

Newsletter

Message from the Chair

I welcome you to the first edition of our newsletter about all kinds of topics regarding the Chair of Internal Auditing.

When I think about the past months, I feel that we have grown stronger and have been successful in many ways despite facing challenges. Throughout the entire pandemic time, we experienced dramatic changes in how we educate and connect. The entire chair did not imagine an entire year with online classes. However, our commitment and our activities to build an ever-stronger relationship

with the audit profession remain constant.

We had an incredible number of professionals who devoted their time and talent to come to classes, provide thesis-related support, and participate in multiple student networking events, such as those of our Student Chapter. We thank all of you who have consistently supported us through guest lectures and professional advice. We greatly appreciate the advice and always strive to integrate the numerous tips and insights from the practice into our curriculum.

The partnership with all of our stakeholders (students, universities, professionals, companies, and the local and global Institute of Internal Auditors (IIA)) is vibrant. We hope this newsletter will allow us to share our efforts in research and teaching with you, and we look forward to navigating the time ahead together.

I very much hope you enjoy reading the first edition of our newsletter and would like to conclude with a big thank you.

Sincerely,

Prof. Dr. Marc Eulerich



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10th Anniversary of the Chair

The Chair of Internal Auditing celebrates its 10th anniversary! Based on a sponsored junior professorship by the German Institute of Internal Auditors (DIIR) between 2011 and 2016, Prof. Dr. Marc Eulerich has been strengthening the Mercator School of Management in internal audi-

ting research and teaching for a decade now. The Chair of Internal Auditing is currently the only university chair with a focus on internal auditing in research and teaching in Germany.

In recent years, the chair has grown significantly. The chair currently employs

seven research associates, who are dealing with various topics in the field of internal auditing in their research projects.

More information about the chair can be found [here](#).



News from the Chair

Center for Internal Auditing Excellence

The Chair of Internal Auditing was honored to receive the designation of "Center for Internal Auditing Excellence." This status is the highest of three possible levels in IIA's Internal Auditing Education Partnership (IAEP) program.

At the moment, only eleven universities worldwide can call themselves "Centers

for Internal Auditing Excellence".

Universities that are part of the IAEP program offer their students internationally recognized courses and projects specializing in internal auditing. Graduates of the program thus have a variety of career opportunities in the auditing field.

We are very proud of this achievement and are pleased to be able to accompany and support students on their way to becoming part of the auditing profession, being the only university chair with a focus on internal auditing in Germany.

More information about the IAEP program can be found [here](#).



The IIA developed the IAEP program to respond to the growing interest in internal audit education.

Congratulations to Dr. Behrend on obtaining his Doctorate



Dr. Joel Behrend

The entire Chair of Internal Auditing-Team congratulates our valued research associate, Dr. Joel Behrend, on the successful completion of his doctorate.

Dr. Behrend, who has already been working at the chair since 2016, supports the chair in teaching and research.

In his doctoral thesis, Dr. Behrend took a twofold methodological approach to analyze issues prevalent within internal audit and audit committee research and practice.

Two bibliometric analyses were conducted to provide insights on the research meta in both research fields based on bibliographic data of published articles.

Subsequently, questionnaire data were used to explore the determinants of internal audit joint audits and chief audit executive compensation.

The thesis thus offers different perspectives on the status of the audit committee and internal audit research as well as on relevant topics in the internal audit practice.

Logo and Merchandise Launch

In 2021, our Chair of Internal Auditing has got its own logo, and we proudly present it on our first merchandise products.



With our merchandise products, we not only want to symbolize a feeling of belonging but also want to express appreciation for the environment. Therefore, a selection of our products, e.g., the backpack, was made from recycled PET water bottles.

We look forward to all upcoming opportunities to promote our merchandise products.





News from the Chair

Research Activities: A Selection of our current Working Papers

The New Three Lines Model for Structuring Corporate Governance – A Critical Discussion of Similarities and Differences

Marc Eulerich

For many years, it was precisely the so-called Three Lines of Defense model that was used to structure an efficient and effective organization and to coordinate corporate governance activities. However, as more and

more open points of discussion regarding practical implementation have emerged over the past years, the Three-Lines model was published in 2020 as a fundamental update by the IIA. The article critically presents

the new model and discusses the similarities and differences to the existing model. Thus, this article contributes to the current discussion of best practices in corporate governance structure and the fundamental issues of

efficient and effective oversight.

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

Data Analytics, Pressure, and Self-Determination: Experimental Evidence from Internal Auditors

Eddy Cardinaels, Marc Eulerich, and Amin S. Sofla

Recent insights suggest that internal auditors who score higher on the trait self-determination perform better but their performance can be impaired when they experience pressure from leading figures. One way to reduce the number of cogni-

tive resources needed to perform is through the use of decision aids such as audit analytics. The present study examines the impact of the availability of audit analytics and the internal auditor's level of the self-determination trait. The results

suggest that the level of self-determination is positively related to performance. However, the CFO's performance pressure undermines the relationship between self-determination and performance for individuals with high self-determination.

Interestingly, the introduction of audit analytics appears to remove the detrimental effect of pressure on the performance of highly self-determined auditors.

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

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

Marc Eulerich, Martin Wagener, and David A. Wood

As in-person audits were banned by governments and company policies due to COVID-19, internal auditors had to transition to remote audits to perform their work. Based on survey responses of 271 German

internal auditors who have conducted both remote and traditional audits, the authors find that internal auditors perceive no difference in the efficiency and effectiveness of and stakeholders' reliance on results from re-

remote and traditional audits when considering all responses. However, they also find that perceptions of efficiency and effectiveness increase the more experienced internal auditors are with remote audits. Additi-

onal analyses show that support from the auditee is an important determinant of perceived remote audit success.

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

Good Cop or Bad Cop: What Drives the Self-Image of Internal Audit Functions?

Christopher Calvin, Marc Eulerich, and Vanessa Lopez Kasper

The internal audit activity's stereotype as a "corporate watchdog" has dominated practice for decades despite efforts to shed this image in favor of a trusted advisor role in which it partners with management to protect

and add value to the organization.

Using a sample of 256 Chief Audit Executives, the authors find that a mix of professional and interpersonal characteristics representative

of the components of trustworthiness is associated with the perception of the internal audit activity as a trusted advisor to the organization. Additionally, evidence is found that internal audit activities perceived as

trusted advisors provide observable benefits to the organization in the form of audit effectiveness, efficiency, and usability.

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

News from the Chair

Research Activities: Get involved with our Research!

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

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 will analyze the impact of on-site and remote audits. Participation in this study through sharing your expertise will take you about 15-20 minutes.

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

Relevance of internal auditing research

The practical and scientific discussion on internal auditing covers different topics. Currently, the chair is conducting a study to assess the relevance, and we would like to ask for your support. Participation in this study through sharing your expertise will take you about 5-10 minutes.

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, different visualization options are evaluated by the participants, and anomalies are identified. The entire study is anonymous and begins with a short test to assess spatial awareness. Participation in this study will take you about 15-20 minutes.

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

Auditing in medium-sized and family companies

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

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

Thank you very much for your support!

Upcoming: Further Expansion of our Internal Audit and Data Analytics Courses

The Chair of Internal Auditing, in close cooperation with the German Institute of Internal Auditors (DIIR) e.V., is currently working on the further expansion of our new course offerings in "Internal Auditing and Data Analytics".

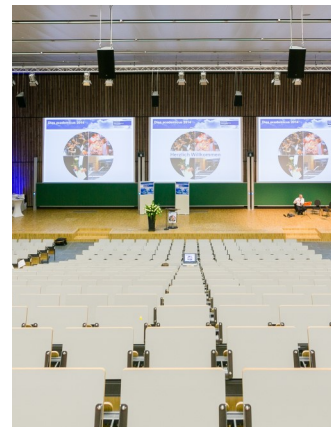
This first step further intensifies the cooperation between the DIIR and the chair, which has already been established over many years.

The new course offering is expected to prepare students to master the upcoming challenges as internal auditors in the best possible way and to assume a future management position through the competent use of data analytics tools, a general variety of methods, and a broad portfolio of hard and soft skills.

Many years of intensive exchange with audit leaders worldwide underscore the need for highly qualified graduates in the field of in-

ternal auditing with pronounced technological skills.

The entire chair team around Prof. Dr. Marc Eulerich highly appreciates the various input and efforts in establishing this course offer. We are hoping to have more to tell you about this shortly, so stay tuned.



Prof. Dr. Marc Eulerich:

"The expansion offering will give us as a chair the chance to establish ourselves in the top group of accounting programs worldwide."

Awards

DIIR Thesis Award

With its Thesis Award, the DIIR regularly honors outstanding contributions from academia and practice that deal with internal auditing in companies, public authorities, associations, or other institutions.

Last year, the DIIR awarded three Thesis Awards. The Chair of Internal Auditing is very proud and pleased that all three winners published their thesis at the Chair of Internal Auditing:

DIIR



Symbolic image, as this year's event was virtual

Dr. Joel Behrend

"Internal auditing and audit committees: Four essays on issues in research and practice"

More information about Dr. Behrend's doctoral thesis can be found on [page 2](#).

Vanessa Lopez Kasper

"Effects of the Internal Audit Function's Use of Continuous Auditing on the Audited Entity's Behavior - An Experimental Study"

The thesis uses an experiment to investigate how the use of continuous auditing (CA) affects the risk-behavior of executives and whether the effect of CA persists under the influence of a crisis. Although the research question cannot be answered conclusively, the study provides initial evidence that the use of CA mitigates undesirably high risk-behavior and thus contributes to strengthening the internal control system.

Martin Wagener

"The Impact of Technology Deployment in the Internal Audit Function: An Empirical Analysis"

The purpose of the master thesis is to examine the impact of using technology in the internal audit function. Results suggest that a high maturity level of data analytics is related to increased perceptions of internal auditors' efficiency and effectiveness. Chief audit executives are advised to take a more holistic approach to the digitization of their function instead of implementing

FASSETL Thesis Award

For 21 years now, PKF Fassel, a Germany-wide auditing and consulting firm, has been awarding the FASSETL Thesis Award to students at the University of Duisburg-Essen for their outstanding theses, thus

setting a positive example for the important promotion of young academics.

Each year, students in the fields of business taxation, accounting, auditing, and controlling are honored.

In November 2021, for the very first time, the company also honored two students of the Chair of Internal Auditing:



Annika Bonrath

"The relevance of internal auditing in fraud management – Empirical evidence for different impact factors"

The master thesis generates insights to ensure an optimal and timely alignment of internal auditing within the governance structure, as a comprehensive understanding of potential fraud risks is considered a fundamental element for ensuring effective and efficient prevention and detection of fraud.

Dr. Joel Behrend

"Internal auditing and audit committees: Four essays on issues in research and practice"

More information about Dr. Behrend's doctoral thesis can be found on [page 2](#).

PKF

Eight Questions to...

Marc Stauder, Partner at KPMG AG



Marc Stauder

Marc Stauder's thematic focus is on corporate governance services, in particular (tax) compliance and internal control systems. As an auditor, he is responsible for audits of compliance management systems in accordance with the German Generally Accepted Standard IDW PS 980 as well as assignments for the establishment of certifiable management systems. As a member of working groups of the Institute of Public Auditors in Germany (IDW), he also promotes the further development of current topics and solutions of the auditing profession.

Together with his team, Marc Stauder has been accompanying the chair's "Corporate Governance and Internal Auditing" seminar for many years already. KPMG's support not only provides students with a first contact to the company, but also ensures the practical relevance of the course content.

In addition to providing support for seminars, Marc Stauder maintains regular communication with Prof. Dr. Marc Eulerich and actively follows the further development of the Chair of Internal Auditing as a member of the Chair's IAEP Advisory Board.

What does a student seeking a career at the Big Four need to bring to the table?

In any case, the student must be a team player and highly motivated to develop his or her skills.

Since all the things we do in practice and the issues our clients bring to us are difficult to learn in theory, newcomers must have a high willingness to learn and to adopt new skills.

What advice would you give to a student who is about to start their professional career as an internal auditor?

It is definitely important for the student to take a comprehensive look at his or her future employer and, if possible, to get to know them through an internship.

An in-depth consideration will ensure that there are no surprises later on when you have decided on a job.

What experiences have particularly shaped you in your career?

On the one hand, there are certainly many experiences that result from the team environment. Above all, the insights into what you can achieve together as a team.

And on the other hand, it's the discussions with the clients. There are wonderful topics and formative discussions with people who enrich and advance me not only professionally, but also personally.

Marc Stauder's opinion about the Chair of Internal Auditing:

"I hold the academic chair in high esteem and gladly accept graduates into my team, as I know that good training is provided at the chair."





Eight Questions to...

Marc Stauder, Partner at KPMG AG

What do you think constitutes a modern internal audit function of the future?

The willingness to take on new topics and certainly to move away from traditional finance functions. In particular, working even harder on the interfaces within the company and also setting up teams more flexibly.

Needless to say, keeping pace with the possibilities of digitization, both in the audit process and in the assessment of audit objects.

How is "digitization" integrated into your working methods?

It is becoming more and more important. For example, we are increasingly integrating tools into our audit approach that enable us to audit not only samples but full populations when evaluating data.

In step with the technological possibilities, we can provide further added value through our software know-how and offer new projects.

Do you think that the topic "sustainability" will shape your profession in the long term?

Yes, I am completely convinced that the topic will play a decisive role in the long term.

We see at all levels that the importance and awareness are increasing more and more, both with clients and in our team. We often question how we can do many things better in a more sustainable way.

Have you ever encountered a fraud incident?

Yes, I have already been faced with fraud. What was special about this case was that the company itself was very surprised that something like this could happen at their company.

This illustrates how important it is - despite all the trust - to question structures and processes with regard to fraud aspects and to create a corporate culture of openness on part of the management to whom such incidents can also be reported.

What was the most unusual audit or consulting project you ever had?

I can name two great projects. One was a visit to a submarine shipyard with the opportunity to see a submarine from the inside.

And the second was a quality assessment, at which we were allowed to go underground to see what the auditing department audits and what places they have to visit during their fieldwork. Our visit underground took place shortly before the closure of coal mining in the Ruhr region and was a special side aspect of our work.

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

It was a pleasure to learn more about KPMG and auditing through his knowledge as an expert.

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.

News from the Campus

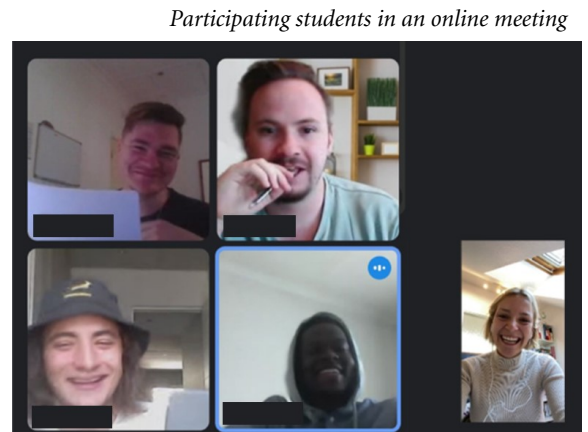
Seminar International Audit Simulation in Collaboration with the University of Pretoria

In fall 2021, the Chair of Internal Auditing was able to give ten of its students the unique opportunity to participate in an international practical seminar together with the University of Pretoria in South Africa and Louisiana State University in the USA.

In small groups of five students each, the processing of an internal audit was simulated. The international stu-

dents virtually conducted an audit of the recruitment process of a South African bank.

In this seminar, the students not only collected new practical knowledge relating to internal auditing but also promoted their intercultural skills and gained experience in an internationally operating team.



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Stefano, Student at the University of Duisburg-Essen:

“For me, the whole project was a very unique opportunity not only to connect with new people abroad but also to get first insights in the actual activities and tasks of an internal auditor.”

Mogomotsi, Student at the University of Pretoria:

“Completing this simulation allowed me to gain more insight into not only how audit engagements are conducted in a different country but it also showed me how global the IA profession actually is.”

Seminar Process Mining with Celonis



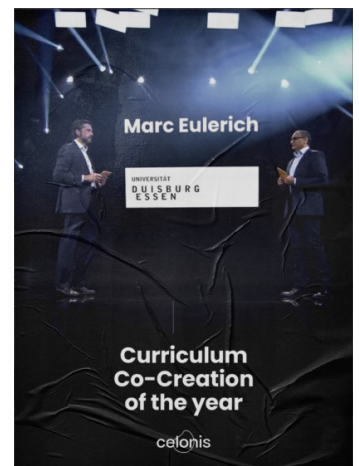
As the first commercial process mining company, Celonis was founded in 2011.

In the winter semester, the Chair of Internal Auditing offers the seminar "Process Mining" for master students in cooperation with the software company Celonis.

Within the scope of the seminar, it will be shown how analysis potentials for auditing can be derived by using digital data traces of business processes. Specifically, the application of process mining for process analysis, testing specifications and controls, and for performing

efficient audit checks will be analyzed during the event using Celonis' software solution.

The German software company Celonis, headquartered in Munich and New York, is the global market leader in Execution Management. The Celonis Execution Management System offers companies a modern way to manage their business processes entirely based on data and intelligence.



Celonis awarded Prof. Dr. Marc Eulerich for "Curriculum Co-Creation of the Year 2021".



News from the Campus

Insights into latest Theses

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 students a platform for presenting their work.

Leonie Schwall's Master's Thesis on:

"Robotic Process Automation (RPA) in Auditing"

Within the scope of the master thesis "Opportunities and Risks of Robotic Process Automation for the Performance of Audit Reviews", a practicable process workflow for risk-oriented audit planning including potentials for automation was developed.

Despite the fast and cost-effective implementation

possibility of RPA, the implementation rate in internal auditing is low. Many processes and activities require auditor judgment, preventing RPA from leading to fully automated processes in internal auditing.

Nevertheless, when considering RPA as a supporting technical tool and bearing

the risks in mind, there can be significant potential for quality and efficiency improvements.

"The opportunities of RPA appear to be of interest to many companies, which allowed me to learn crucial expertise for my career entry, even beyond the context of internal auditing."



Leonie Schwall

Lara Teriete's Master's Thesis on:

"Can the Effectiveness of an Internal Audit Function be measured by the ten Core Principles?"



Lara Teriete

The fulfillment of the ten core principles is considered to be a benchmark for the effectiveness of an internal audit function. The advantage of this measurement model is that the Principles are globally applicable and their application is compulsory. However, a major point of criticism is that there are no concrete guidelines for the application of these principles and that this is therefore left to the discretion of the respective auditing function.

The selection of suitable indicators has so far only been touched upon superficially and requires concrete

benchmarks to be able to evaluate the results achieved by the audit.

Based on various existing studies as well as selected literature, 38 indicators for the fulfillment of the first five principles were developed, which should now be used to consider a new approach to measuring the principles and, consequently, the effectiveness of internal auditing.

Using a survey in which 126 people from different levels of society participated, and exploratory factor analysis, the relevance of the individual basic principles, as well

as of the elaborated indicators, was examined.

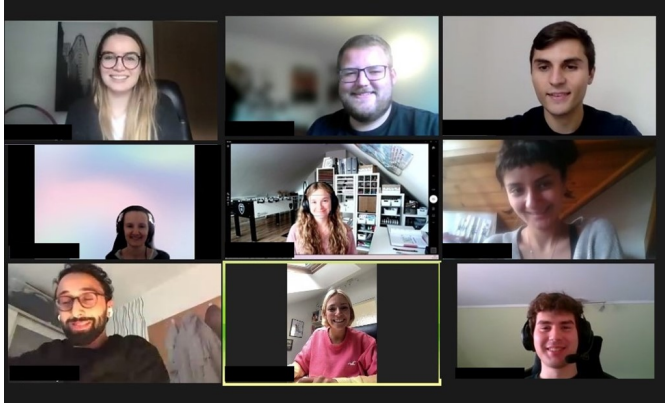
The results suggest that not enough indicators have been identified and further research is needed. Due to the complexity of the used analyses method, there are likely other and more appropriate approaches, so this work may provide ideas for further research.

"I particularly enjoyed the professional exchange with Prof. Dr. Marc Eulerich, my colleagues from internal auditing, and my fellow student, who dealt with the last five principles."



News from the Campus

Foundation of the IAEP Student Chapter



The members of the association at an online meeting

Felix, Member of the IAEP Student Chapter:

“The Student Chapter offers me the opportunity to network with other students interested in the field of internal auditing and auditors, which I think is very helpful for starting my career in internal auditing.”

In 2021, we founded an association of students at the Chair of Internal Auditing, who are enthusiastic about the subject area of internal auditing and want to jointly promote the interest of students in the profession of internal auditing: The IAEP Student Chapter.

In addition to a regular exchange among the students, the Student Chapter supports an intensive exchange between students and practitioners, providing benefits to both sides. On the one hand, the IAEP Student Chapter provides companies with a platform to establish contact with students with expertise in the field of internal auditing.

And on the other hand, it helps students to build a professional network as well as to take advantage of initial career opportunities.

Are you a student at MSM majoring in internal auditing and want to be part of the IAEP Student Chapter? Or do you work in an internal audit department and would like to get the opportunity to introduce yourself and your company to the Student Chapter?

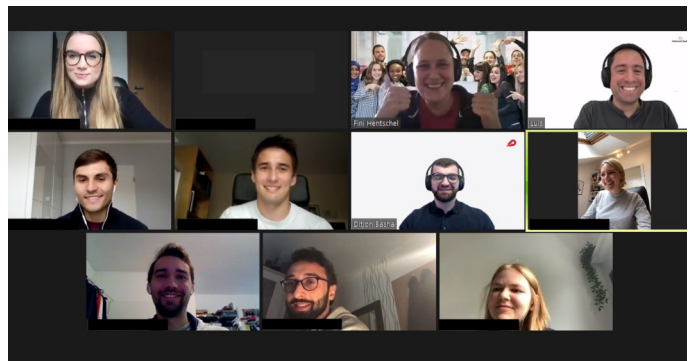
Feel free to email us at studentchapter.ircg@uni-due.de if you are interested.

More information about the Student Chapter can be found on [our homepage](#).

IAEP Student Chapter meets Delivery Hero SE

In October 2021, the IAEP Student Chapter had the pleasure of welcoming the Internal Audit team of the publicly-listed company Delivery Hero SE for a virtual round of introductions. During the event, which lasted about one and a half hours, the students were able to get an overview of how an internationally operating audit team works and learn about career and entry opportunities within the company.

Finally, an open discussion offered the opportunity to ask questions about the auditing profession or Delivery Hero SE and to make new contacts.



The members of the Student Chapter together with Delivery Hero SE

Elisa, Member of the IAEP Student Chapter:

“It was very interesting to get to know the company on the one hand and to get an insight into the actual profession of an internal auditor on the other hand.”

News from the Campus

Innovative Studying through Integration of an Online Learning Platform

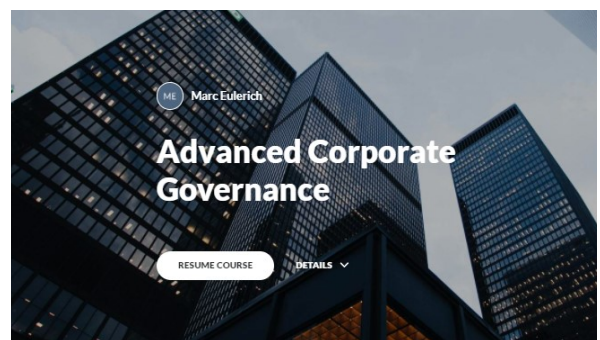
To meet our mission of constantly and innovatively improving teaching and learning methods, we are expanding our lecture formats by incorporating an online learning platform starting this winter semester. The combination of different methods offers students the opportunity to get to know our lecture content more closely from different perspectives and through different methods. The Chair relies on blended learning in selected courses as it combines the strengths of both traditional and online

learning methods. This gives students more autonomy over their learning and allows for a more engaging learning experience improving students' comprehension and engagement.

The platform supports independent learning by students and enables them to address and discuss the lecture content more thoroughly. The media-rich online platform which is integrated into the respective Moodle courses considers current and advanced topics of the respective lectures in indi-

vidual (independent) chapters. Each topic area consists of a required reading along with a corresponding summary. At the end of each chapter, students find insightful quiz and discussion questions to review the content.

The content in each chapter is designed in a user-friendly way and adapts perfectly to any device to enable students to complete the online courses anytime, anywhere, and at their own individual pace.



Job Vacancies

Internship and Working Student Positions

Working Student Internal Audit (m/f/d), Franz Haniel & Cie. GmbH

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

Working Student Internal Audit (m/f/d), Rheinmetall AG

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

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

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

Working Student Corporate Audit (m/f/d), TÜV Rheinland

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

Working Student Risk Management EMEA (m/f/d), NGK SPARK PLUG Europe GmbH

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

Intern/Working Student Internal Audit (m/f/d), HAVI Group GIA

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

Full-time Positions

Assistant Auditor for Internal Audit (m/f/d), Tengelmann Audit GmbH

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

Internal Auditor (m/f/d), Knauf Gruppe

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

International Financial Management Program (IFM) - Internal Audit Trainee (m/f/d), Bayer AG

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

Trainee Program in Group Audit (m/f/d), Deutsche Bank

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

Junior Consultant for Internal Audit Projects (m/f/d), CURACON GmbH Wirtschaftsprüfungsgesellschaft

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

Employee Corporate Audit (m/f/d), Würth

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



Imprint

Publisher: Chair of Internal Auditing, Mercator School of Management, University of Duisburg-Essen

Editorial: Joel Behrend, Annika Bonrath, Prof. Dr. Marc Eulerich, Lea Kazimirowicz, Vanessa Lopez Kasper, Marie-Charlot Schachta, Leonie Schwall, Marc Stauder, Lara Teriete, Martin Wagener

Photos: Celonis, Chair of Internal Auditing, Leonie Schwall, Marc Stauder, Lara Teriete, University of Duisburg-Essen

Publication: 28. February 2022

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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