The
Audit Scope

The Institute of Internal Auditors Topeka Chapter

Volume 25, Issue 7 **March 2012**

President's Message

Welcome to March Madness!

We have a lot going on this month. We have included the chapter picture that we submitted for the 70th Anniversary Campaign for the few of us (myself included) that aren't on Facebook. We had a great turnout on a beautiful day! Also included this month is information on the IIA International Conference in Boston.

As a reminder, the March meeting is the annual chapter meeting. In addition to having McGladrey present on the new SOC, we will vote on new officers and board members for the 2012-2013 year. The nominated positions are:

Candace Hapgood - Treasurer
Karen Begelfer – Board Member - 3 year term
Jenny Tryon – Board Member - 3 year term
Don Holland – Board Member - 3 year term

All other positions are being filled through the normal succession plan.

Also attached with this newsletter are proposed changes to the bylaws that we will vote on. The recommendation is to change the wording specifying the committees appointed by the President to be generic in nature so that future changes would not require by-law changes. The two Board appointed committees remain unchanged.

On April 10th Robert Mainardi will be presenting Top 5 Mistakes Audit Departments Make and Creating and Issuing High Impact Audit Reports. I have personally heard both of these presentations and both are excellent and provide valuable, usable information. Space for this seminar is limited so be sure to register early.

I look forward to seeing you at the March meeting.

Shannon Wagner
Topeka Chapter President

March Meeting

Date: Tuesday, March 6, 2012

Place: KDOT Auditorium 4A

Time: 11:30 a.m. – 1:00 p.m.

Menu: Baked Potato Bar
w/ Chili
Salad
Rolls
Brownie
Tea/Water

RSVP: By noon, Friday, March 2, 2012

Reservations: Richard McMullen
KDOT Office of Inspector General
E-mail: mcmullen@ksdot.org
785-296-5399
Hearing impaired – 711

Please let Richard know if you have any dietary needs or restrictions.

Registration:	**Member**	**Non-member**
Lunch & meeting	**$12**	**$17**

March Program

Topic: SOC Reporting: What is New in the Audit Guides?

Speaker: Nick Wedel, CISA, CISSP

Nick is a manager with McGladrey's technology risk advisory services group, based in Kansas City. He specializes in Service Organization Control (SOC) readiness reviews and audits, application and database security, network vulnerability and penetration testing, information technology (IT) governance and risk assessment.

The
Audit Scope

The Institute of Internal Auditors Topeka Chapter

Volume 25, Issue 7 **March 2012**

Nick has more than ten years of experience in the IT field, with eight years focused on IT security. His client work spans several industries, including advertising, gaming, healthcare and insurance, with deep expertise in the financial services arena.

IIA Chat

Name: **Candace Hapgood**

Employer and Position: **Federal Home Loan Bank of Topeka – Operations Risk Program Manager**

Time in this position: **3 years within Operations Risk at FHLB**

Education: **BBA in Finance and Management, CIA**

What was your first job?
I worked the summers at my dad's office as the secretary's secretary. Exciting I know!

What is your favorite food?
Tup Tim Thai – Sweet Sausage Fried Rice

What is your dream vacation?
Open ended trip to Europe – I don't think I could live there – but there's a LOT more I'd absolutely love to see.

What is your favorite TV show?
Current shows:
NCIS tops the list for drama
Happy Endings is up there for comedy

Old shows:
M.A.S.H - drama
Scrubs - comedy

Name one person (dead or living) you would like to meet.
This will sound really weird, but I'd like to meet Hitler. He had such an impact on the world, I'd like to ask him "What makes you tic?" Maybe get an idea of how he rationalized what he did.

What talent would you most like to have?
I'd have to say I wouldn't mind having a set of vocals that would make people melt – I love singing – just not sure everyone else does too. ☺

What book are you currently reading?
Attempting to get through 'The Girl with a Dragon Tattoo' – finding the time to read it has proven to be difficult.

What is your prized possession?
My family – I have a fantastic husband and a brilliant daughter (oh and a very loving puppy dog).

What do you try to avoid?
Unnecessary conflict and incredibly spicy food.

FYI

If you are interested in serving on a committee, please let one of the officers or board members know.

****

Several members of the Topeka Chapter IIA took part in the 70th Anniversary celebration of the IIA by joining in the "70 Around the World" photo campaign.

The
Audit Scope

The Institute of Internal Auditors Topeka Chapter

Volume 25, Issue 7 **March 2012**

IIA July 8 – 11 International Conference – Boston

Are you Boston Bound? The IIA's July 8 -11 International Conference in Boston is the premiere training opportunity of 2012. It offers 6 impactful keynote sessions, 77 educational sessions in 11 tracks, unforgettable social and networking events, and an opportunity to visit historic Boston.

Visit the official conference website, www.iia2012ic.org for all the details, including availability of new e-Brochure and Program-at-a-Glance.

The conference is offering an early registration discount of US $600 when you register **prior to February 29** and book a room at one of the official conference hotels.

As an added bonus, if you register prior to arriving at the 2012 Leadership Conference you will receive an exclusive Boston Bound button to wear during the event.

Planning for Changes from The IIA

Melissa Leonard
Gleim Chapter Coordinator

My message to all the chapter members this month is to commit yourself to your professional development in 2012. For those who have yet to pass the CIA exam, now is the perfect time to get started. You have most of 2012 ahead of you, and I know with the right study plan you can pass all parts of the CIA before the year's end. For those of you who are already CIAs, consider completing your Continuing Professional Education (CPE) early this year so you won't be rushing at the end of December.

With 2012 came some changes to both the CIA exam and the reporting of Continuing Professional Education for those already certified. Beginning January 1, 2012, The IIA reduced the number of non-scored questions on the CIA exam from 20 to 10, and as a result, the total questions (scored and non-scored) were reduced from 100 to 90. This change has no impact on the scoring of the exam as the non-scored questions are used to pre-test items and are not counted in the final score.

Furthermore, the total time allowed to complete the CIA exam has been reduced from 3 hours to 2 hours and 30 minutes. The reduction is a result of (1) reducing the number of questions to answer and (2) The IIA's removal of the tutorial. The tutorial is now available on The IIA website in all languages in which the exam is offered. As a CIA candidate, complete 20-question quizzes in 30 minutes so you will be prepared to appropriately budget your time on the actual exam.

Using the Gleim CIA Review System, these changes shouldn't affect you because you will have plenty of practice answering multiple-choice questions in an exam-like environment. With Gleim, you also receive access to a Personal Counselor who can provide assistance with your study plan and ensure you are able to manage your time effectively on exam day!

Chapter members who are already CIAs should be aware of the changes to CPE reporting. In late 2011, The IIA's Global Board approved the implementation of several key changes to the CPE reporting process. These changes became effective January 1, 2012, and will affect the CPE requirements, as well as the reporting period and process. Certified professionals will now report their CPE every year versus every other year. The IIA also changed the reporting date from May 31 to December 31.

As an active CIA, you will need to report 40 hours of CPE every year. Plan to complete 4 hours a month and you will avoid cramming lots of continuing education hours into the final months of 2012.

I would like to hear from you. How was your exam experience? Do you have any tips or advice to provide to fellow exam takers? What advantages of being certified have you experienced? Email Gleim at iiachapters@gleim.com mailto:iiachapters@gleim.com?subject=Gleim:%20IIA%20Chapter%20News with your questions.

The
Audit Scope

The Institute of Internal Auditors Topeka Chapter

Volume 25, Issue 7 **March 2012**

Remember, as a Topeka Chapter member, you will receive a discount on Gleim material. Gleim has been helping CIA candidates pass the CIA exam since 1980.

Melissa Leonard
Chapter Coordinator
melissa.leonard@gleim.com

Gleim Publications, Inc.
4201 NW 95TH Blvd.
Gainesville, FL 32606
800.874.5346 Ext. 131
Fax 352.375.6940

Hours: Mon-Fri 8am-7pm

Please visit our home page:
http://www.gleim.com

Chapter Website

Looking for a new job? Looking for current and past newsletters? Do you want to register for the monthly chapter meetings? Are you always looking for new resources for researching those best practices? If you answered "yes" to any of the above questions, then you should check out the Topeka IIA Chapter website at www.theiia.org/chapters/topeka. The website not only offers all of the features listed above, but it also allows our members to submit job postings, news, and events related to our local chapter and the internal audit profession.

Newsletter Articles

Please contact Shannon Wagner with any articles or suggestions for the newsletter. You may also know of special events (weddings, promotions, certifications, etc.) that you would like to put in the newsletter.
shannon.wagner@securitybenefit.com

****

Changes to Continuing Professional Education (CPE) Requirements and Reporting Processes to be Implemented in 2012

Do you hold one or more of the following certifications?

- CIA – Certified Internal Auditor
- CCSA – Certification in Control Self-Assessment
- CGAP – Certified Government Auditing Professional
- CFSA – Certified Financial Services Auditor
- CRMA – Certification in Risk Management

If you do, the Institute of Internal Auditors implemented changes to CPE requirements and reporting processes effective January 1, 2012.

The following was taken from the December 14, 2011 news release by the IIA.

On Tuesday, November 15, 2011, the Global Board approved the implementation of several key changes to the Continuing Professional Education (CPE) reporting process. The changes in the program align The IIA with industry best practices and will enhance the reporting experience for certified individuals.

The
Audit Scope

The Institute of Internal Auditors Topeka Chapter

Volume 25, Issue 7 **March 2012**

Effective January 1, 2012, changes to the reporting period, CPE requirements, and the reporting process will be implemented. The table below summarizes these changes.

Item	Effective 1/1/2012
Reporting Period	Reporting will now be done annually for all certified individuals. All candidates will be required to report every year versus every other year.
Reporting Date	The reporting date is changing from May 31st to December 31st.
Number of Hours Required for CIA	40 hours per year – if practicing 20 hours per year – if non-practicing 0 hours per year – if retired
Number of CPE Hours Required for CCSA, CFSA, CGAP, CRMA	20 hours per year – if practicing 10 hours per year – if non-practicing 0 hours per year – if retired
Specialty Certification CPE Requirements	25% of CPE hours earned must be in the specialty area of expertise.
Required Attestations at Time of CPE Reporting Submission	Performs internal audit services in accordance with the *Standards* To abide by The IIA Code of Ethics To not bring The IIA into disrepute Confirming no criminal convictions since last reporting period
Failure to Report CPE	Will result in an individual's certification status being moved to INACTIVE. The designation can no longer be used until the individual's CERTIFIED status in reinstated.
Reinstatement Policy	If INACTIVE greater than 12 months, to reinstate, candidate will need to report 80 hours of CPE and pay reinstatement fee of USD $100 member or USD $250 non-member.

The full list of changes as approved by the Board of Directors is available in The IIA's Administrative Directive Number 4: 2011. http://www.theiia.org/theiia/about-the-institute/mission/administrative-directives/index.cfm?c=509.

The
Audit Scope

The Institute of Internal Auditors Topeka Chapter

Volume 25, Issue 7 **March 2012**

What Do These Changes Mean for You?

The 2012 reporting year will be a transition year, bringing all certified individuals in line with the new CPE program. Candidates will need to report for a varied amount of CPE based on when they last reported. The table below indicates the reporting requirement for the December 31, 2012 deadline based on the certificant's ID number and last reporting cycle.

<table>
<tr><th>ID Number</th><th>Last Reporting Cycle</th><th>2012 Requirement</th><th>2013 Requirement</th></tr>
<tr><td>EVEN Number IDs</td><td>Last reported CPE in 2010 (for CPE earned in 2008 and 2009)</td><td>Report all CPE earned in 2010, 2011, and 2012 by December 31, 2012.

Minimum Hours to Report:
<table>
<tr><th></th><th>CIA</th><th>Specialty</th></tr>
<tr><td>Practicing</td><td>120</td><td>60</td></tr>
<tr><td>Non-Practicing</td><td>60</td><td>30</td></tr>
</table></td><td>Report all CPE earned in 2013 by December 31, 2013.

Minimum Hours to Report:
<table>
<tr><th></th><th>CIA</th><th>Specialty</th></tr>
<tr><td>Practicing</td><td>40</td><td>20</td></tr>
<tr><td>Non-Practicing</td><td>20</td><td>10</td></tr>
</table></td></tr>
<tr><td>ODD Number IDs</td><td>Last reported CPE in 2011 (for CPE earned in 2009 and 2010)</td><td>Report all CPE earned in 2011 and 2012 by December 31, 2012.

Minimum Hours to Report:
<table>
<tr><th></th><th>CIA</th><th>Specialty</th></tr>
<tr><td>Practicing</td><td>80</td><td>40</td></tr>
<tr><td>Non-Practicing</td><td>40</td><td>20</td></tr>
</table></td><td>Report all CPE earned in 2013 by December 31, 2013.

Minimum Hours to Report:
<table>
<tr><th></th><th>CIA</th><th>Specialty</th></tr>
<tr><td>Practicing</td><td>40</td><td>20</td></tr>
<tr><td>Non-Practicing</td><td>20</td><td>10</td></tr>
</table></td></tr>
</table>

Administrative Directive Number 4: 2011 references an annual CPE maintenance fee. Specifically it states:

> **Annual CPE Maintenance Fee**
> All certificants with a practicing or non-practicing status will be required to pay an annual CPE maintenance fee. Failure to submit the CPE maintenance fee by December 31st will result in the automatic change in certification status from certified to inactive. Certificants may request a Restoration to Active CIA Status when applying for restoration to active status candidate must report CPE hours via the CPE reporting form. Candidates will also be required to pay their annual CPE Maintenance fee.

The directive does not state the fee amount therefore I submitted a question to the IIA. The IIA's response to my question was provided by Kathy Lyons, Certification Administrator, The Institute of Internal Auditors, Global Headquarters. She stated: "The reporting deadline is December 31 each year. CPE reporting by IIA members is free; non-members must submit a US $100 processing fee with their report for the CIA designation and a US $25 fee with their report for any/all specialty certifications. IIA-certified professionals who fail to meet their CPE requirements by the reporting deadline will automatically be placed in inactive status and my not use their designation. This statement may be found at https://www.globaliia.org/certification/certified/Pages/CPE-Requirements.aspx.

The
Audit Scope

The Institute of Internal Auditors Topeka Chapter

Volume 25, Issue 7 March 2012

Chapter Objectives

Service To Members

- Education Objective: Offer over 20 hours per year of affordable CPE with more than 60% rated as excellent.
- Certification Objective: Two members become certified annually.
- Social Objective: Members get to know other members from different organizations.

Service To Profession

- Membership Objective: Increase active membership.
- Professional Development Objective: Hold 15 hours of seminar CPE annually.
- Academic Relations Objective: Promote the profession at Washburn University
- Government Relations Objective: Keep government membership.

Chapter Administration

- Leadership Development Objective: Have 1 or 2 officers attend the Leadership Conference.
- Chapter Finance Objective: Have our lunch meeting fees cover the meeting expense; make additional income from the seminars to fund other activities (Leadership Conference, WU scholarship, WU student night).
- Communication and Participation Objective: Send out monthly newsletter and update website

Topeka

CAP Summary

			As of:	**02/03/12**
Category	**Minimum for Bronze**	**Chapter Points (to Date)**	**% of Minimum**	**Balance to Minimum**
I. Service to Members	325.00	607.61	**187%**	Achieved!
II. Service to Profession	200.00	499.93	**250%**	Achieved!
III. Chapter Administration	160.00	219.00	**137%**	Achieved!
	685.00	**1,326.54**		
Total from Master Template:		**1,326.54**		
Current CAP Status:	**Silver**			
Targets:				
Bronze	685.00			
Silver	1,060.00			
Gold (Platinum)	1,560.00			

The
Audit Scope
Volume 25, Issue 7 **March 2012**

The Institute of Internal Auditors Topeka Chapter

Upcoming Local IIA Events

DATE	TIME	LOCATION*	Sponsoring Chapter
03/01/12	11:30-1:00	U.S. CoBank (Farm Credit Bank building), 245 N. Waco, Wichita www.theiia.org/wichita	Wichita – lunch meeting Topic: Social Engineering Speaker: Loras Even, RSM McGladrey, Inc.
03/01/12	7:30-12:00	Ritz Charles, Overland Park Member $80 Non-member $95 (4 CPEs) IIA Kansas City Chapter	Kansas City – seminar – Internal Audit: Maximizing Our Opportunities; The Importance of Brand Speaker: Larry Harrington, VP Internal Audit, Raytheon, Chairman of the IIA North American Board
03/06/12	11:30	KDOT	Topeka – lunch meeting
04/03/12	11:30	Westar	Topeka – lunch meeting
04/04/12		U.S. CoBank (Farm Credit Bank building), 245 N. Waco, Wichita www.theiia.org/wichita	Wichita – lunch meeting (student day) Topic: tbd Speaker: Kevin Mayeux, Chief Operating Officer, The Institute of Internal Auditors
04/05/12	9:00-2:00	Clubhouse on Baltimore – Downtown KC Member $80 Non-member $95 4 CPEs IIA Kansas City Chapter	Kansas City – seminar – Fraud – Lessons From the Trenches Speaker: Angela Morelock, Partner, BKD
04/10/12	8:00-5:00	Topeka	Topeka – seminar – Creating and Issuing High Impact Audit Reports & Top 5 Mistakes Audit Departments Make Speaker: Robert L. Mainardi
05/01/12	3:00	Celtic Fox, 118 SW 8th St., Topeka	Topeka – afternoon social/meeting

* Locations are subject to change.

The
Audit Scope
Volume 25, Issue 7 March 2012

The Institute of Internal Auditors Topeka Chapter

2011-2012 Officers and Board of Governors

2010-2011 Officers and Board of Governors

President	Shannon Wagner	Security Benefit
1st VP, Seminars	Tiffany Lake	Westar Energy
2nd VP Meetings	Julie Pennington	Legislative Division of Post Audit
Secretary	Chris Johnson	SRS
Treasurer	Crystal Perez	Capitol Federal Bank

Board Member	Ray Wheeler	FHLB Topeka
Board Member	Jeanne Slusher	Security Benefit
Board Member	Kyle Brewster	Stormont-Vail HealthCare
Board Member	Kathleen Heaney	FHLB Topeka
Board Member	Jay Davis	SRS
Board Member	Robert Knott	Capitol Federal Bank
Board Member	Candace Hapgood	FHLB Topeka
Board Member	John Gibbons	Office of the State Bank Commissioner
Board Member	Dana Shipley	Westar Energy
Board Member	Ken Abitz	Kansas Insurance Department
Board Member	Richard McMullen	KDOT
Board Member	Mark Zillinger	BCBS

Membership		
Academic Relations		
Government Relations		
Newsletter	Jeannie Macfee	Westar Energy
Seminars	Shannon Wagner	Security Benefit
Programs	Tiffany Lake	Westar Energy
Librarian	Nick Kramer	KHPA
CIA Program	Kathy Spain	Capitol Federal Savings
Audit Committee	Mary Hoover	SRS
Historian		
Directory	Julie Pennington	Legislative Division of Post Audit
Nominating	Dana Shipley	Westar Energy
Hospitality	Richard McMullen	KDOT
Web Site	Julie Pennington	Legislative Division of Post Audit
Certificates	Bob Stambaugh	BCBS