Charlotte IIA Members,

Thank you for a great start to our 2016-2017 Chapter Year! The Charlotte Chapter has once again received “Platinum” status with the IIA’s Chapter Achievement Program! This program provides recognition for chapters that provide service to their members and the profession.

Our Chapter officers and volunteers have been busy planning the remainder of the programs and events for our 2015-2016 year, including our two-day district conference (March 14-15), and our Academic Relations committee is working with local universities to educate students about the Internal Audit profession. There are a variety of opportunities for connecting with local students, so if you are interested in participating with our Academic Relations committee and events, please reach out!

The Charlotte Chapter continues to grow as we welcome new members and Internal Audit organizations into the area! As we grow, we are always looking for volunteers and new ideas. If you would like to volunteer, or have ideas about what we could do as a chapter, let me know. I would welcome hearing from you.

Warm Regards,

Sarah Miller, CIA
Don’t Miss These Upcoming Events

IIA and ISACA Joint Event

Please join us on October 29th for a joint IIA and ISACA networking event. This event will provide significant networking opportunities with your colleagues and meet new people in our profession.

Drinks and hors d’oeuvres will be served during a social hour beginning at 5:30.

(Two drink tickets per participant will be provided).

Cost: Free for members

Slot now available. For additional information or contact Mike Levy at Michael.Levy@wellsfargo.com

Upcoming CPEs

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<thead>
<tr>
<th>Date</th>
<th>Topic</th>
<th>Speaker</th>
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<tr>
<td>October 29</td>
<td>IIA and ISACA Joint CPE Event</td>
<td>Multiple</td>
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<td>November 16</td>
<td>Leading Teams to Success</td>
<td>Patrick Vaca</td>
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<td>November 4-6</td>
<td>23rd Annual SC Statewide Audit Conference</td>
<td>Multiple</td>
<td>Up to 20</td>
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<td>November 7 &amp; 15</td>
<td>IIA Tidewater Chapter’s CIA Exam Review Days Part I &amp; II</td>
<td>Instructor Led Courses</td>
<td>Up to 16</td>
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<td>December 9, 2015</td>
<td>Audit and Governance of Application Development/Acquisition</td>
<td>Norm Kelson</td>
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<td>March 14-15</td>
<td>2016 Mid-Atlantic District II Conference</td>
<td>Various</td>
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Member Webinars

The following webinar is being offered by The IIA. Click on the webinar title to view a description and outline, along with presenter information and key takeaways.

November 17, 2015—1:00 pm—2:00 pm ET
Measuring IA Value and Performance (CBOK Report)
Save the Date

November 20, 2015
IMA 14th Annual Catawba Valley Accounting and Management Conference

This 8 hour CPE conference will cover the following topics: Strategies for Success...The Fusion of Winning Tactics, Is Your Organization’s Data Secure?...An Introduction to Information Assurance, Understanding Codes of Ethics, and Social Media, Linkedin, and Reputation Management,

Don’t miss this opportunity to learn from some of the best. Click here for more details.

2016 IIA District Conference
March 14 – 15, 2016

The Charlotte Chapter of the Institute of Internal Auditors will be hosting the 2015 IIA Mid-Atlantic District Conference at the Great Wolf Lodge in Concord, North Carolina next March. Make sure to SAVE THE DATE on your calendar and visit our chapter website for further details as they unfold.

July 17 - 20, 2016
IIA’s 2016 International Conference

Join us for the 75th annual IIA International Conference, July 17-20, 2016, in New York, as we embark on an educational journey rich with insights for internal auditors at every level. Expand your network with 2,000+ peers from more than 100 countries, deepen your knowledge of internal audit, and experience the sights and multicultural offerings of New York City. Additional details will be available soon. In the meantime you are invited to contact us with any questions at international.conference@theiia.org.

Please Congratulate Our Newly Certified Members

George Hendrix, CRMA  
Donald Earls, CIA

George Hendrix, CFSA  
Julie Earls, CIA

Daniel Stahl, CIA  
Bradley Lanier, CIA
Good Audit Reports are clear, concise and provide the reader enough information to understand the issues and react accordingly. This session will focus on barriers to good report writing and how to organize and communicate audit issues and the overall report.

Please Welcome Our Newest Members

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<thead>
<tr>
<th>Member</th>
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<tr>
<td>Julie Adams</td>
<td>Wendy Douglas</td>
<td>Bianca Khatibi-Manesh</td>
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<td>Kwadwo Amoako</td>
<td>Sashle Eslaquit</td>
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<td>Samantha Barniak</td>
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<td>Nathaniel Bell</td>
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<td>Agata Borowicz</td>
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<td>Laurel Boyd</td>
<td>Casey Gaskin</td>
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<td>Dectria Bridges</td>
<td>Jason Green</td>
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<td>Jonathan Castrey</td>
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<td>Winnie Cheng</td>
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<td>Jamia Chisolom</td>
<td>Dustin Johnson</td>
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<td>Matthew Cochran</td>
<td>Mary Jones</td>
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<td>Ian Contijoch</td>
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Member Profile—Sandie Turel

Lead Auditor—Wells Fargo Audit Services

Sandie utilizes her nine years of internal audit experience and her degree in Finance from Kenneseaw State University to help her succeed as a Lead Auditor at Wells Fargo where she focuses on audits in the Wealth and Investment Management (WIM) space. Her membership in the Institute of Internal Auditors (IIA) started in 2012 and she enjoys making new connections and furthering the internal audit profession by being an active member of the Charlotte Chapter. Sandie currently volunteers as the chapter’s website administrator, newsletter publisher, and she is a district conference committee member. Her dedication to the chapter was recognized last year when she was awarded the “2015 Volunteer of the Year” award.

Volkswagen Scandal: The Undoing of a Corporate Icon (September 28, 2015)

My first car was a used 1967 Volkswagen Beetle. It was a great little ‘starter’ car, but only a couple of months after I bought it, the car was stolen. Last week, I relived that loss when Volkswagen was stolen from all of us.

The venerable automaker’s shocking admission that it developed and installed software designed to circumvent U.S. emissions rules will forever change how the company is perceived by the public. The phrase ‘German engineering,’ once synonymous with quality, will now be the butt of jokes on late-night talk shows.

What’s more, the scandal once again raises serious questions about the inner workings, and possibly ethical practices, of a respected corporation. As with FIFA, Hertz, and Toshiba, we can expect details of this debacle to trickle out in a painful and public unveiling of failure in corporate culture.

Continued on Page 5
It remains to be seen how pervasive the scheme was to make Volkswagen's diesel vehicles appear to run cleaner in emissions tests than they do on the road. But one thing is perfectly and immediately clear: This is an extraordinary example of how a company's reputation, particularly one built over many decades, can be severely damaged — if not decimated — in mere days.

Already, Volkswagen has seen the resignation of its CEO against the backdrop of criminal and U.S. Environmental Protection Agency investigations, which could lead conservatively to fines of as much as US $18 billion. The company already announced it would take a charge to earnings topping US $7 billion. Not surprisingly, Volkswagen's stock price has plummeted.

On the horizon, one can expect to see lawsuits from car owners, shareholders, and others directly and indirectly affected by Volkswagen's actions. And one thing is certain, the impact won't be limited to Volkswagen. Like a devastating tsunami after an earthquake, the scandal's ripple effect already is striking stock prices of other automakers and parts suppliers.

The fallout conceivably could spread to other consumer sectors, where claims about product performance or quality will understandably be viewed more cynically. Is gluten-free really free of glutens?

Ultimately, the consequences of this misdeed might topple the world's second largest car company, according to some analysts. Whether Volkswagen can survive the storm, from an internal audit perspective, the scandal must be placed at the catastrophic end of the risk spectrum.

It remains to be seen if Volkswagen's top managers knew about the scheme or contemplated the risk of its discovery. But the lesson for internal audit is that virtually all risk carries a component of potential reputational damage to the organization. In the case of Volkswagen and many other failures of iconic companies, it would seem unimaginable that management or the internal audit function would condone potentially criminal behavior in support of boosting the company's value. The risks associated with such behavior — reputational, share value, corruption, fraud, corporate culture — are unacceptable to me, and presumably unacceptable to most shareholders and consumers.

This brings up another lesson to be drawn from the Volkswagen episode: Internal auditors must be keenly aware of the pressures associated with performance within their organizations. In a nutshell, they must understand that what gets measured/rewarded also can get manipulated.

Whether it's about profits, bonuses, or reducing the emission of nitrogen dioxide, internal audit must be attuned to pressures that management, regulators, or stakeholders place on measurable metrics. Typically, this is where an organization is most vulnerable to bending or breaking the rules.

I am encouraged by the comments of new Volkswagen CEO Matthias Müller upon his being named to the top post. Müller, who worked his way up the corporate ladder over a 38-year-career that began with Audi, a unit of Volkswagen, said winning back trust is his most urgent task. He promised to accomplish this, 'by leaving no stone unturned and with maximum transparency, as well as drawing the right conclusions from the current situation.'

It will be a good first test for Müller to see if he can truly determine whether creation of the emissions 'defeat device' was an isolated instance of overzealous engineers succumbing to compliance pressures — or a product of a broader corporate culture willing to do anything to achieve results.
IIA Charlotte Chapter Academic Relations needs VOLUNTEERS.

♦ **Speed Networking, October 29, 2015, 4:30-6:30 pm at Winthrop University (10 Volunteers needed)**

  Based on the format of speed dating, professionals and students will have a limited amount of time (approximately 5 - 8 minutes) to cover certain information with each new person they meet. Professionals will talk about some or all of the following, as applicable: their post-college job experience, possible employer or industry contacts, their firms, types of accounting/finance positions, and professional advice to students. Students will practice their networking and professional conversation skills. While the event is not intended as a recruiting event, it provides a great opportunity for the professionals and Beta Alpha Psi students to get to know each other. After the event, all participants are invited to a light reception with a chance for follow up conversations.

♦ **Mock Interview, November 3, 2015, 9:00-4:30 pm at Winthrop University (10 Volunteers needed)**

  Interview duties for the program consist of asking key pre-determined interview questions during 30 minute sessions. You may choose to do as many sessions as you like but we ask for a minimum of two 30-minute sessions. Our goal is to prepare students to meet the needs and challenges of the contemporary world, and your involvement will help in this process. *If you plan to participate in the Mock Interview event, a minimum of 1 hour is needed.*

♦ **Meet and Greet with Wingate University Business Fraternity, November 20, 2015, 3:30 – until ?**

  Informal social with accounting/business student members about the auditing profession at Panera Bread, Matthews, NC.

Please respond to **Erin Rydell** at **erin.rydell@carolinashealthcare.org** if you are interested in participating in these events.