

As ubiquitous as social media is today, it is hard to recall a time when we were not glued to our Facebook, Twitter, or Instagram accounts. Indeed, it is rare to read about a cause or event without running into at least one hashtag. This article is no exception.

As the 2017-2018 global chairman of The IIA Board of Directors—a privilege I am humbled and honored to experience—one of my first assignments was to develop a theme for my term. Coming up with the basics was easy: Purpose, service, and impact are three concepts that are very important to me. But when I looked at those words on their own, they seemed somehow incomplete. Then, as I was bouncing ideas off my team, the hashtag treatment was suggested. Thus, my theme became #PurposeServiceImpact.

We have become so accustomed to the hashtag, we often forget what it is intended to convey. It's a useful, shorthand way to say, "pay attention," "join the discussion," and "pass it along"—reactions I hope IIA members have to the concepts of *purpose*, *service*, and *impact* as we go through the year, because I believe they have a very real place in our personal and professional lives.

#### #PURPOSE

Purpose is fairly straightforward. We all have a sense of purpose about our careers and our lives. It is the "why" of what we are doing, our mission, the reason we want to make a difference. As individuals, we need to know that all of the effort, focus, and sacrifice we have invested over time will pay off in achieving a goal.

As internal auditors, our mission is clearly laid out for us in The IIA's International Professional Practices Framework: "Enhance and protect organizational value by providing risk-based and objective assurance, advice, and insight." How we enhance and protect organizational value is different for each of us based on our organization's business. Is it market share? New products? Students educated? Patients served? Perception of reputation? Earnings per share? Whatever it is, internal auditors, at the very least, help management maintain that value, but, ideally, we enhance and increase it through the work we do.

As individuals and as internal auditors, we do not operate in a vacuum. We function within some sort of larger construct. As individuals, that may be a family, a community, a club—even an organization such as The IIA. As internal auditors, it is where we work. We must clearly understand the purpose of our organization and be certain that our personal sense of purpose aligns with it. Generally, every organization has a mission statement, but studying other indicators such as culture, strategy, and reputation can provide useful information, as well. Then we must determine how we can help the organization realize its mission.

A practical application can be found in the way some auditors are evolving the traditional risk-based audit approach—which is still very valuable—with

# #PurposeServiceImpact

The IIA's 2017-2018 Global Chairman of the Board J. MICHAEL PEPPERS encourages internal auditors to unify around the three concepts in his powerful hashtag.

Photographs by  
Darren Carroll



#PURPOSESERVICEIMPACT

more strategic elements. Start with the big-picture objectives of the organization and take the risk assessment from there. This helps ensure that what internal auditors do is more strategic and supports the goals of the organization—its purpose. For example, I once audited an area that had wonderful ideas, plans, and goals, but lacked good project management to address those plans in a systematic and metrics-driven way. I provided recommendations about managing projects. This was not a typical risk audit, but it provided value: The department recognized that adding this element would help in achieving departmental goals.

For almost 10 years, I worked on a university campus, and nearly every day I would walk on the sidewalks with the students we were educating. For another 15 years, I worked at two of our academic medical centers where I would walk the halls and see the patients we were serving. I came face to face with real stakeholders—the people who are counting on the organization—and that connection has always given me the drive to do all I can as an internal auditor to help my institutions succeed in their missions.

#SERVICE

Service is purpose put into action. It is doing things to meet the goals expressed in mission statements, transitioning purpose from concept to reality. Consequently, it can be the hardest part of the #PurposeServiceImpact trilogy. Purpose identifies noble goals and impact represents the outcomes of actions completed to achieve those goals. Service is the link between the two; it is “walking the walk.”

It is often said that internal auditors should “know the business” to be as effective as possible, and there is no question it is important to establish credibility with clients. At one point in my work at a health institution,

I became aware that a health-care administrator certification was valued by many of the hospital leaders, so I decided to prepare for and take the certification exam. It demonstrated to my colleagues that I knew and cared about our business, and was willing to “walk the walk” to make us successful.

Internal auditors certainly do not lack opportunities to serve. Almost daily, we encounter areas where unsurpassed service is required or expected. According to the stakeholders represented in The IIA’s 2017 North American Pulse of Internal Audit, we must embrace our role as educator and

change agent; be brave enough, even in the face of professional or personal danger, to do the right thing; avoid viewing the world in black and white; develop strong relationships with stakeholders; build interpersonal skills; and continue to develop competencies. This list goes well beyond *what* we are expected to do. It outlines expectations for *how* we do it, as well.

It’s no wonder we sometimes feel like we are on a tightrope stretched across a gaping canyon. We know we must perfect our balancing act to face the risks and service expectations ahead—not only at work, but also at

home, with friends, and in our outside activities.

It is in those optional activities where many of us find another way to serve: volunteering. I believe volunteering is one of the most powerful manifestations of service because there is nothing that makes us do it. We do it freely and willingly.

There are many reasons to volunteer. We want to get to know a community, gain leadership skills, feel needed, do our civic duty, learn something new, be challenged, do something different from what we do at work, make new friends, be part of a

#BOARDPRIORITIES

During the coming year, I anticipate deploying the #PurposeServiceImpact philosophy as I lead The IIA’s Global Board of Directors in several initiatives:

- » Addressing the recommendations of a special Governance Task Force that has studied The IIA’s governance structure and processes. Significant changes are being proposed to the board and membership.
- » Completing the triennial refresh of The IIA’s global strategic plan. A new approach to gather input from multiple regional sessions is underway.
- » Advancing the recent Guiding Principles of Effective Affiliate Governance, which is intended to help affiliates serve their stakeholders and more than 190,000 members worldwide.
- » Studying laws, regulations, and questions related to licensing the internal audit profession. A global steering committee is working on this project.
- » Considering ways to increase the level of conformance with the *International Standards for the Professional Practice of Internal Auditing*.
- » Assessing The IIA’s portfolio of certifications to ensure it meets stakeholder expectations and is positioned for sustained success.

team, test ourselves, build our resume, give back, or feel good.

Volunteering helps us in our profession, as well. Well-rounded internal auditors recognize the benefits

of understanding the enterprise end to end. To gain that understanding, we have to raise our heads up from our desks and see what is happening on a broader basis. We need to get out of



“The best and most successful internal auditors I know understand that internal auditing is more than just a job; it is a sincere effort to improve the lot of others, whether organizations or individuals.”



our offices—and our comfort zones. Volunteering provides that opportunity.

Those who are new to volunteering can start small. My long history of volunteering with The IIA began with being a greeter at meetings. I did it to help my local chapter, but that was only part of the reason. I also wanted to help myself advance both personally and professionally. That position made it easy for me to expand my network. Small steps can lead to big destinations; I am a case in point.

Of course, sometimes our services are needed in positions that may not be our first choice. When that happens, we can take a longer-term view. Fortunately, we can usually learn from any situation and gain the satisfaction of contributing to the greater good. Hopefully, those less-than-perfect volunteer roles are the exception rather

than the rule. Life is short. When you have the choice, choose to make a difference in things that matter to you.

### #IMPACT

And now we arrive at impact—the destination of the journey, the reason we provided service, and the realization of our purpose. The best and most successful internal auditors I know understand that internal auditing is more than just a job; it is a sincere effort to improve the lot of others, whether organizations or individuals. But it is not an activity that provides immediate, easily seen impacts. We often have to examine the ripple effects our efforts leave behind. Take for example two statistics from The IIA's Pulse report: In 2016, 29 percent of respondents reported an increase in internal audit staff, and 30 percent expected to add

staff in 2017. This is a ripple effect of the impact of internal audit. Today's cost-conscious boards and executives would not spend substantially more on risk, control, and governance processes unless they were realizing value. We are making an impact.

We have to choose where we will make an impact. Given our time, energies, and resources, we need to focus on areas that enable us to influence things that are important to us and that we will look back on with pride.

For me, it is always education. Being in the higher education system, a financial supporter of The IIA's Internal Auditing Education Partnership program, and a regular speaker in professional and college programs, I am a believer in the value and importance of education. Several years ago, in the early days of data analytics, I had an

audit manager who was particularly good at analytics, which we used to achieve real wins in audit engagements. But we had a vision for even greater impact. Because we worked in a university setting, we were regular guest speakers in the audit classes and we knew that students were not getting exposure to data analytics tools. So, we convinced audit faculty that the curriculum needed to include this important aspect of practical auditing, and we engaged a software provider to make its tool available for this academic purpose. Since then, other auditors, faculty, and vendors have done the same, truly impacting the preparation of students for the audit workplace.

### PUTTING IT ALL TOGETHER

Our lives have a lot of distractions, but I have an easy way to keep our eyes on the goal of creating appropriate impact. Think of the process as an equation—a simple set of steps:

1. *If we understand the purpose of the organization or profession...*
2. *And our own purpose within that group...*
3. *And those purposes are aligned...*
4. *And if we commit to providing excellent, competent, ethical service...*
5. *We will have an impact. We will make a difference.*

The #PurposeServiceImpact hashtag has a specific use, one I hope will resonate with IIA members. It says I would like you to think about these three concepts, identify with them, unify around them, and connect them with your own thoughts or activities. Twitter has shown the world how powerful the hashtag can be as a means to rally people around specific goals. I would like to think we can do the same within The IIA. [ia](#)

**J. MICHAEL PEPPERS, CIA, QIAL, CRMA**, is the chief audit executive of The University of Texas System in Austin.

### #FAITHFAMILYFLOWERS

Outside my professional life, I have three priorities that keep me grounded and rounded: faith, family, and flowers. Faith is the most important aspect of my life, providing the foundation for actions and decisions both personal and professional. It is also a constant footing for me as I assess my own purpose, service, and impact. Next comes family: I have two adult daughters and two granddaughters who are never far from my thoughts, even if a bit too far away physically for my liking. I rely on video technology to "see" them as much as possible.

My family may, however, quip that they compete for my attention with another of my loves: my daylilies. As an internal auditor, I have not been afraid to dig deep and get my hands dirty, and the same goes for my garden. When I moved to Texas in 1999, a co-worker introduced me to daylilies. I started with 10 plants and grew to as many as 500 varieties in my yard at one time. In my new Austin garden, I'm down to *only* about 200 varieties. My passion goes beyond weekend gardening; I have won competitive flower shows, and my garden



recently was designated by the American Hemerocallis Society as an official display garden. In addition, the garden was recently a stop on three different garden and pond tours.

I have a shirt that states, "Gardening... it's cheaper than therapy." While I admit that outdoor work is a source of therapy for me, I do not concede that it's less expensive!

"Gardening... it's cheaper than therapy."



PHOTOS (2): COURTESY OF MIKE PEPPERS



"For me, it is always education."

### #HIGHEREDFOCUS

In my position as chief audit executive (CAE), I support the Board of Regents and executive management at the expansive University of Texas System. The System has more than 120 internal auditors at its 14 academic and health science institutions, consisting of more than

220,000 students, 100,000 faculty and staff, and an operating budget of almost \$18 billion.

My career-long focus in higher education started in graduate school at the University of South Florida where I was the student internal audit intern. After earning a Master of Accountancy, I spent time in public accounting before returning to the university to lead that same internal audit department for almost 10 years. In 1999, I moved to Texas and was the CAE at UT Medical Branch in Galveston and UT MD Anderson Cancer Center in Houston before arriving at UT System Administration in 2013.

I proudly admit to being a "career internal auditor." I can probably count on one hand the times I've done what would be considered a "repeat" audit. Because our organizations continually change, so do our audits. There's nothing routine, cyclical, or boring about what we do.