



Springfield Audit Trails

Platinum Chapter
&
First
Gold
Chapter

1978 - 2013

The Institute of Internal Auditors

January 2013

President's Message

The 2012 calendar year is coming to an end. Some of you may be required to report your Continuing Professional Education (CPE) hours to keep your IIA designations active. The deadline for reporting is December 31, 2012. CPE reporting is free for IIA members and is processed through the Certification Candidate Management System (CCMS).

The IIA is constantly evolving to serve our members and ensuring that we remain relevant now and in the future. The IIA publishes the "IA" Internal Auditor Magazine that is available online to all IIA members. In the December issue, there are many relevant topics that may interest you. One article is about Lean techniques. We all realize streamlined processes and principles can help internal audit minimize wasted time and effort while meeting the needs of its customers. This article incorporates that many internal audit professionals are under increasing pressure to deliver improved value to their organization against a background of fixed or reduced resources. An application of Lean techniques specially adapted for internal audit can help departments add or preserve value with less work. The use of Lean techniques can provide internal audit teams important value delivery improvement opportunities. For more information on Lean techniques take a few moments to read the December issue of the "IA" magazine. Other topics in the December issue include: [The Wall of Deceit \(Extended Version\)](#), [A Close Eye on Business Partners, Evaluating the Employee Security Awareness Program, Life After Audit](#), and [Changing the Face of Corporate Boards \(Extended Update Q&A\)](#).

Denise Behl, CIA

VACANCY Senior IT Auditor

Horace Mann is a multi-line insurance company and one of Springfield's top employers.

- Qualified applicants may apply online at www.horacemann.com. Select Career Opportunities, click on Home Office Opportunities, and follow instructions.
- The position requires 5-7 years of IT experience.

Training

Adding Value with Data Analytics & Continuous Monitoring

Amy Lyons, First Vice President

Needing to sharpen or refresh your analysis tools? Join us for an afternoon with Janet Beckman. Janet will guide us on how to use data analytics to change our relationship with management. Become a trusted advisor by using analysis tools to provide more valuable information, quantify exceptions, improve the bottom line, increase operational efficiency, test for fraud, and begin continuous monitoring efforts. This seminar provides information needed to understand how data analytics fit into audit plans and will help devise an approach for implementation.

Previously working as an external auditor with Deloitte and an internal auditor for Anheuser-Busch, Janet used ACL software to identify fraud, duplicate payments, and improve operations. Later she spent 6 years as a trainer and consultant for ACL Services where she helped auditors implement ACL into their audit plans and the use software effectively.

She is currently with Brown Smith Wallace in St. Louis as the Data Analysis Practice Leader and helps clients with consulting projects, develops continuous monitoring systems, and provides more valuable and efficient audits to their clients.

Register by January 11, 2013 with Secretary **Michelle Brown** by calling 524-7038 or by emailing her at Springfield.IIA@ComCast.net.

TRAINING
SEMINAR

January 17 @
12:30p-4:30p
Lunch at 11:30a

Janet Beckman

Adding Value with Data Analytics & Continuous Monitoring

4 Hours CPE

Northfield Center

Members: \$50
Non-Members:
\$75

Chapter History

5 Years Ago: January 2008

Jay Wagner, CIA, CISA, served as the President of our Chapter.

- Training. The chapter's training was held at the Northfield Center on January 17, 2008 about "*Ethics and Organizational Justice*" and was presented by Nejolla Korris. Despite the possibility of inclement weather, many members attended.
- SIAAB. The State Internal Audit Advisory Board (SIAAB) has issued new guidelines on continuing professional education (CPE) which incorporate key components of the GAO's Continuing Professional Education requirements.
- Member News. Three chapter members, who had passed the CIA or CGAP exam, received certificates from Chapter Vice President **Larry Stone** after **Deanna Marvin**, who had fallen on ice and injured herself, dropped off the certificates:
 - Chapter President **Jay Wagner**,
 - Awards committee chair **Cori Fuchs**, and
 - Chapter auditor **Morris Wooden**

10 Ten Years Ago: January 2003

Shelly Martin, CPA, served as the President of our Chapter.

- Training. A full-day seminar was held at Northfield Center. Al Marcella, Webster University presented "*Identity Theft: The Increasing Risk of Living Life in Cyber Communities*." Ed Carter, Attorney General's Office, spoke on "*Financial Crime*." During the afternoon session, **Teresa Snedigar**, IIA Representative spoke on the "*Benefits of IIA*" and "*Consulting in Auditing*."
- Retirements. The following Chapter members retired, nearly all of whom were Internal Audit Directors:
 - ✓ **Bob Schwarz**, Department of Central Management Services.
 - ✓ **Dan Bedell**, Department of Natural Resources.
 - ✓ **Mark Krell**, Department of Corrections.
 - ✓ **Don Bullerman**, Department of Veterans' Affairs.
 - ✓ **Nancy Hilger**, Department of Agriculture who announced their retirements.
 - ✓ **Greg Gilbert**, Department of Central Management Services.
- New Members. **Maryann Carney**, Springfield Clinic, **Matthew S. Dowland**, Springfield Clinic, **Diane Lutton**, Memorial Health System, and **Terry Rhodes** joined our Chapter.



15 Years Ago: January 1998

Michael J. Moody, CIA, CISA, served as the President of our Chapter.

- Training. This month's meeting was held at the Northfield Center. The full-day seminar speaker was Jeff Bender, CISA, Information Technology Manager, Coopers & Lybrand, LLP, who spoke on "*Electronic Commerce and Security*." The after-dinner speaker was Patrick Chesley, Assistant United States Attorney, who spoke on "*White Collar Crime*."
- Member News. The member profile this month was **Jane Kiel**, CPA, Director of Internal Audit, Memorial Health Systems.
- New Members. **Julie Boyce**, **Mike Constantino**, **James Comerford**, **Julie Moore**, **DeAnne Smith**, and **Jennifer Stinebaker** joined our Chapter.

20 Years Ago: January 1993

Randall W. Welch, CIA, CPA, served as the President of our Chapter.

- Training. A joint meeting was held with the EDP Auditors' Association where Dr. James Hansen presented a full-day seminar on the "*The Inroads of Microcomputer Technology on Mainframe Auditing: A Hands on Approach*." **Dr. Al Marcella**, CISA also presented "*New Topics for EDP Auditing in the 90's*."
 - Member News. **Randy Welch** was chairman of the audit committee and **Deanna Marvin** was the Treasurer.

25 Years Ago: January 1988

Bradley W. Hammond served as the President of our Chapter.

- Training. **Kevin Carhill**, CIA and **Dan Bedell**, CIA offered a pre-meeting seminar on "*CIA Exam Briefing*." Stephen Karabin of Continental Illinois National Bank of Chicago spoke on "*How to Determine the Importance of Audit Findings*."
- New Members. **Peggy Podlasek**, CPA, joined our Chapter.

30 Years Ago: January 1983

James R. Donkin served as the President of our Chapter.

- Training. **Ken Oleson**, District Director, presented the pre-meeting session at the Brass Rail restaurant. James Schacht, Acting Director, Illinois Department of Insurance, was the evening speaker.
- New Members. **Guy Beggs**, **Tim Dunkel**, and **Joe Heinzman** joined our Chapter.

7 Habits of Frugal People

www.cnnmoney.com

The book 7 Habits of Highly Effective People has sold over 15 million copies teaching people how to live a satisfying life. One of the prevailing themes of the book is that to change your life you need to change your attitude.

No one else is responsible for what happens to you, so you can either complain about the things you don't like or you can change them.

Not surprisingly, this directly relates to your finances. If you are tired of living paycheck to paycheck, you can use the habits of highly effective people to take control of your money and live a more frugal, and happier, lifestyle.

- 1. Be Proactive.** The first habit of highly effective people is to take responsibility for their own lives. **Regardless of how you were raised, you are able to choose your behavior now.** Being proactive means understanding that you are in control whereas being reactive means your environment is in control and you will find external sources to blame.
 - However most people forget that between the stimulus and the response is your freedom to choose your response, and one of the most important things you choose are your words. The language you use indicates how you see yourself.
 - You cannot take control of your finances until you make the commitment. Take a close look at your income and expenses to budget better.
 - If you explain to your friends how you are trying to live, they are less likely to pressure you to spend money – like one more round of drinks.
 - Listen to the reasons you give each time you make a purchase or decide not to save to see just how shallow many of those reasons are.
- 2. Begin with the End.** Those who achieve their goals are able to envision their end result despite the obstacles. **Highly effective people adhere to this habit based on the principle that all things are**

created twice, first in the mind and second in reality. If you don't visualize what you want then you are at risk of external circumstances influencing your life because you are not influencing it yourself.

- 3. First Things First.** Knowing why you are doing something is an effective motivator in helping you take out the mental creation.

- **Ask yourself which things you find most valuable and worthy. This is the skill you must develop.**

- You may not spend as much time as you should to managing your finances because there is always something more important, whether it is work or kids. However, if your finances are not under control, it will negatively impact every aspect of your life.

- It is easy to spend more than your budget when you are worried about catering a birthday party for your child or going out with friends. However if you recognize that you don't have to, then you will find you are more in control of your spending and budget.

- 4. Think Win-Win.** Most of us are taught to base our self-worth on comparisons to others and competition against our peers. **If we think we can only succeed if someone else has failed, we are always going to feel we are missing out and nothing is ever fair.** Thinking in a win-win mindset allows you to see mutual benefits from all of your interactions.

- As you aim to implement frugal principles and stick to a budget, you may think *'it's not fair'*. It's not fair that they get a new car or they get to go on a holiday and you

don't. However, take the time to realize that you are only seeing a small part of the finances of your friends who seem to *'have it all'*. And even though your best friend is taking that dream European holiday of yours, you will get there too if you manage your finances frugally.

- While your friends and family may seem to have a fuller lifestyle, you need to consider that it could be just a facade to cover their mountains of debt.

Office Attire Divides the Workplace

Dennis McCafferty www.BaselineMag.com
(Submitted by Cary Franks)

1. **See-Through Clothing** - 14% see this in the office but 91% of women say it is distracting.
2. **Tight Clothing** - 32% see this at work but 85% of women say it is distracting.
3. **Short Skirts** - 29% see this at work but 76% of senior managers say it is distracting.
4. **Bare Legs** - 49% see this at work but 72% of men say it is distracting.
5. **Spaghetti Straps** - 19% see this at work but 61% of junior managers say it is distracting.
6. **Tattoos** - 45% see it at work but 61% of those over age 50 say it is distracting.
7. **Men in Flip-Flops** - 13% see this at work but 55% of women say it is distracting.
8. **Men in Shorts** - 31% see this at work but 52% of women say it is distracting.
9. **Women in Flip-Flops** - 30% see this at work but 46% of senior managers say it is distracting.
10. **Golf-Course Wear** - 53% see this at work but 16% of junior managers say it is distracting.

**Springfield Chapter of the Institute of Internal Auditors
2012-2013 PROGRAM SCHEDULE**

Date	Speaker	Topic/Program	Hours	CPE	Members	Non-Members
9/27/12	Crowe Horwath	Single Audit Fundamentals - Overview	8:30 - 4:30	7 (Gov't)	\$100	\$125 Students: \$20
10/24/12 to 10/25/12	Various	Fall Government Auditing Conference	8:30 - 4:30	14 (Gov't)	\$55	\$55
11/16/12	Steve Morgan	A New Service Model: Auditor Roles in Government Performance Measurement	8:30 - 4:30	7 (Gov't)	\$100	\$125 Students: \$20
December 2012	N/a	No Training Planned				
01/17/13	Janet Beckman	Adding Value with Data Analytics & Continuous Monitoring	12:30 - 4:30	4	\$50	\$75 Students: \$20
02/19/13	Leita Hart-Fanta	Auditing for Fraud in the Government Environment and Ethics	8:30 - 4:30	7 (Gov't 5 hours)	\$100	\$125 Students: \$20
03/20/13	John Hall	High Impact Auditing: Practices that Pay, Risk Focused Internal Auditing	8:30 - 4:30	7	\$100	\$125 Students: \$20
04/19/13	Julie Kowalski	Effective Time Management Skills or Successful Project Management	8:30 - 4:30	7	\$100	\$125 Students: \$20
05/17/13	TBD	To be determined	TBD	TBD	TBD	TBD

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.

From the Editor

oag26@mail.state.il.us

Many of you had planned to go on trips to visit family and friends this Christmas, especially with children being on break. Some of you were planning to go within driving distance while others were thinking about going farther away. Let me know what you did as we closed out 2012. Merry Christmas!

For example, former Chapter President **Jay Wagner** and his wife **Catrina** went on a cruise with friends who were celebrating their 10th wedding anniversary at the same time that Jay and Katrina were celebrating their eighth wedding anniversary.



They went on the Oasis of the Seas, the largest cruise ship in the world, and visited the Bahamas, the U.S. Virgin Islands, and St. Maarten. Jay and Katrina are a lot more adventurous than we might realize - they went zip lining and surfing before catching up on much needed sleep!



Steve Morgan speaking at our November seminar (Picture by Cary Franks)

Retirement

Congratulations to **Gayla Rudd** on retiring from the Office of the Auditor General. Gayla was a senior compliance audit manager who joined the OAG 22 years ago after working for the Secretary of State's Office. Enjoy retirement!

CHAPTER OFFICIALS 2012– 2013

OFFICERS

PRESIDENT	Denise Behl, CIA DBehl@isbe.net	558-2910
<ul style="list-style-type: none"> Administration (CAP-ologist) Audit Nominating 	Larry L. Stone, CISA, CCP, CRPC Vacant Denise Behl, CIA Larry L. Stone, CISA, CCP, CRPC H. Jay Wagner, CIA, CISA	558-6546 558-2910 558-6546 557-5682
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Term Expiring:		
<ul style="list-style-type: none"> 2013 2013 2013 2014 2014 2014 2014 2015 2015 2015 2015 2015 2015 	Stephen D. Kirk, CIA, CGAP Lesslie D. Morgan, CIA, CPA, CGFM, CISA Barbara Ringler, CPA Rusti Cummings, CPA Mohammed Ameen Dada, CGFM H. Jay Wagner, CIA, CISA Cary Franks, MS MIS Deanna J. Marvin, CIA, CGAP, CISA Bill Sampias, CISA, CFSA Larry L. Stone, CISA, CCP, CRP Doug Tinch, CIA, CPA, CISA, CISSP	557-1258 524-4094 524-7872 558-3386 785-0165 557-5682 496-2697 789-2500 785-5563 558-6546 782-4843

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

Super Rich Hiding Money

www.bbc.com

The super-rich across the world have at least \$21 trillion hidden in secret tax havens, according to the study "The Price of Offshore Revisited" by James Henry, a former chief economist for McKinsey, who prepared the report for the Tax Justice Network. The figure is equivalent to the size of the US and Japanese economies combined.

- The \$21 trillion is actually a conservative figure and the true scale could be \$32 trillion.
- A trillion is 1,000 billion.
- Less than 100,000 people own about \$10 trillion of the wealth held offshore.
- His study dealt with financial wealth only and not other assets.
- Henry used data from the Bank of International Settlements, IMF, World Bank, and national governments.
- The super-rich move money around the globe and *"the lost tax revenues are large enough to make a significant difference to the finances of many countries."*

Super Size Meals

www.Wikipedia.com

(Suggested by Jim Dahlquist)

Supersizing was the idea of David Wallerstein, a McDonald's executive who worked for a chain of movie theaters in the 1950s. While at the theaters, Wallerstein was tasked with boosting sales of snacks. He discovered that it was difficult to persuade customers to purchase more than one.

Although McDonald's was initially skeptical of Wallerstein's proposal to supersize McDonald's meals (believing that people who wanted more fries would buy two bags), it eventually agreed to try Wallerstein's idea. The idea was such a success that it led to the program being rolled out in the 1990's throughout McDonald's restaurants.

Super Computers

www.cnn.com

A new era in computing is coming which will have machines performing 1,000 times faster than today's most powerful supercomputers.

- Today, the fastest supercomputers perform in excess of one quadrillion (or a million billion) operations per second.
- The current fastest computer contains 88,128 processors and is made up of 864 refrigerator-sized cabinets.
- Physically, the next generation's exascale computer won't be bigger ("exa" stands for quintillion, i.e., performs as many operations as 50 million laptops) but the number of processors will rise to potentially 100 million from the current 88,128.

Dimitrios Nikolopoulos, professor at the School of Electronics at Queen's University of Belfast, UK says the computer will use too much power: *"The current projections suggest that power consumption of exascale computers will be 100 megawatts. It's impossible to build a suitable facility and have enough power."*

Springfield Chapter
The Institute of Internal Auditors
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Adding Value with Data Analytics
& Continuous Monitoring

