Happy Fall to all of our IIA members! When you think about Autumn, your mind may go to the many signs of fall. There are many fall favorites such as football season, fall aromas, fall decorations, crisp air, Halloween parties, autumn color, and the list could go on and on. This year, we encourage you to **FALL INTO AUDITING** by considering the following:

1. What is the most fascinating aspect of your work?
2. What was your most unusual audit/interview location?
3. What attracted you to the profession?
4. What keeps you in the profession?
5. What is your most proudest accomplishment?

We look forward to seeing you at future chapter events.

**Happy Autumn!**

**Membership Renewal Information**

The membership renewal for the state government group members is December 1, 2014. The group has approximately 225 members that are primarily members of our chapter, but the group also has several members that are in the St. Louis, Kansas City, and Ozarks chapters. The IIA has increased the renewal rate from $53 to $60. Membership renewal billings will be sent out in early October. Please pay the bills timely so we can submit the group renewal to IIA headquarters before the end of November.

To help offset the annual increases in the membership rates for all membership categories (see below), the chapter is offering more free CPE for members. Many of you attended the June and August seminars and we have more than 100 registered for the October ethics seminar. As long as the chapter’s financial position remains strong and we can locate good lower cost CPE opportunities, we hope to provide more free CPE during the remainder of this fiscal year and in the future.

**Membership Rates:**

- Professional $240
- Educator $125
- Student $35
- Retired $75
CAP Summary

The following is the status of the Chapter Achievement Program (CAP) points for our chapter as of August 31, 2014:

<table>
<thead>
<tr>
<th>Category</th>
<th>Minimum for Bronze</th>
<th>Chapter Points (to Date)</th>
<th>Balance to Minimum</th>
</tr>
</thead>
<tbody>
<tr>
<td>I. Service to Members</td>
<td>325</td>
<td>276</td>
<td>49</td>
</tr>
<tr>
<td>II. Service to Profession</td>
<td>200</td>
<td>89</td>
<td>111</td>
</tr>
<tr>
<td>III. Chapter Administration</td>
<td>160</td>
<td>61</td>
<td>99</td>
</tr>
<tr>
<td></td>
<td>685</td>
<td>426</td>
<td>259</td>
</tr>
</tbody>
</table>

Current CAP Status:

Our target for CAP is to reach the **Gold (Platinum)** status, which is 1,560 points. To reach the **Bronze level** (minimum target) we need 685 points, and to reach the **Silver level** status we need 1,060 points.

FY 2015 CPE RECAP
(June 1, 2014 to May 31, 2014)

<table>
<thead>
<tr>
<th>Month</th>
<th>Year</th>
<th>Topic</th>
<th>No. of CPE Hours</th>
<th>Member Cost</th>
</tr>
</thead>
<tbody>
<tr>
<td>June 2014</td>
<td>Materiality</td>
<td>Risk Based Auditing</td>
<td>3</td>
<td>FREE</td>
</tr>
<tr>
<td>June 2014</td>
<td>Consumer Frauds and Scams</td>
<td>1</td>
<td>FREE</td>
<td></td>
</tr>
<tr>
<td>August 2014</td>
<td>Vendor Mgmt &amp; Utilizing SOC Reports</td>
<td>2</td>
<td>FREE</td>
<td></td>
</tr>
</tbody>
</table>

New Members - Welcome to the IIA!

- Sarah Burton (Meyer) Employer: PricewaterhouseCoopers

Whether you are a new or seasoned member, The IIA’s quarterly complimentary new member orientation webinar will help provide knowledge regarding the many benefits that come with belonging. This webinar will connect you to essential tools, a vibrant community, and exceptional learning that will enhance every aspect of your professional development. You’ll also gain insight into the array of programs, services, and resources that are available to you through your membership with The IIA. Go to [https://na.theiia.org/membership/members-only/Pages/New-Member-Orientation.aspx](https://na.theiia.org/membership/members-only/Pages/New-Member-Orientation.aspx) for more information.
Upcoming Seminars

Please mark your calendar and plan to attend.

- October 9, 2014 – Ethics (2 CPE)
- December 10, 2014 – Economic Update (3 CPE)
- April 17, 2015 – Report Writing (8 CPE)
- May 21, 2015 – Disaster Recovery & Business Continuity Audits (3 CPE)

Accounting Humor

Did U KNOW???

The IIA launched a video-sharing site, AuditChannel.tv. AuditChannel.tv addresses the specific needs of internal auditors and the business community. With 'video channels' focused on areas such as fraud, governance, risk, technology, operations, compliance, and more, AuditChannel.tv enables internal audit professionals worldwide to search for and post videos that address the topics of greatest interest to the profession.

The site also allows registered users to rate and comment on the video content. Best of all, with most shared videos under five minutes in length, AuditChannel.tv enables users to drill down to the essence of a topic in a timely fashion and in their own language. Currently, the site has videos in English, Spanish, and French.

This list represents a few of the video topics:
- Dr. Mark Nigrini on Benford’s Law and Data Analytics
- Career Advice for Recent Audit School Grads
- Fraud Self-Assessment
- Be the Expert in What You Do
- Auditing Social Media

2014-2015 Board Members

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Materiality and Risks
By Lisa Kremer, MBA, CIA
Manager Engineering & Mgmt Services Unit of the MO Public Service Commission

Edmundo S. Calederon, CIA, CGAP made two presentations to the Central Missouri Institute of Internal Auditors on June 4, 2014 that provided a total of 3 hours of CPE. His presentations were entitled: Materiality: Are You Chasing Geckos or Alligators and Risk Based Auditing: Managing Your Risks. Mr. Calederon indicated that materiality, the concept of identifying “what is important” should be part of annual risk assessments for audit plans. Audit programs should be linked directly to audit scopes and objectives. Materiality can be determined and measured in a variety of ways including number of errors or misstatements (measured in dollars or percentages). The speaker emphasized that auditor discretion plays an important role in determining materiality. Thresholds of materiality will be significantly different from one organization and one audit to the next. Rather than an exact science, determining materiality is more of an art. It is important to not chase geckos as they consume audit resources when the alligators are what audit groups should be pursuing.

In his second presentation, Mr. Calederon indicated that auditors must identify two types of risks: risks that impact the entire organization and risks that impact the individual entity being audited. The Red Book provides considerable guidance on risk and defines it as “a process to identify, assess, manage, and control potential events or situations to provide reasonable assurance regarding the achievement of the organization’s objectives.” In the area of managing risks, the speaker addressed six types of organizational risks that auditors should be aware of including risks that (1) affect the entire organization, (2) impact an organization's reputation, (3) affect the strategic goals of an organization, (4) impact financial operations, (5) affect compliance requirements, and (6) generate management's interest. There is no substitute for experience and the speaker indicated that is why we are “practicing” Internal Auditors: The more we practice, the better we get!

Mr. Calederon is the Chief Internal Auditor for the City of El Paso, Texas. His audit plans, audits and other relevant information can be found at the following website, www.elpasotexas.gov/audit.

XBRL for Auditors
By Gary Komrumpf, MBA, CPA, CIA
Director of Plan Integrity and Cost Recovery of the MO Consolidated Health Care Plan (MCHCP)

Cathy Poyner, and Jack Winstead, Truman State University accounting instructors, presented XBRL training to approximately 20 attendees on May 12, 2014 at the Truman Building, Jefferson City. They defined XBRL, eXtensible Business Reporting Language, as well as the purposes and uses of it. Standardization, enhancement of data analysis with fewer risks of errors, and providing data more rapidly are some of the advantages of using XBRL.

The Securities and Exchange Commission (SEC) and the Federal Deposit Insurance Corporation (FDIC) mandate certain documents follow XBRL protocol. The Financial Accounting Financial Board (FASB) publishes a US
GAAP financial reporting taxonomy and accepted annually by the SEC for most companies, including specialized tags for banking and savings institutions, brokers and dealers, and insurance entities for reporting purposes.

The presenters provided examples of UBL (Universal Business Language) documents and coding, along with for XML (meta-language for users to customize reporting) rules for well-formed documents. They provided hands on activities for those in attendance.

Professional judgment is necessary for determining the proper reporting tool; thus creating the need for internal auditors to use appropriate tools to validate XBRL related to completeness, mapping, consistency, and structure of XBRL-formatted information. The presenters provided best practices for internal control of XBRL filings.

In addition, the AICPA has formed an Audit Data Standard working group to help develop new technologies, including a standardized model for which management, internal auditors, and external auditors could utilize to improve the audit process.

Ten industries will increase the use of XBRL in the near future as reporting standards broaden. Internal auditors need to continually improve their proficiency related to XBRL reviews to ensure quality and effectiveness of their services.

Ms Poyner and Mr. Winstead concluded by providing links for additional information related to XBRL videos and webinars.

**Membership Appreciation Lunch and Seminar**

On June 26, 2014, the IIA chapter held its annual Membership Appreciation Plan (MAP) lunch and seminar, as a way to thank its members who volunteered for the chapter. This is a special event where those members who earned “points” by volunteering for the chapter are invited to a lunch and seminar. Some of the volunteer tasks include writing a newsletter article, helping set up a seminar, or meet and greet at a seminar. This year the MAP lunch and seminar was held at the Hawthorn Bank Community Room.

The chapter also awards prizes during this event. The members who received a MAP prize include Travis Owen, Terrie Laswell, Debbie Bernsen, Donna Ruder, Britni Campbell, Garry Kornrumpf, Lisa Kremer, Kendall Blythe, Patrick Pullins, Greg Slinkard, Julie Zerr, Susan Cardwell, Brenda Richardson, and Dennis Risinger.

Tom Durkin from the MO Attorney General’s Office spoke to the group on the topic of Consumer Frauds and Scams. Durkin provided information on how to: stop telemarketing calls, stop unsolicited offers in the mail, and stop pre-approved credit card offers. More information on prevention methods is included on the next page. He also described the scam where someone receives a letter containing a letter and a real check that when cashed gives the party access to the person’s bank account. Then, the account is drained.

Durkin also chatted with a local banker about the scam where someone sends a $5,000 check, and the receiver of such good fortune must send a $2,000 check to cover the “fees” or whatever the scam does. The check bounces, the $2,000 is gone and never to be seen again. The local banker said they get a call from one of their customers once a week for this particular type of scam.
Folks over the age of 75-80 are more susceptible to these types of scams as they are more trusting of people than younger generations. Don’t let your family or friends become a victim.

**Consumer Fraud and Scam Prevention Methods:**

Reduce telemarketing calls, mail, credit offers

**TELEMARKETING CALLS**
Missouri’s No Call law prohibits telemarketers, with some exceptions, from calling households on the Attorney General’s No Call list. A telemarketer violating the list faces a civil penalty of up to $5,000 per violation. Register your home phone number for free: ago.mo.gov or toll-free 866-662-2551.

**MAIL**
Mail Preference Service lets you delete your name from many direct mail lists. Send your request in writing or go online:
DMA Mail Preference Service
PO Box 282
Carmel, NY 10512
www.dmachoice.org

**PRE-APPROVED CREDIT CARD OFFERS**
Credit bureaus allow you to “opt out” of having pre-approved offers of credit and insurance sent to you:
888-5-OPTOUT (888-567-8688) www.optoutprescreen.com

**Upcoming Newsletter**
The next newsletter will feature articles on the following topics.

- Results of the Central MO IIA Chapter Membership Survey
- Vendor Management and Utilizing SOC Reports – August 26, 2014
- Ethics – October 9, 2014 seminar