Happy Holidays!

2014 IIA Albuquerque Chapter Holiday Social

On December 11, over 30 members and their guests enjoyed the Chapter’s annual holiday social, held again this year at St. Clair Winery & Bistro. The food – and the company – was great! Thanks to all who joined us. Happy Holidays!
IIA Albuquerue Chapter Upcoming Events

January 2015

8-Hour Quarterly Meeting

Please join us for an 8-hour meeting on Agile Auditing, a way to improve audit delivery time, give better customer service, solve corporate problems and issues faster, and reduce rework and waste.

Date/Time: Wednesday, January 21 7:30 am – 5 pm

Speaker: Raven Catlin
Topic: Agile Auditing

Cost: $190 members; $225 non-members (includes lunch)

Location: CNM Workforce Training Center 5600 Eagle Rock Ave NE, Albuquerque

CPE: 8 hours (NASBA-certified)

RSVP: by noon on January 15 at https://www.eventbrite.com/e/agile-auditing-tickets-14746117033

Who Should Attend:
- All individuals interested in learning a new approach to audit project management
- Auditors seeking to apply better project management techniques in an audit
- Supervising auditors responsible for managing audit projects

Speaker bio:
Raven Catlin, CPA, CIA, CFSA, CRMA is an internationally recognized expert, speaker, and consultant in Risk Management and Internal Auditing. She has over 17 years of internal audit experience and 13 years of seminar instruction and facilitation. Through her lively and interactive seminars and presentations, you will gain valuable skills, motivation, and belief systems to achieve success.

Raven is a graduate of Virginia Commonwealth University. Before starting Raven Global Training in 2006, Raven was a Consultant for Jefferson Wells and a Senior Manager at Protiviti. She held internal audit positions with Freddie Mac, Bank of America (formerly NationsBank), and Philip Morris. Raven is an active member of the IIA, including serving as District Representative for the Caribbean and Washington DC Metro chapters. She also served in President, Board Member, and chairperson positions for the Northern Virginia and Charlotte chapters since 1998. Raven is a contributing author to IIA’s CIA Learning System and has been published in Internal Auditor.

Currently based out of the Washington DC area, Raven enjoys traveling, movie-watching, and spending time with her family. For a full bio, go to http://ravenglobaltraining.com/about_us.

2014/2015 Calendar of Events

July 16, 2014: 8-hour Quarterly Meeting

August 14, 2014: Networking Event – FREE FOR MEMBERS!

September 2014: 1-hour Audit Executive Roundtable

October 2014: 1-hour quarterly Meeting

November 2014: 16-hour Fall Seminar

December 2014: 1-hour Lunch Meeting

December 2014: Annual Holiday Social and Networking Event

January 2015: Quarterly Meeting

February 2015: Networking Event – FREE FOR MEMBERS!

March 2015: 16-hour Spring Seminar

April 2015: Quarterly Meeting

May 2015: 1-hour Audit Executive Roundtable

NEXT MEETING

January 21, 2015 7:30 am – 5:00 pm
8-Hour Quarterly Meeting

$190 members; $225 non-members

REGISTRATION LINK
https://www.eventbrite.com/e/agile-auditing-tickets-14746117033

Upcoming IIA Members-Only Webinars

The IIA’s complimentary Members-Only Webinar Series is available exclusively to members as part of their membership investment. These monthly educational webinars are developed specifically with IIA members in mind.

To register for a members-only webinar, visit The IIA’s website at https://na.theiia.org/training/elearning/Pages/Members-only-Webinars.aspx.

January 8, 2015
Anti-Fraud Collaboration: Building a Fraud-Resistant Organization

January 20, 2015
Members-Only Webinar: An Outlook on the Internal Audit Landscape for the Year Ahead
Red Book vs Yellow Book

Many of our Internal Audit shops either follow the IIA International Professional Practices Framework (Red Book) or the GAO Government Auditing Standards (Yellow Book). Some follow both which is commonly referred to as the “Orange Book”.

Which framework works better is debatable depending on governmental requirements, employer mandates, Chief Audit Executive preference, or the types of audits the Internal Audit shop performs.

The Yellow Book has standards for both financial and attestation audits used in conjunction with The America Institute of Certified Public Accountants Statements on Auditing Standards. The Red Book in my opinion offers little guidance in these areas however from my experience Internal Audit shops performance of financial or an attestation audit is the exception rather than rule. Both frameworks offer excellent guidance for compliance and performance audits. I’ve worked with both sets of standards over the last 23 years and personally feel that both the Yellow Book and the Red Book have their advantages and disadvantages.

The two frameworks are similar in many aspects but also have some unique differences. Let’s review these differences:

Consulting - The Red Book defines consulting services as “advisory and related Client service activities... without the internal auditor assuming management responsibility.” The Yellow Book categorizes any service that is not an audit or attestation engagement as a non-audit service. The Yellow Book requires an assessment of the impact that providing the non-audit service has on auditor independence and a response to any identified potential threats. The Yellow Book appears to require additional work and documentation when performing “value added services” which are crucial to the modern Internal Audit shop.

Risk assessment for overall audit planning - The Red Book requires risk based plans to determine the priorities of internal audit activities. The plan is based on an annual documented risk assessment which has input from both management and the governing Board. The Yellow Book does not require this global risk based plan but rather focuses on individual audit planning.

Peer Reviews - The Red Book requires a Peer Review every five years while the Yellow Book requires a Peer Review every three years. Both books require that the review be made available to those charged with governance, while the Yellow Book additionally requires that the Peer Review be made publicly.

Referencing Standards - The Red Book allows the IIA standards to be referenced in a report if the internal quality assurance program supports the statement and an external review has demonstrated that that the internal audit activity is in compliance. The Yellow Book requires a Generally Accepted Governmental Auditing Standards (GAGAS) compliance statement in the auditor’s report. If the audit organization has not had an external peer review, has not meet the CPE or independence requirements then a modified GAGAS compliance Statement is required.

Fraud - Red Book requires auditors have sufficient knowledge to evaluate the risk of fraud and the manner in which it is managed by the organization. Yellow Book requires auditors have competence relative to fraud detection. It requires audit team members to discuss fraud risks and design additional procedures when they identify factors related to fraud which are likely to occur or have occurred. Both frameworks require auditors to assess the potential of fraud risk during the audit planning.

Continuing Professional Education (CPE) - The Red Book only requires auditors to enhance their knowledge and skills. The Red Book does not specify total hours; however Practice Advisory 1230-1 notes that internal auditors with professional certifications are responsible to obtain the required associated CPE. The Yellow Book requires auditors to complete at least 24 hours of CPE that relates to Yellow Book audits every two years. It additionally requires auditors who are involved in planning, directing, or reporting on Yellow Book requirements who charge 20 percent of their time annually to GAGAS audits an additional completion of 56 hours of CPE every two years for a total of 80 hours. It further requires these individuals to complete at least 20 hours each year of the two year period.

Both sets of standards offer excellent guidance for performing internal audits especially when we need to review issues we find in the field such as independence, objectivity, and reporting. Each framework has its strengths and weaknesses. I would strongly recommend every internal auditor to occasionally review these standards. They were established by individuals such as ourselves who have experienced issues we are currently experiencing or might experience in the future.

- Allen Leatherwood, IIA Albuquerque Chapter President

Member Service Awards

The Institute of Internal Auditors has an established program honoring those IIA members with longtime loyalty to and membership in the Institute. Stay tuned in January for a complete list of all IIA Albuquerque Chapter members celebrating an IIA service anniversary in 2014!
65%

Check here each month to see the Chapter’s progress toward Gold/Platinum status. Over the first six months of the Chapter year, we earned 65% of the points needed to get us to Gold/Platinum status.

CHAPTER FAST FACTS

Chapter charter date: December 11, 1976
Number of active members as of May 2014: 299 members
Region and District: Southern Region, District 4
Other Chapters in our District: Las Vegas, Phoenix, Tucson, El Paso

FIND THE IIA ON THE WEB & SOCIAL MEDIA

Chapter web address: https://chapters.theiia.org/albuquerque/Pages/default.aspx
The IIA International web address: https://na.theiia.org/Pages/IIAHome.aspx
Chapter Facebook page: https://www.facebook.com/abq.iia
Chapter LinkedIn group: www.linkedin.com
Search for: Institute of Internal Auditors – Albuquerque Chapter

FROM THE EDITOR

Please submit all articles for consideration for the January newsletter by Friday, January 9.

CONTACT INFO

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