**JANUARY LUNCH MEETING**

Please join us for an informative presentation and earn 2 hours of Fraud CPE.

**Topics:** COSO Internal Controls Update  
**Speakers:** Mark Dauberman, CPA  
**Date:** Thursday, January 19, 2017  
**Time:** 11:30 a.m. – 1:45 p.m.  
**Cost:** IIA Members: $35 Non-Members: $40 Retirees and Students: $30 Unemployed active members: Free.  
The Chapter encourages members to bring guests. *If you bring a non-member, we will pay for their first lunch.*

**RSVP:** Please RSVP by Monday, January 16, 2017 to Kathryn Andrus at kandrus@ducommun.com or (310) 513-7254.  
**Meals are ordered based on your RSVP. No RSVP=no meal. No-show RSVP’s without notice will be responsible for meal cost reserved.**

**Location:** Ramada Plaza Hawthorne/LAX  
5250 W. El Segundo Blvd.  
Hawthorne, CA 90250  
(310) 536-9800  
www.wyndhamhotels.com

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**PRESIDENT’S MESSAGE**

Howdy all. I hope you had a nice Thanksgiving holiday and are gearing up for December busyness and the New Year. The Board and I want to wish you a joyous, happy, and merry holiday season. We had a small gathering at the Paradise restaurant in Gardena on Nov. 16 where we heard two of our own members speak on 4 hours CPE. Dr. Larry Kalbers spoke on “Ethics-Values-Governance: Do They Align?” and Robert Campbell spoke on “Proactive Approaches to Fraud Prevention and Detection”. The topics were great and each speaker was engaging and informative. We had a snafu as Mark Dauberman was not able to make it, so Robert stepped into the breach at the very last minute to save the day. Thanks SO much Robert for your commitment to Beach Cities and your willingness to come and help us out. We need more members like Robert!

We are planning our next meeting for a 2-hour session on Jan. 19 at the Ramada Plaza Hawthorne/LAX. Mark Dauberman will be giving a COSO Update on Internal Controls. Please mark your calendars for that date and tell your colleagues about it.

Looking ahead to 2017, we are going to hold our all-day seminar at the Toyota Auto Museum on March 16 where we will have a full complement of great speakers for 8-hours CPE. Next up is Student Night to be at The Reef on April 20. This promises to be a big event and we need a lot of help to pull this off. We are enlisting the aid of the other local IIA chapters to help us publicize the event and recruit sponsors. All Hands On Deck --- please consider helping your volunteer Board to make this event a success. It promotes the future of our profession, so is very worthwhile. We have a lot of finite tasks that we can use your help on. Please call me at 310-732-3562 to discuss our needs. We need you!!
Lastly, please plan to attend the upcoming Western Regional Conference to be held on June 6-9 at the Anaheim Convention Center. The speakers include Richard Chambers, CEO of the IIA, and a former Beach Cities’ speaker (twice), Mike Jacka. For more information and to register, visit the website at https://chapters.theiia.org/northern-california-east-bay/Events/Pages/2017-Western-Regional-Conference.aspx.

Jim Olds, President, IIA-Beach Cities Chapter

JANUARY LUNCH SPEAKERS’ BIOGRAPHY AND TOPIC

Mark E. Dauberman, CPA, EMBA
Mark Dauberman Seminars, Upland, CA

Mark provides CPE and technical staff training for CPA firms, private industry, state CPA societies, and government organizations. His topics include accounting, compilation and review, ethics, fraud, internal and external auditing, internal control development, practice management, and strategic planning. He is also the Senior Editor for Roger CPA Review Course and authors CCH’s “Knowledge-Based Preparation, Compilation and Review Engagements”.

Mark’s public accounting experience includes working with Kenneth Leventhal & Company, and more recently, he was a partner at NSBN, a Beverly Hills CPA and business consulting firm. Mark’s industry experience includes serving as assistant controller and Vice President of Finance and Administration for major real estate development companies. Mark also spent nearly 30 years as an entrepreneur, operating a company that prepared individuals for the CPA exam.

Mark taught his first university accounting class in 1969, and has been involved in accounting education at CSU Northridge, CSU San Bernardino, Loyola Marymount University and UCLA.

Mark obtained his bachelor’s degree in accounting from California State University at Northridge. He obtained his Executive MBA at the Peter Drucker and Masatoshi Ito School of Management at Claremont Graduate University, where he previously had been a student of Dr. Drucker’s.

Topic Summary:

Fighting Fraud (and Improving Business)
Employing Effective Internal Controls

A Fresh Look at COSO’s Internal Control Framework

Although it is impossible to eliminate the threat of fraud, effective internal controls remains the most effective tool for mitigating that risk and for improving the likelihood of detecting fraud on a timely basis. As Joseph Wells, founder of the Association of Certified Fraud Examiners reminds us, fraud is committed by desperate individuals and, as we know desperation is a powerful motivator. Even the most effective system of internal controls will not eliminate fraud but well-designed controls can go a long way toward establishing an environment in which undetected fraud is less to occur.

The COSO internal control framework is not simply a tool for the prevention or timely detection of errors and fraud. When looked at in an operational context, it lays out a framework for creating, building, and maintaining a business.

- The COSO framework provides a blueprint for establishing a business entity, increasing its potential for its success and creating an entity that is more likely to be sustainable.
- The framework can be applied to growing a business, making a strategic shift in its focus, modify its product or service mix, or achieve whatever other objectives that may be set out for it by those responsible for its governance.
- The framework can also be used to establish an operating plan that will enable an existing stable enterprise to keep its systems current and enhance its ability to operate both efficiently and effectively on a long-term basis.

This program will re-visit the 5 components of the COSO internal control framework, including the 17 principles introduced by COSO in 2013 to enhance the model. Attendees will obtain an understanding of the principles and how they translate into practical policies and procedures.
This program will also summarize the nature and characteristics of fraud with a focus on why internal controls cannot be relied upon to prevent fraud while demonstrating that, when properly designed, can be effective in minimizing the likelihood that fraud will successfully enhance an entity’s environment, making it less susceptible to fraud. Attendees will learn a process for evaluating an internal control challenge and developing control activities to address it.

Finally, this program will illustrate practical approaches to risk assessment, incorporating templates that can be used to facilitate the process. Attendees will learn how risk assessment is both a dynamic and iterative process and how changes in risk can be identified as a basis for shifting priorities in the development of control activities.

**POSITIONS AVAILABLE**

- **Senior Internal Auditor**
  Lionsgate Entertainment

**Place Your ADS for JOBS**

Online and newsletter ads are free to all IIA Beach Cities chapter members, and are $50 for non-members. Contact Kristen Clement at (562) 570-5873 or kristen.clement@longbeach.gov

**CALENDAR CORNER**

- **January 19, 2017**: Lunch meeting at the Ramada Plaza Hawthorne/LAX – Mark Dauberman, CPA will be presenting “COSO Internal Controls Update”

- **March 16, 2017**: All Day Professional Seminar – Toyota Auto Museum

- **April 20, 2017**: Student Night – The Reef Long Beach
  Sunny Zia from the Port of Long Beach will be our guest speaker

- **June 6-9, 2017**: Western Regional Conference, Anaheim, CA

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**IIA’S CIA LEARNING SYSTEM**

See [www.learncia.com/chapters](http://www.learncia.com/chapters) for special member discount pricing.
Notice to all Recipients:

See our website at www.TheIIA.Org/BeachCities for additional newsletter details. Please advise Jim Olds at jolds@portla.org if your email address changes, or if you no longer would like to receive these newsletters.
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