

June 25, 2025

The Honorable Ann Wagner
U.S. House Committee on Financial Services
2350 Rayburn House Office Building
Washington, DC 20515

The Honorable Brad Sherman
U.S. House Committee on Financial Services
2365 Rayburn House Office Building
Washington, DC 20515

RE: IIA Perspective on the Sarbanes-Oxley Act

Dear Chair Wagner and Ranking Member Sherman:

On behalf of The Institute of Internal Auditors (The IIA), the international professional organization representing more than 265,000 internal auditors, I write to express The IIA's perspective regarding the U.S. House Subcommittee on Capital Markets hearing entitled, "[Reassessing Sarbanes-Oxley: The Cost of Compliance in Today's Capital Markets](#)."

Enacted in response to multiple corporate scandals of the late 1990s and early 2000s, the Sarbanes-Oxley (SOX) Act marked a transformative moment in U.S. financial regulation. This landmark law not only strengthened confidence in U.S. capital markets, but also significantly improved financial reporting, corporate governance, and internal controls at publicly traded companies.

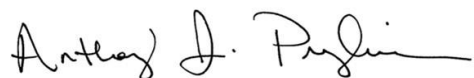
Although SOX has served as a vital investor safeguard for more than two decades, The IIA supports congressional efforts to examine measured updates to the law. We believe it is prudent to periodically review foundational legislation to ensure its continued effectiveness in an increasingly complex corporate environment. For instance, the proliferation of emerging technology and rapid evolution of other operational risks – such as cybersecurity, artificial intelligence, and data privacy – require renewed emphasis on establishing strong internal control processes and assurance over those processes.

Due to internal audit's central role in providing objective assurance, performed in accordance with the [International Professional Practices Framework®](#), the profession often provides support for organizational compliance with Sections 302 and 404 of SOX. As you may know, internal audit leverages a deep, holistic understanding of the organization and its operations to independently evaluate the effectiveness of internal controls, risk management, and governance processes. These objective evaluations are instrumental in providing senior management with the confidence to certify the appropriateness of organizational controls required by SOX.

As Congress commences its preliminary reexamination of SOX, The IIA believes that a debate on better clarifying and codifying the role of internal audit as an essential part of sound corporate governance and investor protections would be a valuable part of congressional deliberations. We are happy to serve as an expert resource to you and the other subcommittee members concerning any questions you may have related to internal controls, risk management, or assurance. We believe congressional attention on these important topics will further promote transparency and accountability in publicly traded companies and U.S. capital markets.

Should you have any questions, please contact Michael Downing, IIA Senior Director for North American Advocacy, at Michael.Downing@TheIIA.org.

Sincerely,

A handwritten signature in black ink, reading "Anthony J. Pugliese". The signature is fluid and cursive, with the first name "Anthony" and last name "Pugliese" clearly legible.

Anthony J. Pugliese, CIA, CPA, CGMA, CITP
President and Chief Executive Officer
The Institute of Internal Auditors

cc: Members of the U.S. House Subcommittee on Capital Markets