SAN ANTONIO CHAPTER IIA AUDIT TRAILS NEWSLETTER AUGUST 2012



Inside this Issue			
President's Message	<u>1</u>		
Meeting Dates August Meeting	<u>2</u>		
Chapter Officers August Meeting continued	<u>3</u>		
Committees September Meeting Welcome New Members	4		
Governors Internal Auditor Online Blogs July Pic	<u>5</u>		
The Most Interesting Auditor in the World	<u>6</u>		
Board of Governors	<u>7</u>		

PRESIDENT'S MESSAGE



Dear Members,

Olympic fever has officially hit the United States of America. It is a great time for the country to come together as one and support our athletes in London. During these summer games, all types of records are being set and medals earned. But did you know our Chapter achieved a gold medal too? Well, not technically a medal, but rather Gold status in the Chapter Achievement Program (CAP) for the 10th time in 11 years! This is only possible with the long term commitment of our Officers and Governors and, of course, our membership. Let's continue this trend and achieve a new Chapter distinction, Platinum status!

This week also marks the ten-year anniversary of the Sarbanes-Oxley Act. It is because of Section 404 that an entire generation of our membership has a career in auditing. Those initial years of SOX are a time we can all remember; as external auditors trying to test internal controls and as internal auditors trying to define them for our organizations. Those efforts raised the awareness and importance of internal controls and the increasing value of Internal Audit.

Ten years later, the growth of our profession has accelerated in parallel to the services we are now providing to our organizations. Shifting our focus from achieving SOX compliance to adding value and improving operation demonstrates the evolving role of Internal Audit. Currently, the IIA defines our profession as:

"...an independent, objective assurance and consulting activity designed to add value and improve an organization's operations. It helps an organization accomplish its objectives by bringing a systematic, disciplined approach to evaluate and improve the effectiveness of risk management, control, and governance processes."

I wonder what the globally accepted definition of internal auditing will be ten years from now?

Go Team USA!

Adam Arevalos, CISA

President, San Antonio Chapter

Proposed Meeting Dates 2012-2013

July 11, 2012

August 8, 2012

September 12, 2012 Board Meeting

October 10, 2012 SA Food Bank Drive

November 14, 2012 Board Meeting

December 12, 2012

January 9, 2013

February 13, 2013
Board Meeting

March 13, 2013
Annual Member Meeting
Elections

April 10, 2013

May 8, 2013 Board Meeting

AUGUST MONTHLY MEETING

Date	Wednesday, August 8, 2012				
Agenda	Registration/Networking 11:30 am Speaker 12:00 noon				
Location	Embassy Suites @ San Antonio NW I-10 7750 Briaridge Drive San Antonio, Texas 78230 Tel. No. (210) 340-5421				
Price	 \$25 for Members \$30 for Non-Members and late registrants \$15 for full-time Students 10% discount when you register and pay in advance with PayPal 				
RSVP	Register Here				
Menu	Garden Salad, Herb Crusted Chicken with Pesto Sauce, Penne Pasta, Seasonal Vegetables, and Double Chocolate Cake for dessert				
Topic	IIA Capability Model				
Course Overview	"How do we measure up?" One of the best things about the internal audit profession is the availability of information, tools & techniques, methodologies, and best practices to help us carry out our responsibilities. There are countless conferences, webinars, and white papers that provide us with guidance and assist us in developing our internal audit practice. Even with all this direction and support, the question still arises — how do we really compare to our peers? How does our group measure up against what other audit groups are doing in our market? In our industry? One way to truly assess where your group is at, and identify opportunities for improvement, is benchmarking. However, for benchmarking to be effective, the areas you assess have to be both relevant and objective. We will walk through a benchmarking exercise and the <i>Internal Audit Capability Continuum</i> that was developed by a group of Chief Audit Executives (CAE). By objectively rating yourself based on agreed upon criteria, not only do you identify where you lie on the Continuum compared to your peers, but you also identify the areas where improvement opportunities exist. Continued on page 3				

CHAPTER OFFICERS

<u>President</u> <u>Adam Arevalos</u> Valero Energy Corp.

1st Vice President
Amanda Lopez
Nustar Energy

2nd Vice President Camille Marbury CPS Energy

<u>Secretary</u> <u>Lori Sullivan</u> Alamo Group, Inc

<u>Treasurer</u> <u>Scott Feldmeier</u> Valero Energy Corp.

• Gain familiarity with the Capability Maturity Model • Understand the benchmarking process and how it can drive change and improvement Learning Participate in a live benchmarking exercise (via smartphone) Objective around Audit Execution • From the benchmarking exercise, obtain live feedback from a local CAE on ways to bridge the gap on low scoring areas Shane W. Torkelson, CIA, CISA, CPA, Senior Managing Consultant, BKD, LLP Shane has over 15 years of experience working in large national public accounting firms and industry settings. His primary responsibilities are managing engagements around internal audit, contract compliance audits, Sarbanes-Oxley consulting, information technology audit and assessment, and SSAE 16 attestation (formally SAS 70). **Speakers** Shane is a member of the American Institute of Certified Public Accountants, Texas Society of Certified Public Accountants, Information Systems Audit and Control Association and The Institute of Internal Auditors. He is a graduate of Texas Lutheran University, Seguin, with a B.A. degree in accounting.

We have registered with the Texas State Board of Public Accountancy as a CPE sponsor. This registration does not constitute an endorsement by the Board as to the quality of our CPE program. Some of the courses presented may not be appropriate to CPAs. Each CPA must determine which courses will enhance their professional competency.

Prerequisite

None

CPE

1 Credit Hour



ΑII

auditors

levels

of

Proposed

Audience

COMMITTEES

Academic

Jeff Bledsoe

Audit Robert Gonzales Michael Sultan

Budget & Finance Scott Feldmeier

Cap Program
Cecilia Tankersley

Certifications
Angela Crawford

Meeting Arrangements
Amanda Lopez

Newsletter VACANT Bianca Trevino

Nominating Kevin Barthold Steve Boehme Adam Arevalos

Research Kevin Barthold

Technology
Tim Hannie
Glen Prochnow
Carlos Villarreal

Website Remi Nel Lupe Neaves

International Committees

Learning Solutions
Roy Garber
Leticia Herrera-Price

Professional Issues
Cesar Martinez

SEPTEMBER MONTHLY MEETING

Date	September 12, 2012				
Agenda	Registration/Social 11:30 am Lunch/Speaker 12:00 noon				
Location	La Quinta Inn & Suites, 4431 Horizon Hill Blvd, San Antonio, TX 78230				
Price	 \$25 for Members \$30 for Non-Members and late registrants \$15 for full-time Students 10% discount when you register and pay in advance with PayPal 				
RSVP	Register on the <u>IIA Website</u> • Email <u>Amanda Lopez</u>				
Menu	Citrus Grilled Chicken with Cilantro Cream Sauce, Four-Leaf Garden Salad with Dinner Roll, New York Cheese Cake with Fruit Topping, and Iced Tea				
Topic	Fraud Prevention: Recognizing the Prevalence of Fraud and the Importance of Prevention				
Course Overview	This presentation will review the current state and impact of fraud. It will examine the importance of working now on fraud prevention, rather than detection after fraud occurs. The "best practices" approach to prevention will be presented using case studies of reported improprieties.				
Learning Objectives	 Definition of Fraud Identifying Fraud Schemes Prevalence of Fraud Fraud Risk Assessment Mitigating Fraud Risk Fraud Prevention Fact Scenarios: Examples from the real world 				
Speaker	Alyssa G. Martin, CPA, Dallas Executive Partner and partner in Advisory Services, and Michelle R. Yankovich, CPA and partner in Advisory Services				
Proposed Audience	All levels of auditors	Prerequisite	None	CPE	1 Credit Hour

We have registered with the Texas State Board of Public Accountancy as a CPE sponsor. This registration does not constitute an endorsement by the Board as to the quality of our CPE program. Some of the courses presented may not be appropriate to CPAs. Each CPA must determine which courses will enhance their professional competency.

WELCOME NEW MEMBERS

Name	Company	Date Joined
Gregory Raaberg	Ernst & Young LLP	5/31/2012
Lindsay Poage	Ernst & Young LLP	5/31/2012
Michael Hurlbut	International Bank of Commerce	6/30/2012
Zulma Ramirez	International Bank of Commerce	6/30/2012

Please visit us on the web San Antonio IIA Chapter

GOVERNORS

Kevin Barthold
City of San Antonio

Steve Boehme USAA

Cyd Borromeo USAA

Carla Cashio
University of Texas
Health Science Center

Melissa Cox AT&T

Roy Garber Rackspace

Leticia Herrera-Price LHP Consultants

Regis Mackrell USAA

Helen F. Madison CPS Energy

Dawn Oppermann
City of San Antonio

Wendy Rybicki Frost Bank

Arlena Sones
City of San Antonio

Dora Ann Verde San Antonio Water System

Larry Wallis
VIA Metropolitan Transit

INTERNALAUDITORONLINE.ORG BLOGS

Internal Auditor Online.org's popular blogs by Richard Chambers, Kiko Harvey, Mike Jacka, and Norman Marks offer timely commentary on the topics of risk, control, and governance and encourage interaction among the internal audit community.

Chambers on the Profession

Richard Chambers, CIA, CGAP, CCSA, is president and CEO of The IIA. In his blog, he shares his personal reflections and insights based on his more than 30 years of experience in the internal audit profession.

Marks on Governance

Norman Marks, CPA, is vice president, governance, risk, and compliance for SAP's BusinessObjects division, and has been a CAE for more than 15 years. He is the contributing editor to *Internal Auditor's* "Governance Perspectives" column.

From the Mind of Mike Jacka

Mike Jacka, CIA, CPCU, CLU, CPA, is a senior audit manager with Farmers Insurance Group, where he has worked for more than 25 years. He is the coauthor of two books and the author of *Internal Auditor*'s "The Mind of Jacka" column.

Kiki's World

Kiko Harvey, CPA, is vice president of corporate audit and enterprise risk management with Delta Air Lines Inc. and former CAE with Starbucks Coffee Co. Her blog provides a slice-of-life perspective of a busy CAE, wife, and mother.

The Soapbox

An open forum for the internal audit community, The Soapbox gives practitioners an opportunity to exchange ideas and voice their opinions.



President Adam Arevalos and Dr. Carolyn Wilson Green at the July meeting.

Please visit us on the web San Antonio IIA Chapter

FROM THE MIND OF MIKE JACKA

Posted on April 26, 2012 by Mike Jacka

http://www.theiia.org/blogs/jacka/index.cfm/post/The%20Most%20Interesting%20Auditor%20in%20the%20World#comments

The Most Interesting Auditor in the World

- When he does audit work, workpapers document themselves. If he were to get a fact wrong, it would still be correct.
- People under investigation confess as soon as they hear he is coming...even when they're not guilty.
- The audit committee meets in his office.
- His picture is worth two thousand words, and it is on every audit report.
- He gets e-mails with potential findings... from other companies.
- An auditee once lied to him...and then begged for forgiveness.
- When he does an audit under attorney/client privilege, the attorneys are not allowed to participate.
- His computer battery never dies.
- Larry Sawyer once asked him for his autograph.
- Marketing comes to him for ideas.
- He has only attended one meeting...because he said everything that needed to be said.
- IT holds conferences about him.
- He is allowed to circumvent controls... but never does.
- His executive summaries never exceed one page.
- When he audits CEOs, they list it on their resumes.
- He found the control breakdown that allowed people to mess with Texas.
- He is...The Most Interesting Auditor in the World
- "I don't always conduct audits, but when I do, I follow the IIA Standards. Stay inquisitive my friends."

BOARD OF GOVERNORS 2012-2013



Carla Cashio
University of Texas Health Science Center at San Antonio
AVP, Internal Audit & Consulting Services

I have been with UTHSC since 2009. I have an extensive background of over 20 years in internal audit. My experience includes leadership roles in a variety of industries, including insurance, financial services, manufacturing, telecommunications and retail services. I recently led and participated in the review of the internal audit programs for UT System, UTMB Health and MD

Anderson, respectively. I am an instructor with the Institute of Internal Auditors and a member of the IIA Board of Governors for the San Antonio Chapter. I hold several certifications, Certified Internal Auditor, a Certified Information Systems Auditor, Certified in Control Self Assessments, and a Six Sigma Green Belt specializing in process design. I received my Bachelor of Science degree in Accounting from Louisiana State University and MBA in Strategic Leadership from Amberton University. I have conducted several presentations for numerous IIA Chapters and professional organizations on a wide range of topics in regards to Internal Auditing.



Dora Ann Verde, CPA, CIA SAWS, Chief of Internal Audit

As Chief of Internal Audit I oversee the internal audit function for San Antonio Water System which has over a \$400 million operating and capital budget. My extensive community involvement has resulted in leadership positions on various nonprofit organizations including Board Chair of Texas Public Radio and Texas Guaranteed Student Loan Corporation. I serve as a

Corporate Board member and Chair of the Audit Committee for a privately held corporation. I received the Bachelor of Business Administration degree in Accounting from University of Texas in San Antonio.



Cyd Borromeo, CIA, CRMA, CISA, CFE, ITIL USAA, Auditor

I have over 20 years of professional experience in auditing and accounting in various industries such banking, insurance, investments, oil and gas, manufacturing, and retail. I currently work at USAA as an auditor performing IT, operational, and financial audits. I hold the MBA Management degree as well as the BSC – Accounting degree and 5 certifications including CIA, CRMA, CISA, CFE, and ITIL. I have been a

member of the IIA since 2000. I recently served as President and Vice President for the San Antonio Chapter and I currently serve on the board of governors. I also enjoy serving as a volunteer at church.