



IIA-Los Angeles *Chapter Newsletter*

2011-2012

January 2012

In This Issue

IIA-LA Lunch Recap

Internal Auditor in the Spotlight

CAP Count

Call for Volunteers

Our IIA-LA Chapter Officers

Hot Links

www.theiia.org

[IIA Certification](#)

[IIA Training](#)

[IIA Standards and Guidance](#)

[IIA International Conference 2012](#)
(Boston, MA)

[IIA-LA Chapter Job Postings](#)

[Audit Channel TV](#)

President's Message

Dear IIA-Los Angeles Chapter Members,

I hope that your New Year is off to a great start!

We are half way through our fiscal year and it is time that we shift into high gear in order to maintain our Gold status as a chapter. That is to say that we, members, must make an extra effort to attend more chapter events and meetings. If you have not yet attended a meeting this year, please note the upcoming events below and commit to attending. Our next event, **What Changes are Ahead for Your Bank**, is February 15th at the Los Angeles Athletic Club. **Click here to register.**

In March and April we will hold our annual **Risk Conference Series** and **Fraud Conference Series**. These all-time day events are a great way to earn required CPEs.

In June, we will host the **IIA North America West region District 4 Annual Educational Conference**. Details of the conference will be forthcoming in future newsletters.

In closing, I would like to thank you for your continued support of the Los Angeles Chapter; and I, as the new Interim IIA-LA President, look forward to seeing you at our the many exciting events we have planned for this Spring.

Best regards,

Larry C. Herzog Butler CIA, CPA
IIA Los Angeles, President

Upcoming Events

Mark your calendars for the following upcoming events presented by the IIA Los Angeles Chapter at the Los Angeles Athletic Club (LAAC):

February 15 - What Changes are Ahead for Your Bank?(1.5 CPEs)

March 14, 2012 - All Day Risk Conference Series (9.5 CPEs)

April 11, 2012 - All Day Fraud Conference Series (9.5 CPEs)

May 9, 2012 - Year-End Lunch Meeting and Officer Elections

The IIA International Conference

Get in the spirit of, "**Revolutionizing Internal Audit**," during The IIA's 2012 International Conference in Boston, Massachusetts, USA. Bringing together an anticipated 3,000 delegates for educational sessions and networking opportunities, the 2012 Conference's core focus will inspire and educate you while cultivating the future of the profession.



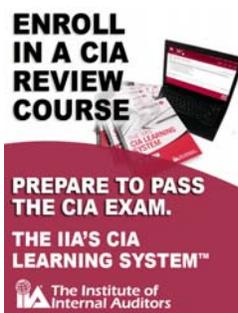
January 2012 Lunch Meeting Recap

Dorothy Cooperson, Finance and IT Consultant with **VACO**, spoke at the IIA-LA January event on "Data Mining Do's and Don'ts." The three "dos" were: 1) have a plan, 2) collaborate with other departments, 3) document everything. The "Don'ts" were: 1) don't use inexperienced staff, 2) don't overwork current staff, and 3) don't skip the most important step... you'll have to check out the presentation material available at our [website](#) for this third one.

The event was well attended. And, the Q&A session was very informative with several qualified people from the audience participating and adding to the conversation with their own experience and perspective.



The IIA's CIA Learning System



The IIA now offers premier quality CIA preparation materials. The IIA's CIA Learning System is an interactive print and Web-based program designed to provide comprehensive and flexible training to CIA candidates worldwide. This new program provides timely analysis of practical audit procedures found in today's global organizations and on the CIA exam.

For more information about The IIA's CIA Learning System, please call +1-877-442-2425 (+1-651-905-2670 outside of North America) or visit www.LearnCIA.com.

2011 IIA and ISACA Holiday Party Recap

Happy Holidays to all! In case you missed our Los Angeles IIA-ISACA Joint Holiday Party on Tuesday, December 13th, this was our third annual joint event with ISACA, which was held this year at the Monterey Hill Steakhouse in Monterey Park. The food was superb, the drink tickets wonderful, and the camaraderie was warm and delightful. In addition, wait for it, the raffle prizes were plentiful and everyone went home with

a small gift for the Holidays. Best wishes to everyone for a joyous Holiday and a Happy New Year. We look forward to seeing you next year!

For those who attended, CPE was also provided. The afternoon COBIT group session was presented by Peter Rosenzweig, of Ernst & Young, who spoke on Key Considerations in Implementing a Risk Management Program. Highlights include:

- The current approach to risk management is different from the traditional risk-to-process approach of the past. Management should look at their initiatives or strategic plan and take a Risk to Value Drivers or Risk to Performance view. After documenting their strategic level approach, management can then drill down into each of these value or performance drivers for the metrics related to those drivers, and ultimately the relationship between the risk to those drivers and the potential impact to the organization.
- One client that Peter worked with had a goal of doubling their revenue in 5 years. Using this risk management approach, the company realized that their competitive advantage was their rate of innovation. They also discovered that the risk associated with their rate of innovation was not just hiring smart creative people, but more specifically hiring and retaining smart creative people. This led the client to select a new research location that was attractive to employees and their families, as well as investing in a collaboration platform allowing employees to work remotely.
- When reviewing risks, be sure to differentiate between the condition or event itself, and how that condition or event impacts the organization.



The evening session was presented by Debbie Lew, Ernst & Young, and her associate, Michael Ruiz, on Leveraging Governance, Risk and Compliance (GRC) Technology to Enable Your Risk Management Program. Highlights include:

- An informal survey of the attendees yielded the most popular technology utilized for GRC in our respective organizations are Microsoft Excel and SharePoint.
- There is a Gartner survey as of July 2011 with a "Magic Quadrant" heat map showing the various best of breed technologies available for GRC.
- Suggestions from the attendees included a suggestion that those working with financial institutions go to a site called www.bits.org for information on risk assessment tools that cover operational risks including BASEL II. Note: Bits.org is the Technology Policy Division of the Financial Services Roundtable.
- Some advantages to utilizing GRC Technology include:
 - ◊ Handling regulations and increasingly complex risks
 - ◊ Reducing duplication of risk governance over process methods and infrastructure
 - ◊ Controlling "scope creep" with functions and expectations blurred across control units
 - ◊ Reducing costs and keeping up with business growth
 - ◊ GRC technology implementation challenges are like any project; you need to ensure you are clear on business requirements, user needs, user training, and executive support, etc., that factor into a vendor selection.

Both of these presentations have been provided to our chapter and can be downloaded from our member's only section.

Best wishes in the New Year!
Annette Christensen
VP Conference Series

Internal Auditor in the Spotlight

In each issue of our chapter newsletter, we will spotlight one of our members. This issue spotlights our VP of Membership and Registration, **Ellen Fassler**, President of Alliance Place, Inc.



Q: How did you become an internal auditor? *I entered the profession in the fall of 2002. Months prior, on July 30, 2002, Sarbanes-Oxley was enacted. I was recruited to the industry based on my IT background and ability to breakdown processes into COSO and COBIT frameworks. One of my mentors at Parson Consulting (now Kurt Salmon) was influential with the integrated framework initiating the Committee of Sponsoring Organizations of the Treadway Commission and their study of internal controls. That mentor later performed SOX work for Citibank, one of the most complex financial entities in the US. His thought leadership inspired me.*

Q: Any special skills or experiences you are proud of as an internal auditor? *I am proud of some specific internal audit projects that I help pioneer with FileNet (now IBM), Ingram Micro and Experian, because these were large complex multi-nationals. Each year I focused on minimizing the costs of compliance and streamlining controls by integrating the 5 key control components and the 3 control objectives across respective business units. Developing a systems of key*

performance measures, which served as an early warning system was extremely helpful. Careful planning, preparation, change management and design integrated within the documentation phase before control gap remediation and testing were essential to the positive outcome of each effort.

Q: What are your passions or hobbies outside of internal audit?

I love tennis, jogging, and keeping active athletically. A personal hobby is traveling within the US as well as in Europe and South America--next stop Brazil!

Q: Any word of advice to fellow internal auditors?

Don't just "rely" on software tools---processes, policies and procedures often change throughout the year within the business. Be objective, document and verify everything.

- 1) Review the reliability and integrity of financial and operating information and the means to identify, measure, classify and report such information.*
- 2) Review the systems established to ensure such compliance with those policies plans and procedures, laws and regulations, which could have a significant impact on operations and reports, and should determine whether the organization is in compliance.*
- 3) Review the means of safeguarding assets, as appropriate, verify the existence of such assets.*
- 4) Appraise the economy and efficiency with which resources are employed.*
- 5) Review operations or programs to ascertain whether results are consistent with established objectives and goals and whether the operations or programs are being carried out as planned.*
- 6) Execute on your charter and maintain independence-carry out your work freely and objectively!*

CAP Count

The Los Angeles Chapter is in its 8th year of being designated an IIA Gold Chapter. With two more years of achieving Gold status, we will become a Platinum Chapter. We ask that you take an active part in helping to make this happen. Here's what you can do....

- **Attend a chapter event (yes, we get points for members and non-member attendees)**
- **Obtain your CIA, CCSA, CFSA or CGAP designation**
- **Submit an article to the Internal Auditor (published or not)**
- **Submit an article to any other professional journal**
- **Speak at a chapter event**
- **Submit questions for IIA Certification Exams**

The Institute of Internal Auditors (The IIA) Chapter Achievement Program (CAP) is designed to recognize

activities that promote the strategic objectives of The IIA. This program provides minimum standards of performance, emphasizes the basic mission of the Chapter, encourages Chapters to perform that mission, and provides Chapters with a means to evaluate their success in accomplishing that mission.

A chapter must earn the minimum CAP points annually in each of the three service categories which are: 1) Service to Members; 2) Service to the Profession; 3) Chapter Administration.

If you've participated in CAP related activities or would like to help us earn CAP points, please reach out to the [VP Administration](#).

Call for Volunteers

The IIA-LA Chapter Wants You!

Some of the officers are looking for additional volunteers (IIA members) to fill positions within their designated committees. If you are interested or know other IIA members who would like to be involved with an organization that promotes the profession of Internal Auditing, please contact the appropriate Vice President by clicking their email address below. What you do today, will help to develop or enhance your skills to further your growth in the audit profession.



Our IIA-LA Chapter Officers

PRESIDENT

Larry C. Herzog Butler
president@theiia-la.org

VP CONFERENCE SERIES

Annette Christensen
vp-conference-series@theiia-la.org

VP PROFESSIONAL DEVELOPMENT

Raymond Lam
Norma ladevaia
vp-professional-development@theiia-la.org

VP IA LEGACY

Raymond Lam
Norma ladevaia
vp-internal-auditor-legacy@theiia-la.org

VP ADMINISTRATION

Mindy Chiang
vp-administration@theiia-la.org

VP FINANCE

Stephen Germain
vp-finance@theia-la.org

VP COMMUNICATIONS
Donald Baddorf
Larry C. Herzog Butler
vp-communications@theia-la.org

VP MEMBERSHIP
Ellen Fassler
Arnold Jenner Blanshard
vp-membership@theia-la.org

REGISTRATION
Ellen Fassler
Arnold Jenner Blanshard
Registration@theia-la.org



Thank you for reading this month's edition of the IIA - Los Angeles Chapter New sletter!

We hoped you enjoyed it and if you have any suggestions for improvement or would like to include material in subsequent issues (new s articles, Internal Auditor in the Spotlight, etc.), please reach out to our [Communications Committee](#).

[Forward email](#)



Try it FREE today.

This email was sent to donbaddorf@gmail.com by vp-communications@theia-la.org | [Update Profile/Email Address](#) | Instant removal with [SafeUnsubscribe™](#) | [Privacy Policy](#).

The Institute of Internal Auditors - Los Angeles Chapter | PO Box 811668 | Los Angeles | CA | 90081-1668