



# The Institute of Internal Auditors

Progress Through Sharing

## AUDIT VOICE

Northeast Ohio Chapter

January 2010

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2009-2010

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### Co-President's Message

Ah, winter in Northeast Ohio! The familiar sounds of coughing, sneezing, snow plows, and that "Umph!" when the shovel runs into an uneven spot in the driveway. These seasonal challenges –while real - pale in comparison to the need for jobs. Remember that our chapter offers a number of relevant benefits: networking with audit professionals (at and between meetings), information about job openings (this newsletter and web site), complementary attendance at regular meetings for members who are between jobs, a group for auditors in transition (between jobs). The "in transition" group, suggested and led by Jay Simon, started last month and has a lot of momentum. If you're interested in participating, contact one of the officers.

Speaking of meetings, we've had record registration for meetings this year! 160 auditors attended the January meeting where John Hall provided timely ideas for auditors to consult and add "bottom line" value to our companies. The February 8 meeting at the Federal Reserve is sold out, and there's a waiting list. Get ready for the 2010 John Carroll Symposium on March 4. The theme is "Back to Basics." Breaking with tradition, the CPA ethics training was offered at Cleveland State in November, so no ethics track at John Carroll this year. On April 5, our chapter will join forces with ISACA at the Holiday Inn for programs on Business Continuity Management and Disaster Recovery.

Then, we wrap up the business part of the chapter year with the Annual Meeting on May 3. If you're interested in serving as an officer or on the Board of Trustees, contact one of the officers. Why help? Why lead? Because it's your chapter. You can influence the programs and services provided. Because it's a low risk way to develop and practice leadership skills. Most of our meetings are held the same day as a chapter event. The other 2 or 3 meetings are at convenient locations and times, and they all involve food. Because serving the chapter is fun - really. You work with great people and form lasting friendships.

Next, it's time to prepare for the annual Golf Outing at Coppertop at Cherokee Hills – June 4 this year. (The hope of warm, sunny weather on a manicured fair way is what gets me through February in Ohio.) If you or your company would like to sponsor part of the event or has (golf balls, tees, etc.) to give away, please contact Mike Varney or Sue Schueller. We love our sponsors! The golf outing is a lot of fun whether you golf or not.

Finally, the obligatory pitch for Chapter Achievement Points (CAP). These points are important to us because they are an indication of the service that we provide to you the members as well as to the audit profession. The chapter receives CAP points when a member is a presenter at a function where the topic is the audit profession. If you or one of you staff has done such a presentation since the beginning of the chapter year (June 1, 2009), please get the information about that event (date, length in time and number of attendees) to one of the chapter officers so we can ensure that our chapter is given credit for the things we do.

So, stay warm and safe until spring! - Sue Schueller, Co-President



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**The Board of Governors of the Northeast Ohio IIA Chapter has approved a chapter sponsored "In Career Transition" Group for our members.**



During these challenging economic times, jobs are not plentiful. Too many are looking for too few opportunities. And the search can be a stressful, lonely, and emotional roller coaster. While we are aware that many of these groups exist, we wanted to reach out to you and offer our help.

We have not yet formulated a plan of meetings, time, frequency, and related logistics. To help in the planning process we would like your input as to how we can help and make the group a success.

Please contact Jay Simon at [jaymarksimon@gmail.com](mailto:jaymarksimon@gmail.com) with your thoughts as we develop a plan for the group.



# Northeast Ohio Institute of Internal Auditors

## Banker's Day/ Fraud Auditing and Detection and Loss Prevention Day

**(Joint Meeting - IOIA with the ACFE)**

**Monday, February 8th**

**7:30pm – 4:30pm**

**Federal Reserve Bank of Cleveland**

**1455 East 6th Street**

**Cleveland, Ohio 44114**

This year, we have planned for a full day of instruction that **will benefit our membership in the banking community, as well as those in all industries.** Our focus for the day will be to **gain more knowledge and hands-on techniques for detecting and identifying fraud, aiding loss prevention and internal auditing with deterrence in mind.**

This training day will also be a great opportunity to **learn about the Federal Reserve Bank's Internal Audit Department, their new Chief Auditor, Susan Steinbrick, and the current initiatives of Internal Audit at the Fed.**

**Registrants have the option of earning 8.0 CPEs by attending the full day event or earning 4.0 CPEs by attending a half day (morning or afternoon).**

Here is the schedule for the day: <b>7:30 – 8:10</b>	<b>Continental Breakfast and Registration</b>
<b>8:10 – 8:20</b>	<b>Introductions &amp; Welcomes</b>
<b>8:20 – 10:00</b>	<b>Session 1: Susan Steinbrick and Internal Audit Leadership Federal Reserve Bank of Cleveland</b>
<b>10:00-10:15</b>	<b>Break</b>
<b>10:15 – 11:55</b>	<b>Session 2: Dave Gordon and Steve Nelder – “Hands On” Auditing for Fraud Detection – Part 1</b>
<b>12:00 – 1:00</b>	<b>(Afternoon participants would join us at this time)</b> <b>Lunch with Keynote Speaker: Kenneth R. Beauchemin, Senior Research Economist, Federal Reserve Bank of Cleveland</b>
<b>1:00 – 2:40</b>	<b>Session 3: Dave Gordon and Steve Nelder – “Hands On” Auditing for Fraud Detection – Part 2</b>
<b>2:40-2:50</b>	<b>Break</b>
<b>2:50 – 4:30</b>	<b>Session 4: Doug Twining and Chris Feczko – Fraud Risk Mitigation: Managing the Evolving Threats of Bank Fraud</b>

## REGISTRATION INFORMATION

Session Cost: **Full Day Session** Members **\$85**

Non-members **\$100**

**Half Day Session** Members **\$55**

Non-members **\$60**

**Note: This event is sold out, but you can get on a wait list by contacting Mike Varney.**

**NOTE:** Registration is being handled by the Northeast Ohio Chapter of the IIA. Please utilize their registration methods.

**Online** - Go to [www.acteva.com/go/neoia](http://www.acteva.com/go/neoia)

**Cash & Checks** will be accepted at the door. **NO** credit card payments will be accepted at the door.

Make checks payable to the Northeast Ohio Chapter, Institute of Internal Auditors tax ID # 23-7405461.

**Pre-payments by check** should be mailed to: **Daniel J. Leo**, 4200 Westbrook Drive, Suite 206 Brooklyn, OH 44144

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**Register Early – Space is Limited!**

**Registration Deadline is MONDAY, FEBRUARY 1, 2009**

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### IMPORTANT ADMISSION INFORMATION

Due to **enhanced security** at the Federal Reserve, **all individuals must be pre-registered**. Walk-ins will not be granted access to the Federal Reserve building.

In order to be able to enter the Federal Reserve Bank for this seminar you will be **required to show security a valid photo I.D.** Please make sure the date on your I.D. is current. HINT... if your birthday is before February 8, 2010 your driver's license must be renewed to be valid.

Each individual entering the building will be subject to **electronic screening**. Therefore, any type of sharp object should be left behind. This includes fingernail clippers that have a swivel out nail file. Since packages are also subject to search, it may be beneficial to leave your brief case, backpack, or other items of this nature in your car or at your office. Generally, the same rules apply for entrance to the Federal Reserve that applies to airport screening.

Entrance for the seminar will be restricted to the **Superior Avenue entrance** of the bank, in the historic one story section of the building.

### Parking

Parking is not available in the Federal Reserve's parking Garage. There are several parking garages on the streets surrounding the bank. Lots can be found on Rockwell Avenue (both east and west of East 9th Street, St. Clair, Superior, East 9th and East 6th. There are also parking garages in the Gateway area (by Jacobs Field and Quicken Loans Arena) that are only a short walk away from the Bank.

## **Session Descriptions and Speaker Bios**

### **Session 1:**

#### **Susan Steinbrick and Internal Audit Leadership - Federal Reserve Bank of Cleveland**

##### **Susan Steinbrick, CPA, CISA**

Join us at the Federal Reserve Bank of Cleveland as our Internal Audit Team discusses risk based auditing in the Federal Reserve System. The discussion will include an overview of the Federal Reserve System and the Audit Department, our risk assessment methodology and annual audit planning. We will also highlight our collaborative approach for coordinating audit coverage across the 12 Federal Reserve districts.

**Susan Steinbrick is Vice President and General Auditor for the Federal Reserve Bank of Cleveland.** She is responsible for the strategic leadership and oversight of the Bank's Internal Audit function, which provides an independent evaluation of the adequacy, effectiveness, and efficiency of the Bank's control structures.

Prior to joining the Bank, Ms. Steinbrick held the position of Senior Vice President and Assistant General Auditor at KeyCorp. She had responsibility for all internal audit activities related to finance, treasury capital markets, administrative support, and corporate compliance functions, as well as, enterprise-wide model validation. Ms Steinbrick was also responsible for internal audit's professional practices function.

A native Clevelander, Ms. Steinbrick holds an MBA from Case Western Reserve University, a bachelor's degree from Lake Erie College, and a certificate of accountancy from John Carroll University. She is also a Certified Public Accountant (CPA), a Certified Information Systems Auditor (CISA), and a graduate of the Stonier Graduate School of Banking. In addition to her professional responsibilities, Ms. Steinbrick serves as a board member of the Bellflower Center for Prevention of Child Abuse.

### **Session 2:**

#### **Dave Gordon and Steve Nelder – “Hands On” Auditing for Fraud Detection – Part 1 “Where the Rubber Meets the Road”**

Fraud auditing and investigation sounds exciting, but the reality of it is that there can be a lot of pitfalls and roadblocks to completing successful investigations and obtaining information. Successful fraud-related audits and investigations are about obtaining information to support your case. One wrong step can lead to hours of wasted effort, overlooked fraud or a failed prosecution. These two sessions will focus on specific steps to ensure your fraud-related audits and investigations are a success. Examples will be shared on what to look for and where to look while investigating fraud.

**Dave Gordon, MBA, CIA, CISA, CFE** is the President and founder of MaxQualData. MaxQualData provides high-quality, low-cost internal audit, fraud investigation and IT security consulting services. Prior to establishing MaxQualData, Dave worked at Ernst & Young as a Technical Audit Manager. Additionally, he was the Manager of the IT Audit Department at University Hospitals Health System (Cleveland, Ohio) and served as the Assistant Vice President/Technical Audit Manager at FirstMerit Corporation. Dave has extensive experience in the financial, healthcare and manufacturing industries. He currently serves as the Treasurer of the NE Ohio Chapter of the Information Systems Audit and Control Association (ISACA) and the Vice President of the NE Ohio Chapter of the Institute of Internal Auditors (IIA). He has served as NE Ohio ISACA Chapter President as well as an international and national delegate to multiple ISACA leadership conferences. He has Accounting and MBA degrees from the University of Akron and possesses professional certifications as a Certified Information Systems Auditor (CISA), Certified Fraud Examiner (CFE) and Certified Internal Auditor (CIA).

Dave also serves on the Board of Directors for Big Brothers/Big Sisters of Summit and Medina Counties, the George W. Daverio School of Accountancy at The University of Akron and coaches youth baseball and basketball.

**Stephen M. Nelder, CPA, CFE**

As a former Sr. Manager of a "Big Four" accounting firm's Fraud & Forensics practice, and founding member of an investigative accounting boutique, Steve has specialized in the prevention and detection of white collar fraud. Steve is a Certified Public Accountant and Certified Fraud Examiner.

Throughout Steve's 20 plus years of combating occupational fraud and abuse, he has assisted his clients recover in excess of \$50 million in illicit funds as a result of his thorough and professional investigations.

**12:00 – 1:00: (Afternoon participants would join us at this time) Lunch with Keynote Speaker, Kenneth R. Beauchemin, Senior Research Economist, Federal Reserve Bank of Cleveland**

Kenneth Beauchemin is a senior research economist in the Research Department. His research focuses on quantitative macroeconomics, dynamic general equilibrium modeling, and associated econometric methods. Dr. Beauchemin holds a PhD in economics from the University of Iowa and an MA in economics from the University of Michigan.

**Session 3:**

**Dave Gordon and Steve Nelder – "Hands On" Auditing for Fraud Detection – Part 2**

**Session 4:**

**Fraud Risk Mitigation: Managing the Evolving Threats of Bank Fraud** This session will focus on a number of fraud risks that are ever changing. The presenters will talk about the importance of preventative controls and how the effective use of data can increase detection rates and recovery opportunities. Risks to be discussed include insider fraud, check fraud, deposit fraud, card data breaches and mortgage fraud.

**Doug Twining is the Director of Fraud Services at Key Bank.** Doug's teams are responsible for fraud detection and the management of fraud risks, including Deposit, Card, Loan, Mortgage and associated delivery channels. Doug has worked in banking for 17 years with National City, Washington Mutual and Key. He has spent the last nine years in fraud risk related management roles.

**Chris Feczko is a Vice President and Lead Investigator of PNC Bank.** A graduate of John Carroll University, Chris also earned his Juris Doctor from Cleveland-Marshall College of Law. Hired originally as an investigator with National City, Chris has moved on in management of investigations at the Bank and currently serves as Vice President and Lead Investigator managing nine investigators covering six states. Chris is also a member of the Metropolitan Crime Clinic and a graduate of the Reid School of Interview and Interrogation.

# **Eighth Annual Symposium on Information Systems Risks, Security & Assurance**

**Friday, February 26, 2010  
7:30 AM - 5:15 PM**

**Theme  
Systems Risk, Security and Assurance  
for the Changing Economic Environment**

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## **Hands-on Workshop**

### **XBRL: Emerging Issues Related to IFRS**

**Thursday, February 25, 2010  
1:00 PM - 5:30 PM**  
College of Business Administration  
The University of Akron

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Registration information is available on our website:

**<http://www3.uakron.edu/cba/cretisa/2010/index.htm>**

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#### **HOSTED BY**

Center for Research & Training in Information Security & Assurance  
The G. W. Daverio School of Accountancy  
College of Business Administration  
The University of Akron  
Akron, OH 44325-4802  
(330) 972-6230 (phone)  
(330) 972-8597 (fax)

#### **CPE CREDIT**

4 Credits (Thursday)  
8 Credits (Friday)  
12 Credits (Both Thursday & Friday)

## LOCATION

### **Four Points Sheraton Akron West**

[www.fourpointsakron.com](http://www.fourpointsakron.com)

3150 W. Market St.

Akron, OH 44333

Phone: (330) 869-9000

[Directions to Four Points Sheraton](#)

## SPONSORED BY

- Information Systems Audit & Control Association—Northeast Ohio Chapter
- Institute of Internal Auditors—Northeast Ohio Chapter (Pending)
- Institute of Management Accountants—Akron Chapter
- The Ohio Society of Certified Public Accountants
- Council of Smaller Enterprises (COSE) (Pending)
- American Accounting Association
  - Financial and Reporting Section
  - Ohio Region
  - Southwest Region
- The Beachwood Chamber of Commerce
- Northern Ohio Oracle Applications User Group

## WHO SHOULD ATTEND

This symposium is designed for persons with responsibilities and interest in information systems risk, security, assurance, and regulatory compliance. It is geared towards financial professionals who supervise information systems departments, information systems auditors, internal auditors, public accountants, CIOs, CFOs, attorneys, college professors, and members of professional organizations such as the AICPA, OSCP, IIA, IMA, FEI, and ISACA. Employees of local, state, and federal governments with responsibility for information systems security would also benefit from this symposium.

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## REGISTRATION DEADLINE

- Monday, February 15, 2010

## FEES

- **\$100 - Workshop, Thursday, February 25, 2010**  
Includes refreshments and workshop material
- **\$185 - Sessions, Friday, February 26, 2010**  
Includes continental breakfast, lunch, and refreshments during breaks
- **\$250 Both Days (Thursday and Friday)**
- A late fee of \$25 will be charged for registration after February 15.

## HOTEL RESERVATIONS

We have reserved a small block of rooms Four Points Sheraton at a nightly rate of \$69 plus tax for persons who make hotel reservations by **February 10, 2010**. Please call the hotel directly at (330) 869-9000.



## Working Smarter: Tactics to Increase Your Team's Efficiency

Is boosting productivity one of your New Year's resolutions? If so, now's the time to root out inefficient and outdated practices that no longer work. Use the following tips to help increase the quantity *and* quality of your team's output in 2010:

**Reevaluate routines.** All too frequently, tasks and procedures are hastily stitched together when a need arises, and that approach then becomes the "way it's done" regardless of how effective it is. Take the time to look under the hood and question the status quo, keeping a constant eye on working smarter.

Be on the lookout for common inefficiencies such as duplication of work and unwarranted layers of approval. Whenever possible, streamline and consolidate functions, making sure your top performers are tackling high-priority duties that contribute to the bottom line.

**Avoid meeting mania.** Meetings are often needed to accomplish key goals. But they can also be huge time wasters if managed improperly. In a recent survey by Robert Half, senior executives said that almost a third of meetings they attend are unnecessary. Moreover, 45 percent of respondents felt employees would be more productive if their organization banned meetings one day a week.

Before calling a meeting, carefully consider whether it's absolutely essential. If you have no significant updates and everyone is facing heavy workloads, why have the weekly staff gathering? And remember that when calling a meeting it's important to invite only those individuals who truly need to be in on the discussion. Also, stick closely to the agenda, watch the clock and quickly rein in tangential conversations.

**Promote (and practice) good time management.** If you're operating with fewer staff members, it's all the more critical that your employees use their time well. Impress upon all your accounting professionals the importance of looking at the big picture and prioritizing their assignments accordingly.

Being focused and well organized yourself will help set the tone for your staff. Regularly review your to-do list, be willing to delegate, and budget time for those unexpected but inevitable interruptions.

For more management and career advice, follow Robert Half Management Resources on Twitter at

[@RobertHalfMR](#).

*This article is provided courtesy of Robert Half Management Resources, North America's largest consulting services firm providing senior-level accounting and finance professionals on a project basis. For further information, visit Robert Half Management Resources' website at [www.roberthalfmr.com](http://www.roberthalfmr.com) or call 1-888-400-7474.*



## Stay informed by updating your profile. Keep it current!

Did you change jobs? Get promoted? Earn a certification? Are you moving? Getting a new email address?

If you can answer YES to any of the above questions, it is time to update your Member Profile with the IIA. Two methods exist to update your profile; 1) call national customer service 2) update on the IIA Member Profile website. Some items cannot be changed on the website and require calling the National IIA customer service at **407-937-1111**. These items include:

- Change in Chapter Affiliation (or region)
- Change in Name of Employer
- Addition of New Certifications

If you have a change that is not listed above, access IIA website to enact your changes.

<https://www.theiaa.org/iaa/profile/index.cfm>



## Chapter CAP Award



Recall that the CAP program is designed to recognize activities that promote the IIA's strategic objectives. This program is established on the premise that the primary mission of a chapter is to serve its members first and then the internal audit profession. Points can

be earned in three categories: Service to Members, Service to Profession, and Chapter Administration.

### 2009-2010

Service to Members:	555.18
Service to Profession:	133.07
Chapter Administration:	<u>238.00</u>
<b>Total CAP Points</b>	<b>926.24</b>

Points may be gained by member participation in events such as meetings and seminars, published articles, speaking engagements, and chapter administration and activities. So, get involved and help the Northeast OH Chapter be the best we can be!

If you have published articles relating to internal auditing or have participated in speaking engagements relating to internal auditing or the profession contact Dave Schmidt at [dave.schmidt@roadway.com](mailto:dave.schmidt@roadway.com). Your efforts in helping further the cause of our profession will help us achieve our gold status.

## Employment Opportunities

The chapter's Employment Committee serves as a clearinghouse for members seeking positions and organizations seeking personnel by reviewing resumes of applicants and attempting to match them with employer requirements. All inquiries are confidential. If you are looking for a position or are trying to fill a

position contact Dan Bross at (330) 534-2598 or e-mail him at [Auditman42@yahoo.com](mailto:Auditman42@yahoo.com).



## Let Your Voice Be Heard!

Do you have any links, updates or industry news to share? Questions? Comments? Contact the NEO IIA Audit Voice Editor: [Anna.Stroup@protiviti.com](mailto:Anna.Stroup@protiviti.com)

## Update Your Membership Information

Keep your IIA member records current with the IIA's new real-time "Update Profile" feature. Using this interactive web-tool, IIA members can make changes online and see the results on-screen immediately after submission. This is the best way for you to ensure that the IIA and your local chapter have the most accurate information. This profile information is used to create the email lists used to send out the newsletter and other chapter information. Check your record now at: <https://www.theiia.org/iia/profile/index.com>.

## Chapter Library

Our chapter has a variety of reference materials available for members to use. These items can be borrowed for up to 2 weeks at a time. If you are interested in borrowing a publication from the Chapter's library, please e-mail Chris Boetto, at [Chris.Boetto@OMNOVA.com](mailto:Chris.Boetto@OMNOVA.com) or call him at (330) 869-4419.

## **Congratulations on Platinum Status in 2008!**



## Job Postings – January 2010

January	
Company	Position
Medical Mutual of Ohio	Vice President, Internal Audit
Steris	Senior Internal Auditor

Visit the News and Career Opportunities tab of the NEO IIA website for details and additional job postings.

**<http://www.theiia.org/chapters/index.cfm/view.news/cid/7>**