



June/July 2009

## A Message from the President

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Institute of Internal Auditors  
San Gabriel Valley Chapter

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June marks the beginning of a new fiscal year for the San Gabriel Valley Chapter and my opportunity, as President, to publish my inaugural message. With the change in the year, comes the transitioning of the Board of Governors, Officers and Committee Chairs, establishment of annual goals and planning for an event filled year.

However, before looking ahead, I would be remiss not to thank all those chapter leaders who volunteered countless hours to make the 2008-2009 year a success.

Congratulations to Nancy Neville and her leadership team who made "Gold" by November 2008. I believe that our Chapter's success is ultimately measured by the strength of its volunteers. I have no

doubt that the newly elected chapter leaders will continue this wonderful momentum in 2009-2010.

During June we began laying the groundwork for planning the forthcoming year. The annual survey was distributed to our members earlier this month. These survey results primarily provide insight on the 2009-2010 programming topics you consider most beneficial. I would strongly encourage every SGV Chapter member to complete the survey by the June 22, 2009 deadline so we can serve you better.

Our Board of Governors, Officers and Committee Chairs met on June 11, 2009, for our first board meeting of the year.

The meeting was focused on refreshing our understanding on chapter governance and

transitioning roles and responsibilities.

It was wonderful welcoming back returning chapter leaders as well as new leaders. Volunteering, as a chapter leader, is a great way of sharing your talents, networking with your colleagues and contributing to a common goal –The growth of the SGV Chapter.

To our members please stayed tuned for seminar announcements, the return of our monthly luncheon meetings in September and planning for the Chapter's 25<sup>th</sup> Anniversary celebration.

*Laurice Balian*

*President*

*2009-2010*

## Name our Newsletter - Your Vote Counts!

As you can see we need a name for our newsletter. We received some suggestions for our newsletter and we want to select a name that best represents our membership. **Your vote counts**, please vote for one of the following names, or have an email write in campaign to select a different

name that best reflects SGV Chapter. The following were the suggestions received by our members:

- ◆ Inquiring Minds
- ◆ Internal Scoop
- ◆ The Bottom Line
- ◆ The Buzz

- ◆ Audit Times
- ◆ Audit Gazette
- ◆ Trend Setters
- ◆ The Point

The newsletter name with the most votes wins. So send your suggestions to [queryist@mac.com](mailto:queryist@mac.com).

## A Message from Outgoing Board Chair

### Positioning for a New Year of Furthering the Profession



Although hard to believe, my term as chairman is ending in less than one month. What an incredible once-in-a-lifetime experience this has been! I have always been impressed with the caliber of our volunteers and staff — but now I stand in awe of the hard work and dedication of professionals all around the globe, committed to moving our profession and our Institute forward. I have been honored and blessed to have had the opportunity to serve as your chairman for 2008–2009.

Since becoming senior vice chair, I have visited 39

chapters and institutes in 16 countries. I have met with internal audit leaders at major corporations as well as those who have small shops, listening to their challenges and learning from their insights. I met with government officials and regulators eager to hear about The IIA's strategies and the evolving role of internal auditing, and with institute leaders anxious to discuss - and sometimes debate - the best path forward and the most appropriate tactics to achieve our shared vision.

There have been good times and sad times, but I end this sometimes-emotional roller coaster on the upswing. I have absolute faith in the opportunity we have before us - to demonstrate the value of internal auditing by helping our governing bodies and management wrestle with governance, risk

management, and control issues during a crisis, and to incorporate governance that has eroded stakeholder confidence and our economy.

During the membership meeting in Johannesburg, South Africa this month, I will turn over the reins of chairman to Rod Winters. We could not ask for a better leader. Rod is a consummate professional who is well-versed in the effective delivery of internal audit services that add value to an organization, a smart and strategic thinker, and an articulate spokesperson for The IIA and for our profession. Richard Chambers, our president, in four short months has demonstrated his calm, direct, and reasoned leadership through a challenging headquarters

restructuring, while still bringing new ideas to enhance the quality of services and the reach of The IIA. The combined leadership of Rod as our chairman and Richard as our President gives me great comfort that during the next year, there will be strong hands on the tiller as we navigate the remaining rough economic waters and work to advance our strategic plan.

Furthermore, our new headquarters restructuring into global operations, North American operations, and shared services divisions will enable better, more efficient, and cost effective support for our global activities such as certification, professional practices, and institute support, as well as for our North American activities including seminars and conferences. And as our



## A Message from Outgoing Board Chair

strategic plan activities forge ahead, key task forces have brought forward innovative ideas, including recommendations for a new board structure, governance model, and value proposition for internal auditing. Our computer-based certification process has stabilized, and a new International Professional Practices Framework was released in January. We continue to make inroads in spreading our vision for the profession and gaining credibility through top notch research, cooperative activities with other professional bodies, new university internal audit programs, and advocacy to key stakeholders around the world.

The Global Council meeting in Johannesburg on May 10, just prior to the International Conference, brought together leaders from around the world to learn, consider, discuss, and debate strategic plan task force recommendations so that we can leverage the power of our global leaders in determining the right path for The IIA and internal auditing.

When I selected my theme

for the year — Recognized. Trusted. Valued. - I could not imagine the challenges we would face or the relevance of these words to our evolving role. *We can* and *should* move beyond compliance auditing. *We can* and *should* have a "seat at the table." *We can* and *should* provide leadership on controls and governance and risk management. How? Get proactive. Reach out to the board. Reach out to executive management. Share perspectives on the unprecedented risks facing organizations and come prepared with ideas to succeed. Live up to our Code of Ethics, embrace our *Standards*, and seek a professional certification. Our path to being universally recognized as a profession depends on each of us living up to our professional responsibilities, as well as on The IIA providing us the professional principles, knowledge, and tools to succeed. I look forward to continuing on our path to professionalism, and to supporting The Institute on the Executive Committee as past chairman.

I'd like to close by recognizing and thanking the members of my Executive

Committee. No chairman could have asked for a better team. My personal thank you to Rod Winters, senior vice chairman; Guenther Meggeneder, vice chairman—professional services; Naohiro Mouri, vice chairman—professional development; Rob Newsome, vice chairman – professional practices; Paul Sobel, vice chairman—research; Anne Mercer, treasurer; Phil Tarling, secretary; Gerry Cox and Steve Goepfert, past chairmen; Dave Richards and then Richard Chambers, president.

Thank you all for your wise counsel, intellectual engagement, full support, professional commitment, and ready ability to laugh - even when it was at my expense!

*Warmest Regards,*

*Patricia K. Miller*

## Upcoming Events

**June 24, 2009**  
11:30 – 1:00, Pasadena's  
Women's Club  
*Operational Auditing*

Join us at our last meeting before summer break to hear Frederick Nandy from SCE talk about Operational Auditing. For more information visit [SGV Chapter website](#).

**July 20 & 21, 2009**  
LA County Metro  
Headquarters  
*Performance Auditing*

2 day course on government performance auditing. For more information on this event contact [patels@metro.net](mailto:patels@metro.net).

**July 18, July 25 & Aug 1, 2009**  
Caltech Avery Library  
*CIA Review Course*

Get ready to take the CIA exam with Ron LaPlante. For more information visit our website.

**August 24 - 26, 2009**  
Coronado Bay Resort,  
San Diego  
*Internal Audit Solutions for Tough Times*

The Governance, Risk & Compliance Conference has been revamped to make it the right conference at the right time for auditors who want to make a difference in their organization. Visit [IIA Training Website](#) for more information.

**September 19 – 22, 2010**  
Disneyland Hotel &  
Conference Center  
*2010 IIA Western Regional Conference*

Save the date for this multi-day, multi-track regional conference. It will provide training to auditor's on hot topics and emerging issues. For more information visit [www.2010wrc.com](http://www.2010wrc.com)



# Chapter Business

## May Meeting

by *Monica Raffety*

If you missed our May meeting, you missed Norliss Evans and Wincy Ng from Ernst & Young providing valuable insight on how you as an individual auditor can adapt and grow in this challenging and changing environment. 45 people attended the May meeting and heard them share the results of the Annual Global Internal Audit survey that focused on

internal audit challenges, critical areas of focus and improvement, expectations from Audit Committees and what are the characteristics of best-in-class audit functions. Whether you were a Chief Audit Executive or a staff auditor, their presentation provided useful information.

## June Meeting

by *Sangeeta Patel*

Why spend your

Wednesday in Pasadena - well June 24th Frederick Nandy from SCE will be presenting Operational Auditing at the Women's Club. He has over 30 years experience in internal audit, research and development, nuclear power plant construction and project management. He currently manages Operational Audits and Consulting for SCE.

Operational Auditing is a current hot topic for internal auditors. Frederick Nandy brings a lot of experience on this topic to this meeting, so come listen and gain a greater insight on operational auditing and how it can help you as an auditor. Join us at our last meeting before summer break on this highly relevant topic.

## Let Your Voice Be Heard

### SGV Chapter Survey is OUT!

by *Susan Egerman*

Watch your email inbox this month for the SGV Chapter's Survey. We want to hear from you so that we can make the upcoming year



more effective for our members. The survey should only take 15 minutes. It covers topics such as interesting programs, topics you would like the newsletter to cover, as well as other ideas that SGV Chapter can help its

membership.

In the past, we have used the information you provided as a starting point for program planning and menu selection. Your voice is important. Let it be heard because you can make a difference

In the past, we have used the information to plan speakers for the upcoming year and set the menu. Results of the survey will be published in September's newsletter.

### *I put a dollar in one of those change machines. Nothing changed.*

- *George Carlin*

- *George Carlin*

## April 2009 CAP Report

by *Rey Bejerano & Josie Encarnacion*

Our April CAP report continues to accumulate points which reflect our Chapter's commitment to provide services to our members.

We achieved Gold status halfway through the fiscal year and we were the first chapter in the

District to reach gold status in FY08/09. The points we have accumulated as of 4/30/09 in each of the categories is as follows:

Service to Members	2,387
Service to Profession	554
Chapter Admin.	245
Total CAP Pts	3,186

April 2009 activities include the regular monthly meeting which at

73 attendees had the largest member attendance for the year.

Also, 2 members, Ruthe Holden and Sangeeta Patel, attended leadership conference in Florida.



# Learning Opportunities

## 2 Day Seminar 7/20 & 7/21

by *Sangeeta Patel*

Come listen to Stuart Grifel from Epstein & Fass Associates speak about Auditing Performance Management and Assessing Data Reliability.

More auditors rely on computer processed data to complete their audit objectives or to support their findings. Therefore, the reliability of that data is increasingly important.

## CIA Review Course 7/18, 7/25 & 8/1

by *Yong San*

Exciting news! The Chapter is hosting a CIA review course in July for members interested in becoming a CIA.

### Why a CIA?

In turbulent economic times, it is more important than ever for everyone to look for ways to distinguish themselves in the market place.

A CIA designation is the only globally recognized certification for internal auditors. Obtaining a CIA certification helps to differentiate yourself from your peers and is highly valued by

In addition, performance management has become a hot topic item for auditors. Inadequate, contracts, performance oversight and controls can cost companies millions of dollars or significant delays in high priority projects.

Learn different forms of performance management systems involving performance feedback cycles and how levels of implementation can vary.

both internal and external customers. Passing the CIA exam demonstrates your proficiency and professionalism in internal auditing and enhances your professional image.

### Why a Review Course?

It helps you to better prepare for the exam! The SGV Chapter sponsored review course is led by a very experienced instructor, Ronald LaPlante. Ron has previously successfully taught review courses for Chapter members. Ron is a CIA, CFSA, CPA, CMA, CRM, CFE, CrFA, and has been

Examine as a part of an audit:

- ◆ relevance & reliability of performance information
- ◆ integrity and controls of underlying support systems
- ◆ use of information in parts of the larger system or through performance cycles

This is your early notice to save the dates. Our training sessions normally

a self-employed live instructor for the past ten years. Ron has 20 years of public and private accounting and audit work experience. He began offering the CIA review classes in 2000 and has performed review courses for IIA chapters in Torrance, Pasadena, Fullerton, Long Beach, San Francisco, Concord, Phoenix and Providence, Rhode Island. His previous courses have had a 70% pass rate. Three of his students were Smith Award winners, holders of the top 35 exam scores in the world! Ron was an

sell out. As a service to our members, we will advertise to SGV Chapter members 2 weeks prior to posting this training on our website.

SGV Chapter is holding this 2 day training seminar at the Metropolitan Water District building.

This is a 16 hour CPE training priced at only \$110 for members, \$100 per person for groups of 10 or more, \$120 for non-members.

accounting instructor in the PhD program at Florida Atlantic University and has also conducted CPA and CMA review classes.

Details of class times, topics, and pricing are available on SGV Chapter's website.

If you are planning to or are in process of sitting for the CIA exams, hurry and don't miss this great opportunity to be more prepared for your next CIA exam!"



## Welcome New Members



by Rey Bejerano

I would like to introduce a new member, Bienvenido "Ben" Ferrer, to the IIA San Gabriel Valley Chapter. Ben attended our May

Chapter meeting based upon an invite from me. He is a business consultant and has experience both with tax preparation and as an Accounting Manager. Ben has a CPA in the Philippines and graduated from Xavier University.

The Enron debacle and the recent economic crisis has increased the need for

internal "watchdogs" for the public, the company and the shareholders. This got Ben interested in the auditing profession and how best to meet the needs for transparency.

Ben is interested in networking with internal auditors and learning new things about the profession. Please make him welcome at our meetings.

*"To improve is to change;  
to be perfect is to change often."*

- Winston Churchill

*"It is not necessary to change. Survival is not mandatory."*

- W. Edwards

Deming



## IIA Introduces: Bridge Membership Program

The IIA's Bridge Membership Program is designed to serve members negatively impacted by the economy.

During a period of unemployment, members ability to network and stay abreast of changes within the profession is critical during their job search.

Those members who are currently up for renewal and have been members of the IIA for **2 or more** consecutive years may be eligible for this one-time, complimentary, limited membership.

Visit [www.theiia.org/current-members](http://www.theiia.org/current-members) to learn more about the program and to download the application.

Bridge Members are able to maintain their access to great member benefits, such as the IIA Career Center, and the [InternalAuditorOnline.org](http://InternalAuditorOnline.org)

## Job Opportunities

Beginning with our next published newsletter in September, San Gabriel Valley Chapter is planning on posting job opportunities for its members.

The posting will be free of charge. So if you or your employer is looking for auditors or you know someone who is, please send an email to [queryist@mac.com](mailto:queryist@mac.com).

We will post the job opportunities in the newsletter as well as on the San Gabriel Valley website.

As part of the job Opportunities posting, we would also like to do a brief article on the firm to introduce it to our members. Please send any job leads to [queryist@mac.com](mailto:queryist@mac.com) so that we can quickly get the information out to our members.

# A History of Our Chapter

by Rey Bejerano

On March 10, 1985, the San Gabriel Valley Chapter was born. Founding President, Wil Soelter met with a number of pioneer members at the Hungry Tiger Restaurant in West Covina for the inaugural meeting.

The topic was "Management's perception of Internal Auditors" and was presented by Mr. Louis J. D'Alvia. Over the years the chapter grew to its current membership of over 360 members.

From 2000 to 2003, changing times and dwindling membership caused the chapter to become dormant to the brink of closure. It was a difficult time for the Chapter, and concerns were expressed by both the District Representative at the time, Dave Curry, as well as the Los Angeles Chapter President. They suggested that someone needed to take charge of reviving the San Gabriel Valley Chapter.

On October 23, 2003, the Chapter resumed its chapter meeting with Rey Bejerano as its new President, Susan Eggerman as its CIA honoree and Don Mullinax as guest speaker. Regular monthly meetings resumed the following year, revitalizing the chapter.

A few years back, the late William "Bill" Bishop, IIA

Past President wrote in the November 2003 *The Leaders Link*, "San Gabriel Valley Chapter President, Rey Bejerano, who recently breathed new life into his struggling chapter, said "Leaders are rarely born. Opportunity can appear at the door of a potential leader, but an individual's persistence and intentions are key components to successful leadership."

The chapter has grown and prospered since then, and continues to advance its mission to support the internal auditing profession.

In the last 5 consecutive years, the chapter achieved gold status. This is important to note because achieving gold status requires strong, dedicated leadership and a continued chapter commitment to providing excellent service to its members.

SGV Chapter is proud of its accomplishments over the last 25 years and plans on celebrating this event throughout this year. The 25<sup>th</sup> Anniversary Committee is planning the March meeting to celebrate the 25<sup>th</sup> anniversary so all members can celebrate with us at the Women's Club.

We also are planning a tree planting event that will be held in coordination with the City of Pasadena to commemorate the 25<sup>th</sup> year anniversary of the chapter.

# Where in San Gabriel Valley?



## DESCANSO GARDENS

May's picture was taken of the bridge over the Koi Ponds in the Japanese Gardens.

If you have never visited Descanso Gardens, you have missed a real treat. Descanso Gardens is 150 acres purchased by E. Manchester Boddy, publisher of the *Los Angeles Daily News*, in 1937. Boddy named the estate Rancho del Descanso which means ranch of rest in Spanish.

Boddy planted thousands of camellias to provide blossoms for the cut-flower industry. Today, it is home to North America's largest camellia collection - more than 34,000 plants and 700 camellia varieties, growing on 20 acres. Descanso Gardens is located near the intersection of the 210 and 2 freeways in La Canada Flintridge.

For more information visit: [www.descansogardens.org](http://www.descansogardens.org).

## WHERE AM I IN JUNE?

The San Gabriel Valley is one of the principal valleys of southern California. It lies east of the city of Los Angeles, north of the Puente Hills, south of the San Gabriel Mountains, and west of the Inland Empire. It derives its name from the San Gabriel River that flows southward through the center of the valley. There are many historic and beautiful sites in this area.

This month's picture is taken of a much photographed and filmed building in Southern California. This building is very familiar to movie and television viewers. The phrase "the plane, the plane" is a good clue for June's picture. This site is also listed on the National Register of Historic Places. Can you identify where in San Gabriel Valley this picture was taken. The answer will be included in September's newsletter.

