President’s Message

As I write this message my mind is filled with five S's.

The first "S" represents snow. We have seen historical amounts of snowfall this year which have provided a few snow adventures for my family. One adventure was we built a 6 foot by 4 foot snow castle. This was a great way to burn some of that pent up energy and gave us a reason for some family fun. The kids who are ages 10, 8, and 5 really thought this was a cool experience.

The second "S" represents sickness. This seems to be cascading through my family like an ever-moving revolving door.

I am hoping that the next kind of fever that hits my house is the spring fever; which is why the next "S" stands for spring. I don't know about you, but I am sure ready for some spring weather and sunshine.

The fourth "S" represents school. I am currently working on a Masters in Public Affairs through the University of Missouri. I take evening classes in the Truman Building. My extra time has been consumed with writing papers and reading; which will all be worth it in the end!

The last "S" represents succession planning. I was very proud of the members who have stepped forward and expressed their interest in doing more as a volunteer at our seminars or getting involved with our chapter leadership positions. The training on February 16 focused on risk assessment. When I consider our chapter it is very evident to put succession planning as a top risk. Although it appears we have all of our leadership positions filled for the next fiscal year, it is our goal to do more with succession planning and look to the future for how we can fill our positions. We are merely wanting to build the blocks of our leadership so the chapter can stand firm and strong in the future. I encourage you to contact me if you have an interest in filling a future leadership position so that we can lower that risk. Remember a succession plan is just, a plan. If you are interested then I will pencil you in and promise that your name is not marked with permanent ink.

See you at the next seminar!!

Nicki.
Chapter Board Meeting

The Central Missouri IIA Chapter Board meeting was held February 16, 2011, at 3:30 PM. The following was discussed and/or agreed upon:

- **Membership Report:** Our chapter membership is 1 lower now than at the beginning of the fiscal year.
- **Succession Planning:** The succession plan for FY11 and FY12 was discussed. The proposed Board officers for the June 2011 to May 2012 fiscal year are as follows:
  - President: Marty Beck
  - VP - Programs: Danny Doerhoff
  - VP - Membership: Jennifer Weggenman
  - Treasurer: Kendall Blythe
  - Secretary: Lori Melton
  - Board Member: Jon Halwes
  - Board Member: Sandra Freese
  - Board Member (past president): Nicki Russell
  - Webmaster: Patrick Pullins
- **During succession planning discussions, it was discussed and decided to establish a committee for Programs. This committee will help the VP of Programs set up seminars throughout the year. Several volunteers were identified for this committee.**
- **Leadership Conference:** The IIA Leadership Conference in Orlando is scheduled for April 2011. Jennifer Weggenman, next year's VP of Membership, has been selected to attend.
- **Treasurer Report:** The report of receipts and disbursements for FY11 seminars to date was presented. The chapter holds a certificate of deposit; the Board voted to leave the CD at its current location.
- **Webmaster Report:** Many chapters are participating in Linked In and Facebook. The Board discussed this practice. We plan to ask in the membership survey about interest in these social websites.
- **Programs Report:** We have offered 22 CPE hours to our members so far in FY11, as of the Board meeting. There are several more seminars planned for the year. The cost to participants has averaged $6 per hour of training.
- **Membership Appreciation Plan (MAP):** The MAP was developed to show the chapter’s appreciation to members who regularly support the chapter during the fiscal year. A luncheon is planned for May 19, 2011, for those members who have earned 3 or more points during the year; an email will be sent in late April or early May inviting those members that qualify to the luncheon. There will also be 1 hour of CPE offered at this luncheon, on the topic Working with Different Generations in Regards to Communications.

Recent Volunteers

A hearty thank you to the volunteers who have helped at seminars this winter!

<table>
<thead>
<tr>
<th>Tony Albus, Office of State Courts Administrator</th>
<th>Denise Pierce, Jefferson City School System</th>
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<tr>
<td>Marty Beck, Dept of Conservation</td>
<td>Brenda Richardson, Dept of Health &amp; Senior Services</td>
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<td>Kendall Blythe, Dept of Natural Resources</td>
<td>John S Riley, Office of State Courts Administrator</td>
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<td>Lynn Cannon, Office of Administration</td>
<td>Donna Ruder, MoDOT</td>
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<td>Nancy Dubbert, Dept of Conservation</td>
<td>Susan Shields, Office of State Courts Administrator</td>
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<td>Keith Foster, Dept of Economic Development</td>
<td>Sarah Shores, Hawthorn Bancshares</td>
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<td>Barb Glover, DED - Division of Tourism</td>
<td>Jim Smith, Daniel Boone Library in Columbia</td>
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<td>Kevin Heislen,</td>
<td>Heather Stiles, State Auditor's Office</td>
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<td>Debbie Hill, MoDOT</td>
<td>Teri Summers, State Auditor's Office</td>
</tr>
<tr>
<td>Diane Jurgensmeyer, Office of Administration</td>
<td>August Tegtmeyer, Retired</td>
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<td>Lisa Kremer, DED - Public Service Commission</td>
<td>Joyce Thomson, State Auditor's Office</td>
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<tr>
<td>Christie Martin, MoDOT</td>
<td>Tom Veasman, MoDOT</td>
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<tr>
<td>Kay Niemeier, DED - Public Service Commission</td>
<td>Tammy Vieth, MoDOT</td>
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<tr>
<td>Jana Oliver, Missouri Farm Bureau Services, Inc</td>
<td>Mickey Wilson, Legislative Research - Division of</td>
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<td>Ashley Perkins, Federal Highway Administration</td>
<td>Oversight</td>
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April Seminar

CPE: 2 Hours CPE

Topics: ABC's of the Patient Protection and Affordable Care Act
       Initiative Petition regarding Enhanced Sales Tax

Speakers: Garry Kornrumpf, Director of Plan Integrity and Cost Recovery,
Missouri Consolidated Health Care Plan
          Harry Otto, Deputy State Auditor

Date & Time:
    Thursday, April 14
    11:00 am to 1:30 pm
    (lunch served at noon)

Location:
    Scheppers Distributing
    2300 St. Marys Blvd
    Jefferson City, MO

Price:
    IIA Members: Free
    Non-Members: $15

REGISTRATION LIMITED TO 50 PEOPLE

To register, call Jon Halwes at 893-7703 or E-mail jehal@email.com
Registration deadline is April 8, 2011.

Risk Assessment – A Practical Approach

Barb Schaffert, Kurt Manske, and Melissa Ryan from Grant Thornton presented a
seminar on risk assessment on February 16, 2011. The first topic of discussion was
Risk Assessment & ERM (Enterprise Risk Management). This topic included a
definition of ERM, both a textbook and practical application. The speakers talked
about things that drive risk such as strategic intent, operational reality, reporting
needs and requirements, and legal and regulatory compliance requirements. The
“upside” of risk was also discussed to help assess the company’s ability to
recognize and capitalize on opportunities.

Another topic included Terminology & Framework, which included tips on analyzing risk
to determine how it should be addressed. A matrix was provided to help determine the severity,
impact, and frequency of the risk. This aids the company in developing strategy to address the risk.

Other topics presented were Common risks –
Developing a Risk Universe, Company Culture, Industry Considerations, Tools and
Techniques, and IT Risk Assessment. Some of the key items presented were to
establish a framework/approach and define a common language to discuss risk.

Submitted by Kendall Blythe, Department of Natural Resources
The following is the status of the Chapter Achievement Program (CAP) points for our chapter as of 3/9/2011.

<table>
<thead>
<tr>
<th>Category</th>
<th>Minimum Required</th>
<th>Chapter Points (to Date)</th>
<th>Balance to Minimum</th>
</tr>
</thead>
<tbody>
<tr>
<td>I. Service to Members</td>
<td>325.00</td>
<td>1,008.84</td>
<td>Achieved!</td>
</tr>
<tr>
<td>II. Service to Profession</td>
<td>200.00</td>
<td>224.53</td>
<td>Achieved!</td>
</tr>
<tr>
<td>III. Chapter Administration</td>
<td>160.00</td>
<td>209.00</td>
<td>Achieved!</td>
</tr>
</tbody>
</table>

Minimum for Bronze Target     685.00  1,442.36       Achieved!
Minimum for Silver Target     1,060.00 1,442.36       Achieved!
Minimum for Gold Target       1,560.00 1,442.36   117.64

Current CAP Status: Silver

Finish Strong

In sports, it is not uncommon to hear stories of how successful teams have rallied in the face of adversity behind a player, coach, or motto to stay motivated throughout the season. An example of this is the 2008 University of Florida football team that attributed much of its success to the motto "Finish Strong." Despite an unexpected, early-season setback, this motto permeated the lives of players and coaches on and off the field and "Finished Strong," eventually winning the school's third national championship. The champions were motivated to:

Finish Strong in the classroom.
Finish Strong in the weight room.
Finish Strong in practice.
Finish Strong on every play.
Finish Strong in every game. Most games are decided in the second half.
Finish Strong every season. Very difficult to win a championship if you lose late.

Candidates preparing for the CIA Exam can take this motto and apply it to their study preparations.

Finish Strong on each practice test.
Finish Strong each day you study. Set a goal and meet it.
Finish Strong with your review. The final days are when you should undertake a cumulative review and focus on your weak areas.
Finish Strong when answering each question on your exam. Put to use the test-taking skills you have learned.
Finish Strong at the exam center. Be in control. You have done everything you can to be adequately prepared to PASS the exam. Remember, there are others who are not as well prepared as you.

This is something that carries over to each of our lives. Finish your day strong by ending it on a positive note. Finish what you have started, and not just for the sake of finishing it, but with the intention of doing the job well.

Keep in mind that as a Central Missouri Chapter member, you will receive a 20% discount on the Gleim CIA Review materials, which include over 3800 practice multiple-choice test questions.

Contact Melissa Leonard, Gleim Chapter Coordinator, at 800.874.5346, ext. 131 or melissa.leonard@gleim.com to take advantage of this offer or if you have any questions.
Federal Reserve Presentation

The March 8, 2011, seminar included training provided by four presenters from the Federal Reserve Bank of St. Louis. During lunch Scott Scobe discussed the Certified Public Manager program at Missouri State University.

Joel James presented background on what the Federal Reserve Bank (the Fed) is and how it operates. The current Fed in place is the United States' third attempt at maintaining a central banking system. J.P. Morgan even once tried to establish a central banking system. The current Fed was created in 1913. There are currently 12 Federal Reserve banks across the country. Joel indicated that the purpose of the Fed is to influence the supply of money and credit, regulate and supervise financial institutions, provide a paying service for the country's banking institutions and to maintain stability of the financial system. The Federal Reserve processes payments for commercial banks and for the United States Government. The following shows just how much money is processed by the Fed in various categories:

* Currency and Coin Distribution, $30 billion
* E-Payments and ACH, $11.2 billion
* Check Clearing, $8.6 billion
* Fedwire Funds & Securities Services, $631 trillion

Mike Renfro next talked about the Fed's Internal Audit Department. Mike stated that the Fed's internal auditors report to the Audit Committee Board of Directors. By regulation, the Board is comprised of 3 bankers, 6 non-bankers, and 3 additional members from the Board of Directors. He stated the St Louis Fed has approximately 25 people in the Internal Audit Department. He also stated that as a whole, his department has an average of 14.9 years of internal audit experience. An amazing 96% of the St Louis Fed internal auditors have a certification. Mike said that his office is striving to have a 100% certification rate within the next few years.

A typical internal audit for the Fed consists of 2-3 staff members and has a budget of 400-500 hours. The audit generally lasts 4-6 weeks. The auditors create a detailed engagement plan and periodically report potential issues. The department uses a system-wide risk assessment model which was developed by the Conference of General Auditors. Mike told the audience that the 2010 budget for direct audit expenses was $2.8 million.

Mike also talked to the group about the relationship between Sarbanes-Oxley (SOX) and the Fed. He stated that while the Fed is not required to comply with SOX, the Feds still wished to comply with the regulations "in spirit." So, in 2004 the Feds began the process of complying. By 2006 SOX was implemented and the Fed was in compliance.

Carlos Garriga presented various economic models to show how supply and demand can impact the economy and lead to recession, depression or inflation. The charts that he showed are used by the Federal Reserve as a means to identify trends in the economy to make decisions and forecast/projections. Carlos indicated that in recent years over 8 million jobs were lost in the recession which included a reduction of 2 million jobs for manufacturing and 2 million for construction as well as a .75 million decrease in the financial service sector jobs. As a side note he said that the gross national product is rising without creating jobs; thus, the workforce is more productive and making more with less manpower. The composition of the products and services has changed from a product based economy to a service based economy. Carlos explained that when he prepares the various economic models he takes into account past performance models in making speculations about the current and future economic trends.

Timothy A. Bosch is a federal bank examiner and his staff performs examinations of the banks in the St. Louis region of the federal reserve system. There are over 300 banks in Missouri. Timothy explained some of the reasons for the erosion of the centralized banking system and decline of banks in recent years was due to the housing market. Lenders of origination, such as mortgage companies or other parties, were providing loans to individuals without consideration for the risk of recovery/repayment of the loans. He stated that "by spreading the credit role, the disease was spread," and the national economy and banking institutions suffered as a result of the loose credit policy.

Submitted by Jennifer Weggenmann and Teri Summers, SAO