anomaly detection

Data analytics and the visualization of data are important trends in internal auditing. This study examines the impact of different ways of visualizing data on the internal auditor. For this purpose, participants are asked to evaluate different options of data visualizations.

The survey can be found [here](#).

Impact of remote audits on the use of audit results

Due to COVID-19, internal auditors had to conduct remote audits instead of on-site audits. This research project analyzes the perception of different stakeholders regarding these different modes of audits. Participation in this study through sharing your expertise will take you 15-20 minutes.

The survey can be found [here](#).

Audit Functions in medium-sized & family companies

The establishment of an internal audit function is still shaped by various factors in medium-sized companies. While some companies invest intensively in auditing, other companies are still rather reluctant. In this light, the study aims to investigate the possible effects of a family business or the company size on the internal auditing function.

The survey can be found [here](#).

Thank you very much for your support!

A Selection of Recent Publications

Breaking the barrier: On the use of joint audits in the internal audit profession

Joel Behrend and Marc Eulerich

[Journal of International Accounting Research, forthcoming 2022](#)

This paper deals with possible reasons for joint audits. Using survey data of different national IIA chapters, the three dimensions of structure and resources, activities and processes as well as environmental factors are considered in this context.

New Frontiers for Internal Audit Research

Margaret H. Christ, Marc Eulerich, Ronja Krane, and David A. Wood

[Accounting Perspectives, 2021, 20 \(4\): 449-475](#)

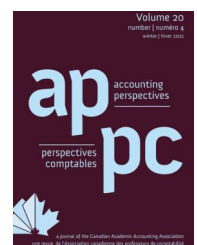
Combining surveys, interviews, and discussions with practitioners, this paper intends to make recommendations for future research in the field of internal auditing. Three areas are identified: innovation in IT, staffing and personnel development, and agile auditing.

Evidence on Internal Audit Quality from Transitioning to Remote Audits because of COVID-19

Marc Eulerich, Martin Wagener, and David A. Wood

[Journal of Information Systems, forthcoming 2022](#)

Using survey responses of internal auditors who experienced remote and in-person audits, the internal auditor's perception of the efficiency and effectiveness of remote audits is examined. In general, the findings do not suggest any differences in perception.

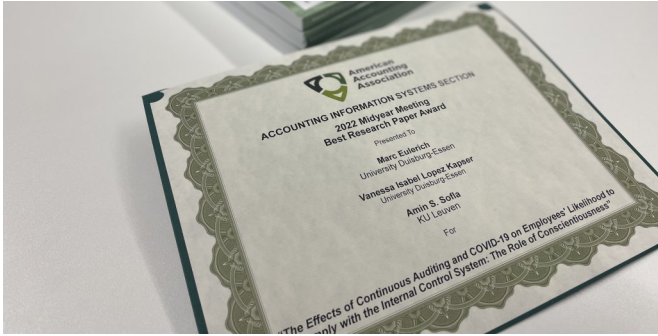




Global Relations

Best Paper Award

The Chair of Internal Auditing is delighted to share that Prof. Marc Eulerich together with the Chair’s research associate Vanessa Lopez Kasper and Amin Sofla have



Best Paper Award

been recognized with the Best Paper Award by the American Accounting Association’s (AAA) AIS Section at the 2022 Joint Midyear Meeting of the AIS and SET Sections in Florida, USA.

The paper is titled “The Effects of Continuous Auditing and COVID-19 on Employees’ Likelihood to Comply with the Internal Control

System: The Role of Conscientiousness”, and is using an experiment to look at the interaction between personal traits among auditees, and audit frequency, and a crisis.

As the researchers could not be present at the conference due to the COVID situation, they are already looking forward to the 2023 Midyear Meeting.

44th Annual Congress of the European Accounting Association in Bergen, Norway

As part of their research activities, the Chair’s research associates engage with other researchers, present papers at academic conferences, and then aim to get published in top journals.

In May 2022, three of the Chair’s research associates, Martin Wagener, Benjamin Fligge, and Annika Bonrath, attended the 44th Annual Congress of the European

Accounting Association (EAA) in Bergen, Norway to present their current research projects. After an almost two-year break, the Chair’s team is pleased to see research conferences picking up again.

The four-day conference was filled with inspiring insights and great networking opportunities with peers from all over the world.

Annika, Martin, and Benjamin also enjoyed the conference-related activities,

having the opportunity to admire the beautiful landscape of Norway.



The Chair’s research associates at the EAA in Bergen

2nd International Conference of the JIS 2022 at the University of Duisburg-Essen

In September 2022, the 2nd International Conference of the Journal of Information Systems (JIS), the academic journal of the AAA’s AIS section, was held at the University of Duisburg-Essen.

The conference featured paper discussions along with practitioner presentations around the theory and practical use of IT in accounting and auditing.

After Jan Gruene, Partner at Deloitte, gave an interesting keynote speech to start the conference, ten full-paper presentations with discussions, along with four early-stage research presentations followed over a total of two conference days.

About 50 international conference participants from all over the world came together to exchange ideas on these research areas.

The conference included valuable research input and constructive criticism throughout the sessions, as

well as pleasant conversations and informal exchanges during get-together supported by our volunteers.



The Chair’s research associates together with Prof. Dr. Marc Eulerich at the conference

Eight Questions to...

Holger Honsel, Head of IT Assurance at Siemens AG

SIEMENS



Holger Honsel

Holger Honsel is the Head of IT Assurance (ITA) at Siemens AG, leading global IT testing activities of accounting-relevant systems. He started his career at Siemens AG more than 15 years ago, quickly becoming Head of Accounting, and as such being responsible for internal control structures of accounting-related processes. From there, he worked within Compliance Consulting and later as Program Officer at Operational Review, deepening his knowledge regarding internal controls and providing him with experience in internal auditing.

Holger Honsel and the Chair of Internal Auditing have been working together for many years not only in the field of teaching but also in research. He regularly assists as a guest lecturer in the course *Trends in Internal Auditing and Corporate Governance*, and provides our students with valuable insights from practice. Also, the joint research projects with him have provided meaningful contributions to the academic literature. Most recently, he was able to actively test the results of a joint research project, led by the Chair's research associate Martin Wagener, and Roland Rataj, SHERPA X Process Controls Lead & Governance Owner on the topic of "Internal Controls for RPA" at Siemens, and was thus able to provide valuable feedback to the project. The entire Chair looks forward to further working together with Holger Honsel!

Which role does IT Assurance play at Siemens AG?

IT Assurance is part of the IT Governance function within Corporate IT at Siemens AG.

ITA coordinates the annual IT testing for accounting-relevant systems in scope with all involved internal and external parties over the lifecycle: From the alignment of requirements to appointing independent assessors, tracking the progress of the IT testing, and aligning the findings.

What experiences have shaped you in your career?

Being an accounting professional and later Head of Accounting, I was responsible for dealing with accounting-related processes as well as with internal and external auditors.

From there, as part of Compliance and Operational Review, I was involved with Governance- and Assurance-related activities. These roles, including my work in Cybersecurity project management, further prepared me for my current role.

What do you think is unique about IT Assurance?

Combining different skill sets makes it unique. To understand IT risks and their consequences holistically, an understanding of (accounting) processes, affecting the financial statements is necessary just like communication skills when facing audits.

Furthermore, IT Assurance with its approach is future-focused, dealing with the latest IT developments and always eager to enhance one company's security.

Holger Honsel's opinion about the Chair of Internal Auditing:

"Personally, I am absolutely certain that the Chair was and is a pioneering factor in the development of the internal auditing profession in Germany. Today, I cannot even imagine how the internal audit function would have developed without the Chair's essential research outcomes."



Eight Questions to...

Holger Honsel, Head of IT Assurance at Siemens AG

What are the distinctive features of working within an international team?

My team consists of nine different nations, and we are spread across seven time zones. Of course, this means that it is not always equally possible to synchronize or work together on a topic for several hours across all time zones. We have therefore formed four sub-teams, each responsible for different regions and led by a Regional ITA Head. Overarching topics are then discussed in weekly joint fixes with the Regional ITA Heads and me.

What prior knowledge should students who are interested in IT Assurance bring with them?

An initial overview can be obtained from the contents of the ISO27000 series of standards. In addition, there are also international frameworks, e.g. CIS and NIST, that can be consulted on the subject of ITA.

Also, I would recommend to anyone who is interested to have a look at the various publications of the IIA, such as GTAG "Auditing Business Applications" or GTAG "IT Essentials for Internal Auditors".

Get involved

The interview questions are based on a collection of questions from students, including IAEP Student Chapter participants. Thanks to everyone for their individual input.

If you have questions which you always wanted to ask an expert in the field of internal auditing, feel free to email them to us at newsletter.internalaudit@uni-due.de.

How has the work in IT Assurance changed over the past years?

IT Assurance has changed a lot in the last three years. Whereas previously only ERP SAP systems were part of our scope, topics such as Robotic Process Automation have added further IT applications that we also have to test for compliance with IT general controls.

To do this, we first had to build up the necessary know-how internally.

What advice would you give a student striving for a career in IT Assurance?

I would recommend doing internships within IT Assurance at consulting firms or companies such as Siemens to gain initial experience.

After graduation, the Big4 companies can be an ideal start. Especially in consulting or auditing, where necessary expertise and an overview of the entire range of topics are provided by client exposure as well as the combination of theory and practice.

What challenges does IT Assurance face in the future?

The use of various automation solutions and of "no code/low code" applications will keep us busy. Previously, ERP SAP systems mainly processed accounting transactions. Henceforward, other IT applications will be used to deliver data to ERP SAP systems.

Therefore, understanding the IT systems and the possible risks deriving from them are key tasks, which in turn must be addressed via appropriate controls.

We would like to express our sincere thanks to Holger Honsel! We greatly appreciate his time and input in support of our efforts and the students' careers.

It was a pleasure to learn more about Siemens and IT Assurance through his knowledge as an expert.



News from the Campus

Trends in Internal Audit and Corporate Governance

This semester, after almost two years of online lectures, the course *Trends in Internal Audit and Corporate Governance* was held in-person again. The course is intended to offer students in-depth insights into current trends in the field of internal auditing and corporate governance.

Each lecture consists of a conventional lecture followed by a presentation by experts from practice, thus also providing our students with the opportunity to network. The participating companies came from a variety of different industries and set the focus on diverse topics within their presentations.

The Vaillant Group, a family-owned manufacturer of heating and cooling products, focused on HR selection and professional development within the IAF. While the Schwarz Group, a large German retail corporation, talked about current trends in the use of technology within the audit process.

Furthermore, the Big 4 accounting firm Deloitte and the leading industrial manufacturer Siemens shed light on emerging IT trends, which help to optimize and automatize internal controls as well as IT Assurance, and thus provide the necessary cybersecurity, while they also discussed inherent risks of this trends.

After such a long period full of online events, the Chair's team is more than pleased that this kind of in-person lectures are possible again.

We would like to thank all the participating companies for their time and input, providing our students with valuable insights.



Participating students during a company presentation

John, Student at the University of Duisburg-Essen:

“This course allows me to deepen my knowledge on cutting-edge topics within Internal Audit and Corporate Governance while getting in touch with potential employers regarding internship or working student positions at the same time.”

Practice-orientated Seminar on Corporate Governance in Collaboration with Deloitte

In the summer semester, the Chair of Internal Auditing regularly offers a seminar on the topic of monitoring companies in collaboration with Deloitte.

The first part of this year's seminar was held at the university campus in Duisburg, while students were invited to visit Deloitte's newly built Heinrich-Campus in Dues-

seldorf for the second part of the seminar.

On the first day of the seminar, students presented their seminar papers to the other seminar participants and our Chair's team. The following day they were given the opportunity to obtain practical insights into the topics they have worked on from practitioners at Deloitte.

In the context of a business simulation game the students were subsequently able to gain a practical understanding of the structure,

effectiveness, and performance of internal control systems (ICS) in a company.

The entire team of the Chair of Internal Auditing thanks Thorben Ehrlich, Audit & Assurance Partner, and Ricarda Eickhoff, Audit & Assurance Senior Manager for organizing the business simulation game, providing valuable networking opportunities for the students!



Prof. Dr. Marc Eulerich presenting Thorben Ehrlich his textbook on Corporate Governance at Deloitte's new campus in Duesseldorf

Deloitte.

News from the Campus

Insights into the latest Thesis

The Chair of Internal Auditing is delighted about numerous students' efforts, intensively dealing with the area of internal auditing in their seminar projects and theses. In this context, we would like to offer excellent students a platform for presenting their work.

Tobias Meier's Master's Thesis on:

"The use of internal auditing in the M&A process"

"Conducting expert interviews on the use of the internal audit function in the M&A process gave me an interesting insight into practice and provided new insights into an exciting research topic."

The M&A market is booming. High failure rates contradict a successful process

performance. The IAF is confirmed as a value-adding instrument for the process, but the practical use shows room for improvement.

This thesis aims to evaluate the development of IA involvement and its contribution to the M&A process.

Using expert interviews among M&A process partic-

ipants and IAs, a new state of research on added value, practical use, obstacles, and solutions is formed.

The current use remains behind the opportunities. Experts present initial practical approaches explaining how the IAF can be used during the process but there is still enormous potential.



Tobias Meier

Jonas Tietgen's Master's Thesis on:

"Possible applications of process mining in the context of continuous auditing"



Jonas Tietgen

In the age of digitalization, process mining is one of the technologies that can enrich internal auditing. This master's thesis, therefore, deals both theoretically and practically with possible applications of process mining in the context of continuous auditing.

The thesis focuses on the conception of a concrete continuous auditing architecture in which the functioning of selected controls can be automatically tested continuously with the help of process mining, control weaknesses can be identified and notifications about their occurrence can be automati-

cally transmitted to the auditor. The concept was then implemented in the context of a selected use case and its enhancements using test data and the cloud-based software solution Celonis EMS Academic.

The use case and its enhancements demonstrated in a practice-oriented manner how control weaknesses can be identified using process mining and how notifications about their occurrence can be automatically transmitted to the auditor. However, the observations also revealed challenges in the use of such a system. Over-

all, it turns out that the use of process mining in the context of continuous auditing can create great added value, for which, however, certain prerequisites must be met, as the practical implementation can be accompanied by high costs.

"I enjoyed working on the topic, especially because of the combination of theory and practice. I particularly enjoyed the application of the Celonis software and thank God it all worked as intended."



News from the Campus

IAEP Student Chapter: Presentation on Professional Qualifications in Internal Auditing



The IAEP Student Chapter Coordinator giving a presentation

In July 2022, the IAEP Student Chapter met for a presentation on qualifications and professional exams in internal auditing held by our IAEP Student Chapter Coordinator Amar Suljic.

During the presentation, members were given an overview of the entry requirements, exam content, and potential added value of various international certifications such as the Internal Audit Practitioner or the

Certified Internal Auditor provided by the Institute of Internal Auditors.

In a subsequent get-together, participants engaged in networking, resolving open questions, exchanging experiences regarding the seminars and lectures at our Chair, or just talking about their previous practical experiences in the field of auditing gained through internships or as working students.



Katja, Member of the IAEP Student Chapter:

“In addition to the theoretical overview provided by lectures, the presentation was very interesting. We learned how a long-term career as an internal auditor might actually look like.”

IAEP Student Chapter: Membership and Upcoming Events

The IAEP Student Chapter is an association of students, who are enthusiastic about Internal Auditing, and thus want to jointly promote the interest in the Internal Audit Profession.

Apart from offering a platform for students, the Student Chapter is intended to promote an intensive exchange between the internal audit practice and those who strive to enter the profession. Part of this exchange is taking place in the context of company presentations providing students with the possibility to build a professional network and demon-

strate potential career opportunities

For this purpose, in the upcoming winter semester, the IAEP Student Chapter will be welcoming organizations from the financial services and the pharmaceutical industry.

Students of our Chair’s faculty majoring in internal auditing who want to take part in the IAEP Student Chapter are invited to do so. Additionally we offer internal audit departments the opportunity to introduce themselves and their company, to the Members of our Student Chapter.

Interested persons can contact us via email (studentchapter.ircg@uni-due.de) providing their name and request.

More information can be found on [our homepage](#).



Members of the IAEP Student Chapter as volunteers at the 2nd International Conference of the Journal of Information Systems 2022



Internal Auditing Education Partnership



Job Vacancies

Internship and Working Student Positions

Internship Corporate Audit (m/f/d), Mercedes-Benz Group AG

You can find the job ad [here](#).

Working Student Internal Audit (m/f/d), Deutsche Apotheker- und Ärztebank eG

You can find the job ad [here](#).

Internship Group Audit (m/f/d), Deutsche Bank

You can find the job ad [here](#).

Full-time Positions

Internal Auditor (m/f/d), Internal Audit & Compliance, GSI GmbH

You can find the job ad [here](#).

Internal Auditor (m/f/d), Methodology, Content and Professional Requirements, audicon GmbH

You can find the job ad [here](#).

Internal Auditor (m/f/d), DEVK Versicherungen

You can find the job ad [here](#).

More job offers can be found [on our website](#).

Chair of Internal Auditing

Prof. Dr. Marc Eulerich
University of Duisburg-Essen
Mercator School of Management
Lotharstraße 65
47057 Duisburg, Germany

www.ircg.msm.uni-due.de
newsletter.internalaudit@uni-due.de



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Do you have any suggestions for us or would you like to contribute to the Newsletter in terms of an expert interview, an article, job vacancies, or similar? Feel free to send us an e-mail to newsletter.internalaudit@uni-due.de.

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