

**CHIEF AUDIT EXECUTIVE  
ALLETE, INC  
DULUTH, MINNESOTA**

**PROFILE**

The Chief Audit Executive (CAE) is a direct administrative report to the ALLETE Senior Vice President & Chief Financial Officer yet functionally reports to the Audit Committee of the ALLETE Board of Directors. The CAE supervises six personnel, including a Lead Auditor supervising two Auditors and a Lead Information Systems Auditor supervising two Information Systems Auditors.

The CAE is responsible to provide executive leadership to ALLETE's internal audit function, is a key member of the CFO's staff in a collaborative environment, and works closely in partnership with senior management throughout ALLETE to assess the company's processes for identifying and managing business risk. In addition to being a valuable business partner to senior management, the CAE is responsible to provide management and the Audit Committee with independent and objective assurance and strategic direction to improve the effectiveness and efficiency of the organization's governance, risk management, and control processes. The CAE is also responsible to ensure all audit work is conducted and completed in accordance to the Institute of Internal Audit's (IIA) International Standards for the Professional Practice of Internal Auditing.

ALLETE is a well-positioned publicly held company that operates in a complex, dynamic, competitive, and regulated environment. Over past years, the organization has become engaged in nonregulated utility businesses in the water and renewable energy spaces in addition to its core regulated business as an electric utility and other business investments outside of the utility realm that include sales and product supply businesses with distribution centers and inventory and supply chain challenges. The CAE will assist the Audit Committee and the utility leadership team to continue its history of successful pursuits outside the core business as well as supporting the core business objectives. ALLETE does not seek candidates that prefer an audit role as a confrontational enforcer. Rather, the organization seeks candidates that are inspired by the opportunity to maintain audit objectives while performing as a key member of the leadership team and approaching the audit objective preemptively and proactively by assisting the leadership team to accomplish its strategies and objectives. Candidates that offer proven experience obtaining such a balance may have an advantage. Ideal candidates offer audit experience in both regulated and unregulated environments.

Over recent years, Enterprise Risk Management has become a lynchpin for decision making and strategy development and execution for ALLETE. The audit department of the company is no exception, utilizing risk management practices to align its own departmental strategies and to measure the importance and prioritization of its business recommendations. Ideal candidates will offer experience leading utility internal audit teams on projects that included relevant financial, operations, compliance, and technology risks. Candidates should anticipate a close working relationship with the Chief Risk Officer. The successful candidate will be expected to finalize and maintain a strategic plan for the audit team. Experience engaging in strategic plan development could be an additional advantage to candidates.

As with most companies, ALLETE is experiencing proper anxiety on the topic of cyber security. This resulted in development of a close partnership between audit and information technology personnel in recent years and the development of an information technology systems department within the audit department. Candidates are not expected to bring deeply technical information technology or systems experience, but should understand and demonstrate proper acumen toward

the crucial importance of a highly skilled information systems audit department. Audit experience in the cyber security or broader information systems category is desired.

Candidates should expect to offer a broad understanding of forensic accounting. Certification as a Certified Fraud Examiner is desired.

As a key member of the leadership team in direct contact with the Audit Committee, it is essential that candidates offer exemplary communication and relationship development skills as well as experience and comfort providing presentations on technical matters specific to accounting or broader business topics. Experience working directly with a board or committee of a governing body on all subject matter is desired. The successful candidate should expect a close working relationship with the Audit Committee. The group meets quarterly in an official capacity, yet maintains fully transparent communications in all directions to all stakeholders and may meet outside of quarterly meetings on a wide variety of related topics.

Experience hiring, developing and mentoring, and retaining a highly skilled team of audit personnel is also desired.

Minimal travel may be required to assist ALLETE with its subsidiary business operations.

## **REQUIREMENTS**

- Bachelor's degree in accounting, business, information systems, finance, economics, or related field.
- Must be a Certified Public Accountant (CPA).
- Must either have or be able to obtain and maintain a Certified Internal Auditor (CIA) certification.

Over ten (10) years directly related experience with preference given to applicants with breadth of experience and senior audit leadership roles in both regulated and non-regulated industries

## **ALLETE**

ALLETE (NYSE: ALE) is well-positioned as a reliable provider of competitively-priced energy in the upper Midwest, and invests in transmission infrastructure and other energy-centric businesses. ALLETE's Minnesota Power electric utility serves 145,000 residents, 16 municipalities and some of the nation's largest industrial customers. Other businesses include BNI Energy in North Dakota; ALLETE Clean Energy, a developer of energy projects with limited environmental impact; Superior Water, Light and Power in Superior, Wisconsin; U.S. Water Services, an integrated water management company in St. Michael, Minnesota; and ALLETE Renewable Resources, which operates and maintains wind generation facilities in North Dakota.

## **VISION AND VALUES**

**Our Shared Purpose** - ALLETE will be a leader in clean, safe, efficient and affordable energy products and services that fuel modern necessities and enrich quality of life. We are committed to providing exceptional customer value and superior shareholder returns. Through wise investments and strong partnerships, we will grow while answering the call to transform the nation's energy landscape.

**Our Shared Values** - ALLETE and its employees expect and embrace lifelong learning, creativity, diversity of perspectives, personal accountability and continuous improvement in all that we do. Our culture nourishes excellence through our shared values, which are lived every day.

ALLETE Strategy - What's essential for ALLETE to succeed?

- Grow profitably
- Diversify earnings
- Compete effectively
- Develop talent

#### **HELPFUL COMPANY LINKS**

[www.allete.com](http://www.allete.com)

[ALLETE Company Profile](#) – PDF

[Investor – Financial – Performance Information](#)

[2016 Annual Report](#) - PDF

#### **DULUTH, MINNESOTA LINKS**

[Official Visitor Guide](#)

[Wikipedia Site](#)

[City-Data.com Site](#)

[TripAdvisor Site](#)

#### **CONTACT**

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Senior Recruiter

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Scott A. Fry  
Managing Director

[sfry@mfpllc.us](mailto:sfry@mfpllc.us)

Mycoff, Fry & Prouse LLC  
(800) 525-9082

Resumes preferred in PDF format.

Applicants will be expected to fill out an EEOC form along with submittal of their resume.

(See below for benefits information and official job description)



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## STATEMENT OF JOB RESPONSIBILITIES

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**POSITION TITLE:** Chief Audit Executive  
**EEO Job Code:** A – Executive/Senior Level Officials and Managers/001  
**FLSA Status:** Exempt  
**SOC Job:** No Designation

**GENERAL PURPOSE:**

Provides executive leadership to the Company's internal audit function. Reports functionally to the Audit Committee of the Company's Board for Directors and administratively to the Chief Financial Officer (CFO). Is a key member of the CFO Staff, and works closely in partnership with senior management throughout the Company to assess the Company's processes for identifying and managing business risk. Responsible for providing management and the Audit Committee with independent, objective, assurance and strategic direction to improve the effectiveness and efficiency of the organization's governance, risk management and control processes.

Ensures all audit work is conducted and completed in accordance to the Institute of Internal Audit's (IIA) International Standards for the Professional Practice of Internal Auditing (Standards).

**JOB OBJECTIVES:**

*All of the following objectives have been designated as essential job functions.*

1. Establish direction and strategic vision of the internal audit department to ensuring stakeholder alignment and the achievement of organizational goals and objectives.
2. Maintain a quality assurance program to ensure all audit work is conducted and completed in accordance with the Institute of Internal Audit's (IIA) International Standards for the Professional Practice of Internal Auditing (Standards.)
3. Develop and implement an audit plan that aligns with the company's strategic objectives and key financial, operational, compliance and information technology risks.
4. Oversee the development and completion of risk-based audit programs for each engagement that clearly define the objective, scope and employ appropriate testing methodologies.
5. Lead quarterly presentations to the Audit Committee regarding the annual budget, audit plan, audit results, staffing requirements, and any proposed changes. Effectively respond to special tasks or projects requested by the Board of Directors, Audit Committee or management.
6. Ensure that controls over the development, maintenance, and operation of key electronic data processing systems are sufficient to result in the processing of accurate and complete data and that such data is adequately secured.
7. Assess and support the company's fraud risk management program and assist in the investigation of suspected fraudulent activities as needed.
8. Coordinate scope and coverage with the company's independent external auditors and other auditor groups.

9. Understand the requirements of the COSO (Committee of Sponsoring Organizations) Internal Control framework and the Sarbanes-Oxley Act (SOX) 404 and any related SEC pronouncements and assist in maintaining processes and functions to help ensure compliance.
10. Perform IT risk assessments including Cyber security including NERC CIP compliance, IT general computer controls supporting SOX compliance, System implementations, Data Privacy, and Governance Risk Controls (GRC) Technology.
11. Assess operating units' compliance with corporate standard operating procedures and other operating policies.
12. Oversee the hiring, training, motivation, and development of staff to ensure that internal audit recruiting identifies candidates with potential to progress, and the training of internal audit staff prepares them for rapid career development within the finance function or other areas of the company. Maintain a professional audit staff, including any external consulting resources, with sufficient knowledge, skills, industry and technical experience to effectively carry out the audit plan.
13. Participate as member of the company's disclosure committee and compliance management committee, and other special projects as requested.
14. Meet at regular intervals with the Chief Executive Officer to review internal control and audit issues and recommendations.
15. Maintain an external network of contacts to permit selective and continuous benchmarking of the company's internal control and audit practices.

### **WORKING RELATIONSHIPS:**

External: Affiliates, vendors, outside auditors, staff from potential acquisitions, customers, public utility commission, and attorneys.

Internal: All employees

### **HIRING GUIDELINES:**

#### **Education:**

- Bachelor's degree in accounting, business, information systems, finance, economics, or related field.
- Must be a Certified Public Accountant (CPA).
- Must either have or be able to obtain and maintain a Certified Internal Auditor (CIA) certification.

#### **Experience:**

- Over ten (10) years directly related experience with preference given to applicants with breadth of experience and audit leadership roles in both regulated and non-regulated industries. Experience in Enterprise Risk Management programs considered a plus. Must have experience in a senior leadership role.

#### **Requirements:**

- Strong communication skills required to refine and build strong executive relationships, present complex issues and alternatives to Company Management, and to the Audit Committee of the Board of Directors.

- Experience leading internal audit teams within the utilities industry covering relevant financial, operational, compliance and technology risks
- Position may be subject to assessment of skills, job match and/or aptitude.

**BENEFITS INFORMATION ON FOLLOWING PAGES**



Employees are ALLETE's greatest resource and reason for success. We offer a competitive package, called ALLETE>advantage that attracts, recognizes and retains high quality talent, aligns with strategic business objectives, supports Company values, and recognizes the shared responsibility between the individual and the Company.

### Your money

- Compensation
- Retirement
- Employee stock purchase plan
- Pre-tax reimbursement accounts
- Non-union flexible credits
- Life insurance/survivor benefits
- Credit unions

### Your health

- Medical
- Dental
- Long-term disability
- Long-term care
- Group accident insurance
- Employee resource program
- Health promotion program

### Your time

- Vacation
- Holidays
- Floating holidays
- Sick
- Other time off
  - Community engagement
  - Funeral leave
  - Jury duty
  - Military



### Your career

#### Our Culture

- Shared purpose, values and mission
- Community connections and service
- Employee recognition

#### Boundless opportunities

- Skills and experience development
- Multiple career tracks
- Leadership opportunities
- Diverse experiences

#### Professional development

- Training and educational development
- Tuition program
- Certifications and licenses
- Memberships and subscriptions
- Computer purchase program





Your Money	
Compensation	The Company offers a competitive market-based compensation program.
Retirement	The Company contributes up to 11% of pay, consisting of both a Company match and flat percentage allocation.
Employee Stock Purchase Plan	Employees can purchase common stock directly from ALLETE at 95% of the market price.
Pre-tax Reimbursement Accounts	Employees can use pre-tax salary deferrals to fund medical, dental, dependent, parking and bus pass benefits.
Life Insurance / Survivor Benefits	The Company provides life insurance in the amount of 2x annual salary. Employees may also purchase supplemental group term life, accidental death & dismemberment and whole life insurance with a long-term care rider, on themselves, spouses and dependents.
Non-Union Flexible Credits	To meet the individual needs of employees, the Company provides a flat 2% of salary for employees to use toward eligible benefits or taken as cash.
Credit Unions	Two local credit unions provide employees and their family members with personal financial services.

Your Health	
Medical	The Company offers a choice between two high deductible medical plan options; both plans offer employee and family coverage, cover preventive care at 100% and provide comprehensive medical and prescription coverage. The Company shares in the cost of premiums and employees are responsible for deductibles and out-of-pocket maximums.
Dental	The Company shares the cost of the dental plan which covers preventive care at 100% and generally covers 80% of other expenses, up to a \$1,000 maximum benefit.
Long-Term Disability	Company provided benefit with up to 70% pay replacement after the first year for eligible employees.
Long-Term Care	Voluntary employee purchased benefit.
Group Accident Insurance	Voluntary employee purchased benefit.
Employee Resource Program	A benefit that covers employees and their immediate family with free consultation and counseling.
Health Promotion Program	Provides resources and opportunities for employees that may enhance their ability to lead a healthier lifestyle. Includes \$1000 interest free loan, strider group activities, and exercise equipment at select Company sites.

Your Time	
Vacation	Vacation accrues based on years of service, ranging from 80 hours in first year, 120 hours in second year, and up to 200 hours in Year 20.
Holidays	Eight paid holidays per calendar year.
Floating Holidays	Four floating holidays per calendar year.
Sick Time	Uncapped sick time benefit for full-time employees.
Other Time Off - Community Engagement, Funeral Leave, Jury Duty, Military	Other paid time provided for miscellaneous events.

Your Career	
Tuition Reimbursement	ALLETE values self-development and life-long learning. Employees may receive up to \$5,250 per calendar year for tuition and course-related fees to pursue a certificate, diploma or degree.
Computer Purchase Plan	To assist in the education and training of its employees in today's changing and increasingly automated work, a tax free loan to purchase home computer equipment and software up to a maximum of \$3,000.
Service Awards	We recognize employees for service with the Company.
Severance	Employees whose positions have been eliminated and who have maintained satisfactory job performance, may be eligible for severance benefits.

This summary provides information based on regular, full-time employment with ALLETE, Minnesota Power, SWLP, and ALLETE Clean Energy. This is for education purposes and was prepared to summarize benefits in a readable format. It contains generalizations and informal information, rather than precise legal terms. It does not represent a contract between the Company and any employee or potential employee. It is provided as an overall general statement. Additional plan details, including Company affiliate participation and eligibility criteria, can be found in the Summary Plan Description (SPD) located in your Employee's Benefit Guide. Please ask your supervisor or Human Resources for actual policy and procedural language in addition to specific benefit plan provisions and documents. If there is any difference between the information in this summary and the provisions of the legal documents, the legal documents would be the final authority.