



Springfield Audit Trails

February 2010

President's Message

Larry L. Stone, CISA, CCP, CRPC

I am very happy to say that with the help of a great team, the Chapter has attained the much sought after Platinum Status. This award is given by the IIA to chapters that have achieved the Gold Status for 10 consecutive years.

Our Chapter first became Gold in 1987 as one of only 3 of 147 chapters in North America to achieve the coveted status. It is a real pleasure to be a part of this.

Who else would like to contribute some time and effort and be part of the IIA team? Please let me know.

It is always interesting, whether in training or otherwise, to hear what topics members would like to have. Please forward your interests to Denise Behl or Coleen Jordan.

While the next program year is a ways off, potential topics of interest should be made known early. Please keep in mind all topics may not be addressed in a given program year.

Seminar Article

Psychology for Ethics

Coleen Jordan, CIA, CPA

For February, the Springfield Chapter is delighted to join with the Central IIA Chapter and ISACA to present Dr. Christopher Bauer, a licensed psychologist, for a half-day session on Psychology for Ethics.

Dr. Bauer has over 25 years experience as a speaker, trainer, author and consultant. Although ethics and fun are not typically words found in the same sentence, Dr. Bauer's programs have long been delighting audiences as he presents a serious subject in an entertaining and amusing format. His keynotes and seminars are frequently billed as "Serious Ethics Programs That'll Make you Laugh!"

This session won't be a review of the ethics code, or case studies or case law. Instead it will be a unique program designed to help assure you and your organization that it is able to more easily "walk the talk" of great ethics. Often humorous and highly interactive, Dr. Bauer's program on ethics will point out risks we never knew we had and help determine what can be done right now to make sure those risks don't turn into costly legal and ethical problems.

Dr. Bauer will present ethics differently than you've ever experienced them. You will leave with ideas that are immediately applicable, and tools to reduce your risk for ethics problems while simultaneously reducing the risk of your colleagues, coworkers and your entire organization.

Between coaching, training, speaking and consulting, Dr. Bauer has worked with such varied clients as front-line workers, senior executives and all levels in between. Because of his unique contribution to the prevention of ethics problems, Dr. Bauer has been recognized with the Certified Fraud Specialist designation by the Association of Certified Fraud Specialists. The latest edition of his book, *Better Ethics NOW: How to Avoid the Ethics Disaster You Never Saw Coming*, is a business ethics Top Seller on Amazon.com.

You won't want to miss this program or the opportunity to meet Dr. Chris Bauer personally, especially at the bargain price of \$35 for members and \$50 for nonmembers. So meet us at the Northfield Center on Thursday, February 11 for lunch beginning at 11:15 a.m. followed by a four-hour training session with Dr. Bauer on Ethics from 12:15 – 4:30 p.m.

For additional information on Dr. Bauer or his programs, please visit his website at www.bauerethicsseminars.com. Dr. Bauer also publishes a free "Weekly Ethics Thought" that you can subscribe to at his website.

Door Prize Winners

Amy Lyons

\$25 Darden Restaurants -

Pat Burns

\$15 Panera - Cary Franks

February 11, 2010

Thursday, Northfield Center

- Seminar (11:15a): Ethics Psychology
- Presenter: Dr. Chris Bauer
- Members: \$35
- Non-members: \$50
- Reservations: By February 5
 - Springfield.IIA@ComCast.net
 - Staci Crane 558-4255
 - Denise Behl..... 558-6932

The Sack Lunches

Submitted by Cary Franks

I put my carry-on in the luggage compartment and sat down in my assigned seat. It was going to be a long flight. *"I'm glad I have a good book to read. Perhaps I will get a short nap,"* I thought.

Just before take-off, a line of soldiers came down the aisle and filled all the vacant seats, totally surrounding me. I decided to start a conversation. *"Where are you headed,"* I asked the soldier seated nearest to me.

"Petawawa. We'll be there for two weeks for special training, and then we're being deployed to Afghanistan."

After flying for about an hour, an announcement was made that sack lunches were available for five dollars. It would be several hours before we reached the east, and I quickly decided a lunch would help pass the time.

As I reached for my wallet, I overheard a soldier ask his buddy if he planned to buy lunch. *"No, that seems like a lot of money for just a sack lunch. Probably wouldn't be worth five bucks. I'll wait till we get to base."* His friend agreed.

I looked around at the other soldiers. None were buying lunch. I walked to the back of the plane and handed the flight attendant a fifty dollar bill. *"Take a lunch to all those soldiers."* She grabbed my arms and squeezed tightly. Her eyes wet with tears, she thanked me. *"My son was a soldier in Iraq; it's almost like you are doing it for him."*

Picking up ten sacks, she headed up the aisle to where the soldiers were seated. She stopped at my seat and asked, *"Which do you like best – beef or chicken?"*

"Chicken," I replied, wondering why she asked. She turned and went to the front of plane, returning a minute later with a dinner plate from first class. *"This is your thanks."*

After we finished eating, I went again to the back of the plane, heading for the rest room. A man stopped me. *"I saw what you did. I want to be part of it. Here, take this."* He handed me twenty-five dollars.

Soon after I returned to my seat, I saw the Flight Captain coming down the aisle, looking at the aisle numbers as he walked, I hoped he was not looking for me, but noticed he was looking at the numbers only on my side of the plane. When he got to my row he stopped, smiled, held out his hand, and said, *"I want to shake your hand."*

Quickly unfastening my seatbelt I stood and took the Captain's hand. With a booming voice he said, *"I was a soldier and I was a military pilot. Once, someone bought*

me a lunch. It was an act of kindness I never forgot. "I was embarrassed when applause was heard from all of the passengers."

Later I walked to the front of the plane so I could stretch my legs. A man who was seated about six rows in front of me reached out his hand, wanting to shake mine. He left another twenty-five dollars in my palm.

When we landed I gathered my belongings and started to deplane. Waiting just inside the airplane door was a man who stopped me, put something in my shirt pocket, turned, and walked away without saying a word. Another twenty-five dollars!

Upon entering the terminal, I saw the soldiers gathering for their trip to the base. I walked over to them and handed them seventy-five dollars. *"It will take you some time to reach the base. It will be about time for a sandwich. God Bless You."*

Ten young men left that flight feeling the love and respect of their fellow travelers. As I walked briskly to my car, I whispered a prayer for their safe return. These soldiers were giving their all for our country. I could only give them a couple of meals.

It seemed so little



A veteran is someone who, at one point in his life, wrote a blank check made payable to 'The United States of America' for an amount *"up to and including my life."*

That is Honor, and there are way too many people in this country who no longer understand it.



Steve Minder presenting our January 2010 seminar
(Picture by Cary Franks)

**Springfield IIA Chapter
2009-2010 PROGRAM SCHEDULE**

Date/Notes	Time (CPE)	Seminars	Cost of seminar includes lunch	
			Members	Non-Members
August 18, 2009 • <i>Secret Recipes Training Center</i>	8:30a-4:30p (7 hours)	American Recovery and Reinvestment Act (Government CPE) • Carol Kraus • Joan Small	\$35	\$45
September 16-17	8:30a-4:30p (14 hours)	IS Auditing: The First Step • Gordon Smith 	\$250	\$300
October 20	11:30a-4:30p (4 hours)	From Good to Great (Government CPE) • Rick Owens, State Farm Insurance 	\$35	\$50
November 17	8:30a-4:30p (8 hours)	Governance, Risk & Compliance (Government CPE) • Leslie Bryce, CAE for RuleSphere International Inc.	\$75	\$125
December 10		• No training scheduled		
January 21	11:30 – 4:30, (4 hours)	Using IIA Standards to Improve Internal Audit Activity • Steve Minder, YCN Group, LLC	\$50	\$75
February 11 • <i>Joint Session with Central IIA & ISACA</i>	11:15a-4:30p (4 hours)	Psychology for Ethics training • Chris Bauer • Central IIA – Joe Kantor • ISACA – Jared Ross	\$35	\$50
March 18	8:30a-4:30p (7 hours)	The Hunt for Fraud: Prevention and Detection Techniques • Al Marcella	\$75	\$125
April 15	11:30a-4:30p (4 hours)	Social Engineering – Hacking the Human Trust: Assess, report, and mitigate risks in your company • Paul Rozek	\$50	\$75
May 12 • <i>Student Day</i>	8:30a-noon (4 hours)	Power Excel Seminar: Cool secrets & tricks of Excel – 377 Excel Mysteries Solved • Mr. Excel	\$50 <u>Students:</u> \$25	\$75

Cancellations should be made at least 24 hours before the meeting to avoid a charge.
Meetings will be held at the **Northfield Center**, unless noted differently.

Why Do Brakes Squeal?

Tom Torbjornsen, www.aol.com

If your car brakes make a high-pitched squeal, it may be because the pad insulators, anti-rattle clips, or calipers are loose. The squeal you hear is the result of vibration of the brake pads. Brake squeal can be caused by: worn pads, glazed pads and rotors, broken anti rattle clips, lack of pad insulation or insulation shims, and incorrect rotor surface.

Worn Pads. A brake pad is comprised of steel backing with friction material attached to it. Application of the brakes produces hydraulic pressure that causes the brake pads (via brake calipers) to clamp down on the rotors (discs), creating friction. It is the friction of the pads that slows the vehicle. When the friction material on the pads wears down, it is time to change the pads.

Glazed Pads and Rotors. Brake squeal can also occur when calipers stick and keep the brake partially applied. When this happens, the pad is in constant contact with the rotor, producing excessive friction and heat, resulting in squealing brakes.

Broken Anti-Rattle Clips. The brake pad is loosely held in place on the caliper by pad stays. An additional part called an anti rattle clip is used to secure the pad so that it will not vibrate or rattle when the brake is applied. If anti rattle clips are worn, pad vibration will cause squealing.

Pad Insulation. Insulation shims are placed against the steel backing of the pad to insulate it from the brake caliper. This is necessary to prevent brake squeal. These shims eventually wear out. When the pads are replaced, either the shims must be replaced or silicone insulation gel must be applied to prevent squeal. If you had your front brakes replaced recently and they're squealing, take it back and make sure the shims were installed or gel was used.

Rotor Surface. When a brake job is performed, the rotors must be resurfaced to remove any glazing and return the surface to "true." First the rotor is machined to remove imperfection. Once the rotor face is true, a finish is applied to the rotor face to ensure proper break-in of the pads. If your pads were replaced without resurfacing the rotors, squealing and pedal pulsation will occur.

This Month in Chapter History

Lesslie Morgan, CIA, CPA, CGFM, CISA

January 2005 – Five Years Ago:

Stephen Kirk CIA, CGAP was the Chapter President and the monthly meeting was held at Northfield Center. The half-day seminar on "*Teamwork Makes a Difference...I'm Positive*" was presented by **Harry Hofer**, State Farm Insurance. The uniquely titled presentation provided members "cliff notes" of the two current bestsellers "*The Five Dysfunctions of a Team*" and "*How full is Your Bucket?*" Congratulations were extended to **Cary Franks MS, MIS**, who just retired after working for State government for more than a quarter century. Cary had been involved with our IIA Chapter since 1987, including a stint as President (2004-2005). Former Chapter President, **Mike Moody** (1997-1998) became Compliance Director at Northwestern University.

January 2000 – Ten Years Ago:

Rusti Cummings, CPA was the Chapter President. This month's meeting was held at the Northfield Center. There was a full-day seminar on "*Business Risk Assessment*" presented by **Ben Zemaitis, CPA, CIA**. Before retiring in March 1999, Ben was the Chief Internal Auditor for the Department of Revenue for 26 years. The after-diner speaker was **Connie Klutnick**, training supervisor at the Department of Revenue, who spoke on "*Communicating Effectively: How to Get People to Listen.*"

Our Chapter was one of the first in North America to receive the highest achievement called "**Gold Status**".

Larry Stone won a \$50 gift certificate from the IIA bookstore for the October attendance drawing, and **Robin Vota** was the winner of a \$50 certificate from White Oaks Mall in December.

January 1995 – Fifteen Years Ago:

Nancy Hilger, CPA was Chapter President. This month's meeting was held at the Best Western East. The speaker was **James F. Schlouch**, Performance Audit Director for the Auditor General's Office who spoke on "*Performance Auditing in the State of Illinois.*"

Guy Beggs and **Dorothy French** won the attendance recognition award, which was a free meal at a future meeting.

January 1990 – Twenty Years Ago:

Nita K. Wilson was Chapter President. This month's meeting was a breakfast at the Sheraton. There was a half-day seminar on "*Audit Report Writing*" presented by **Diana Hetherington, CPA**, Illinois Department of Revenue. Also, a video titled "*Information System: Auditing Issues Present and Future*" was provided based upon presentations made at the 1989 Information Systems Audit & Control Conference.

Dr. Al Marcella, CPA, COAP, CQA, CDP, CISA, Millikin University Tabor School of Business and Engineering, gave the after-dinner presentation on "*Auditors' Role in Testing a Disaster Recovery Plan.*"

January 1985 – Twenty-Five Years Ago:

Sandra K. King, CIA was the Chapter President. This month's meeting was at the Sheraton Inn. The pre-meeting seminar was titled "*Auditing in the Overseas Territories*," presented by **Dr. James Kent**, Senior Policy Analyst, Illinois House of Representatives. The after-dinner topic was "*Internal Auditing in the System Development Life Cycle*," presented by **Kenneth I. VanderWal**, Partner at Ernest & Whinney.

Special thanks went to members **Rudy Davenport** and **Dan Bedell** for monitoring the November CIA that was held at the Illinois Department of Commerce and Community Affairs in Springfield. **Pamela Dick** of the State Board of Education joined the chapter as a new member.

From the Editor

oag26@mail.state.il.us

You may recall that last October I had attended a retirement seminar by the State Retirement System (where our Chapter President **Larry Stone** is the Chief Internal Auditor). I took some notes that may be of interest but you should call SRS before doing anything:

1. **FIRST RETIREMENT CHECK.** The first retirement check takes 6-8 weeks and is directly deposited in your bank account.
2. **UNUSED DAYS.** Unused sick and vacation days can be added to your pension benefits or be used to retire early. If you want them counted towards your pension, you will need to pay 4% of your lump sum payout.
 - If you accumulate 261 sick/vacation days, and pay your 4% retirement contribution, you will earn another year of service.
 - For sick days earned during 1984-1997, and all vacation days, you will get paid.
 - You can also deposit your lump sum check into deferred compensation (call Deferred Comp 50 days before retiring).
3. **COLA.** A 3% cost of living adjustment (COLA) is paid on January 1 -- after one full year of retirement. That's why many people retire on December 31. If you took *early* retirement (which would be 6% less pension per year -- up to 3 years -- for a total of 18%), you will only receive the COLA after reaching age 60.
4. **DEDUCTIONS.** The following items will be deducted from your pension check: (1) any health insurance you are paying at time of retirement; (2) dental insurance; (3) federal income taxes (there is no State income tax on State pension); and (4) any

LESSONS LEARNED

- People are different.**
Not everyone is like you. Develop the ability to work with different types of people. It will make you more respected.

Continued next page

CHAPTER OFFICIALS

2009– 2010

OFFICERS

PRESIDENT	Larry L. Stone, CISA, CCP, CRPC LStone@srs.state.il.us	785-6972
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<ul style="list-style-type: none"> • Awards • Historian 	Shayne Clennon, CPA Amy Lyons Lesslie D. Morgan, CIA, CPA, CGFM, CISA	558-6562 558-6958 524-4094
GOVERNORS		
Term Expiring:		
<ul style="list-style-type: none"> • 2010 • 2010 • 2010 • 2011 • 2011 • 2011 • 2012 • 2012 • 2012 • 2012 	Stephen D. Kirk, CIA, CGAP Lesslie D. Morgan, CIA, CPA, CGFM, CISA Barbara Ringler, CPA Rusti Cummings, CPA Mohammed Ameen Dada, CGFM Carol Kraus, CPA Cary Franks, MS MIS Deanna J. Marvin, CIA, CGAP, CISA Bill Sampias, CISA, CFSA Doug Tinch, CIA, CPA, CISA, CISSP	782-4843 524-4094 524-7872 782-1003 785-0165 782-1925 496-2697 789-2500 785-5563 558-2074
PAST PRESIDENT		
<ul style="list-style-type: none"> • 2007-2009 	H. Jay Wagner, CIA, CISA	557-0035

The Board of Governors consists of all Officers, Governors, and the President(s) in the past two years who are chapter members.

RETIREMENT SEMINAR . . .continued

- optional life insurance that you choose to purchase.
5. **INSURANCE.** If you are receiving a State pension check, you are eligible for medical insurance coverage at the rate of 5% per year (or 100% after 20 years of State service). The State pays \$10,000 per year for each retired employee for Quality Care medical insurance.
 6. **HEALTH INSURANCE.** State HMOs primarily provide coverage in Illinois. If you plan to live outside of Illinois or travel frequently, call the HMO to ask as you may need to switch to Quality Care.
 7. **MEDICARE.** You must be at least age 65 to receive Medicare. Contact Social Security one year before retiring to ensure a smooth process.
 8. **FICA.** While working you pay 7.65% of your salary to Social Security and Medicare. Your employer pays an additional 7.65% (if you are self employed, you must pay the full 15.3%).
 9. **SOCIAL SECURITY ADMINISTRATION.** SSA began in the 1930's when life expectancy was age 56 and only 10% of the people lived to age 65 (now life expectancy has increased 20 years). All rules for SSA are made by Congress – SSA employees can not change them.
 10. **LIFE SAVINGS.** The average person should save enough to live in retirement for 25 years. That means each retiree must save 10% of gross salary a year, for at least 300% of final gross salary. Social Security will typically provide about 25% of income after retirement age (typically 65) and the State pension will provide about half the income.
 11. **SAVINGS RATE.** The personal savings rate in 1973 was 9%. By 2003, it had dropped to a negative two percent (-2%).
 12. **EXPENSES.** People need almost the same amount of income during retirement as when working because health care costs have been rising 3 times the rate of inflation, and also because retirees have considerable free time when they need to do something to stay mentally/physically active.
 13. **CAR.** Typically, it takes 40 years for a new car to cost as much as a home. For example, in 1970, a typical house in Springfield cost about \$25,000; now a car costs that much.
 14. **JOBS.** The average person today changes jobs 7 times in their lifetime. That number is increasing and today's children will change jobs 30 times in their lifetime (about once a year!).
 15. **LIFE INSURANCE.** It's cheaper to buy term insurance than whole life insurance and invest the remainder yourself. When your life/auto/home insurance company pays a "dividend" it's because they have charged you too much (i.e., they borrowed from you without paying you any interest), and are just returning your own money later. So it's not really a dividend.

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Psychology
for Ethics

