



# FIS

## Leveraging the Power of Emerging Technology for Greater Assurance



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**John Eagle**

Chief Audit Executive



For more than half a century, Fidelity National Information Services, Inc. (FIS) has maintained a reputation for leadership, consistent growth and innovation in the rapidly changing financial technology sector.

Walter V. Smiley, a graduate of the University of Arkansas and native of Hope, Arkansas (also the birthplace of former President Bill Clinton and former Arkansas Governor Mike Huckabee, among other notables), founded Systematics, Inc. in 1968. This provider of banking software was one of Arkansas' first homegrown technology companies, consistently listed as one of America's top 200 small companies by *Forbes* magazine.<sup>1</sup>

In 1990, ALLTEL Information Services acquired Systematics and, in 2003, spun the unit off to title insurance behemoth Fidelity National Financial®. In 2006, Fidelity National Financial, in turn, spun off its information technology subsidiary into a public company named Fidelity National Information Services (FIS).<sup>2</sup>

FIS grew rapidly through a combination of organic growth and acquisitions, including buying Kordoba and BankWare in 2004, Certegy® in 2006, eFunds® in 2007 and Metavante® in 2009. In 2015, FIS acquired SunGard, opening the door to new financial technology (fintech) markets in capital markets, asset management, trading, and custodial and clearing services.<sup>3</sup>

In one of the largest deals in fintech history, in 2019, FIS acquired global payments giant Worldpay, expanding the organization's presence in the payments and merchant

services ecosystem, while significantly increasing Worldpay's distribution footprint.<sup>4</sup>

Today, FIS is a leading provider of technology solutions for merchants, banks and capital markets firms globally, offering more than 450 solutions and processing over \$2 trillion in annual transaction volume worldwide. The company is headquartered in Jacksonville, Florida, and employs more than 55,000 people in more than 100 countries. FIS is a Fortune 500® company and a member of the S&P 500.<sup>5</sup>

### A Homegrown Career

John Eagle has witnessed much of this growth firsthand, having started his career at FIS in 1995. He has held various accounting and finance positions with the company, gradually moving up the ranks into senior auditor and audit management roles before accepting his current role as chief audit executive in 2017. As the organization has evolved and grown, so too has internal audit, from a small team of auditors to a large independent oversight function that works closely with the business.

Eagle has established several goals for his team, including continuing internal audit's traditional assurance role through an annual risk-based audit plan, which Eagle calls "very formal and structured."

Longer term, Eagle is looking to expand the use of technology like data analytics and robotic process automation (RPA). FIS has already started down the path of using robotics for audit activities.

<sup>1</sup> "Walter V. Smiley," Arkansas Business Hall of Fame, University of Arkansas website, accessed May 2021: <https://walton.uark.edu/abhf/walter-v-smiley.php#:~:text=In%201968%2C%20Walter%20V.,for%20the%20banking%20industry%20worldwide>.

<sup>2</sup> About Us, FIS website, accessed May 2021: [www.fisglobal.com/en/about-us/company-history](http://www.fisglobal.com/en/about-us/company-history).

<sup>3</sup> Ibid.

<sup>4</sup> Ibid.

<sup>5</sup> Ibid.



## Critical Role Shines a Light on Business Resilience

With the acceleration of emerging risks, business resilience continues to be a high priority for Eagle and his team of auditors, especially considering the special role and criticality of FIS within the larger financial services ecosystem.

Eagle defines business resilience at FIS as “the ability to provide our clients the services and technology they need with minimal impact to their organization” in the event of a business disruption. To this end, business continuity is nearly synonymous with business resilience at FIS. The organization maintains numerous business continuity plans and performs a large number of disaster recovery exercises each year.

“We’ve had a strong focus on business resiliency for years,” Eagle says, “but over the last 10 years, the focus has intensified. As a technology provider to financial institutions and merchants, the availability of our systems is critical to the financial world, the clients that do business with us and, ultimately, the end consumers. We live in a digital age now where clients have high expectations of systems being available basically around the clock. We run the technology that many financial institutions and merchants rely on.”

FIS follows the three lines of defense model of risk management, with internal audit providing independent assurance in the third-line role.

“Our role is important because we evaluate the control environment for business resiliency at the first line of defense — the business process owners — and we also audit the company’s global business resilience team, which is part of the second line of defense,” Eagle says.

FIS’s global business resilience team is responsible for preparing the corporate-wide risk assessment with a focus on business continuity, serving essentially as the organization’s business continuity oversight team. “It is a formal team dedicated to overseeing and driving the policies around business resiliency that reports to our chief risk officer in the second line of defense,” Eagle says.

The global business resilience team plans for and manages all life safety and business crises and coordinates all the business continuity plans and business impact analyses for each business unit and process owner.

Internal audit, to provide third-line oversight, has a group that’s charged with auditing business continuity planning throughout the organization. “They meet with the second line of defense on a regular basis during the risk assessment process to understand any changes to their program,” Eagle says. “We consider that in our audit risk assessment process every year.”

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## COVID-19 Crisis Tests Business Resilience

When the pandemic crisis hit in early 2020, FIS was well-prepared.

“We went from largely working from offices and on-site to going 95% remote virtually overnight,” Eagle says. “The rapid transition to a remote workforce had very little impact on our organization and our clients because of all the years we spent focusing on business



continuity, our technology and developing mature processes.”

Eagle has seen leadership’s interest in business resiliency increase since the beginning of the COVID-19 pandemic.

“The audit committee of our board of directors has asked me to provide quarterly updates to the organization on the impacts of COVID from my perspective,” Eagle says. “We’ve done many ad hoc audits this year around the subjects of COVID-19, work-from-home and the impacts to the organization.”

Current business resilience initiatives include using a formalized audit plan and coverage model for disaster recovery and business continuity. It includes a rotational plan where internal audit will participate as an observer in disaster recovery exercises in various business units each year, providing the function with deep visibility into the quality of the plans.

### Developing People on the Job

As FIS’s internal audit function has grown over the years, its recruitment and training programs have matured as well. Eagle takes time to identify and develop those who demonstrate a strong interest in and aptitude for business resilience, with an eye on fostering their careers.

“As people join our team, we’ll identify those who have a strong interest in business resilience and business continuity, and we’ll invest in their training and certifications within that area,” Eagle says. “Then we get them involved in the risk assessment process, so they become a subject matter expert in business resilience. We have a lot of team members who have been with us for years, and they have a lot of experience just due to the complexity of our organization.”

Every team member has a hand in creating their own personalized formal training plan, and those who have an interest in business resiliency work with their manager to develop how they’re going to advance their knowledge and understanding of the area. In addition, FIS has an internal training program called Regulatory University, which allows the internal auditors access to customized training modules on various topics, including business continuity and resilience.

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### Continued Success Dependent on Emerging Technology

Considering the nature of FIS’s core business, internal audit has historically maintained a strong focus on technology, and Eagle is looking to continue to develop the function’s capabilities over time.

“One of our goals is to advance our data analytics program that we’ve had for several years,” Eagle says. “The use of advanced analytics and robotics technology will give us the ability to do complete audits of key areas within our large global organization versus sampling. We started using our first robots in the SOX area but expect to advance that into the other areas of our audit activities, like risk assessment.”

In terms of measuring the future success of internal audit at FIS, Eagle says he is committed to an ongoing focus on business resilience, and technology will continue to play a key role.



“Business resilience is always going to be a focus for internal audit,” Eagle says. “This is not something that you look at one time and then go back and look at years later. We do multiple audits every year on business resilience, and that won’t change. The opportunity for us as an audit team is

in covering more of these audits through technology. That’s where we will add more value in the future on business resiliency — by continually challenging the organization and providing more feedback on areas where we see an opportunity to improve.”