Charlotte Chapter,

I am honored to serve as the Charlotte Chapter President for the 2020-2021 Chapter Year. We have a great group of officers and volunteers in place to make this Chapter year another huge success.

In light of our current environment responding to the pandemic, let me first send my best to you, your teams, and your families as we make it together through this difficult time. I hope that each of you are well and able to safely connect with those important to you.

Anticipating the continued need for training and CPE opportunities, our team and volunteers are working to schedule virtual training events.

September is off to a great start with a successful CPE event on Fraud Detection & Incident Response for Auditors with John Hall. Thank you to everyone that participated!

As always, reach out to me or any of the officers if you would like to volunteer, learn more about the Chapter, or have ideas/feedback. We would love to hear from you!

Check out our Chapter Website for additional information.

I look forward to a great year serving our members and profession!

Stay safe and take care.

Warm Regards,
Kaila Cole
Please join the IIA Charlotte Chapter in welcoming its newest 2020 members:

Eleanor Carswell
Brandon Kivi
Liam Straker
Sanpreet Singh
Cheryl Bradshaw
Christine Dallaire
Troy Seiler
Brandon Guzman
Nicholas Savarino
Antrani Mayfield
Ashley Frazier
Busola Lawal
John Thomas
Nina Mendoza
Nicholas Condon
Alex Bridgeman
Henny Santoso
Emily Mitchell

Audit Career Center

Did you know that the IIA can help you find your next great career opportunity in audit? Our Charlotte IIA Chapter publishes local job opportunities on our careers page. Employers and Agencies that are looking for qualified individuals to fill open positions provide us their job openings. Check frequently for that perfect opportunity waiting for you.

If you are considering that your ‘perfect new job’ might be located in an exciting new area of the country, check out the Audit Career Center located on the IIA North America site. These career resources will help you find the ideal job for which you have been looking.

You are only one click away, so click today….
Audit Channel

Don’t forget to visit the Audit Channel, which provides insightful information on various topics, including Leadership and Career Development, Internal Audit Activity, Internal Control, Risk Management, Technology, Industry Spotlight, etc.

Upcoming Trainings

COVID-19 Update: In light of the recent developments regarding COVID-19, the Chapter has decided to postpone all in-person training events and meetings indefinitely. This includes planned CIA Review courses. Our Leadership team is actively monitoring the situation and all events will be evaluated for the opportunity to reschedule or host remotely.

Please see below for the upcoming Continuing Professional Education (CPEs). For events where Slots are available for registration (IIA CLT hosted events), please register accordingly. For additional information, please contact us at Chapter91@iiachapters.org.

The IIA and Charlotte Chapter remains focused on supporting your professional needs. If your organization has issued travel restrictions, virtual training options are available, including live streaming of certain public seminars, as well as a full portfolio of online courses. For a full listing of instructor-led online courses (eSeminars), as well as self-study OnDemand training options and CIA exam preparation, please see the IIA website.

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<tr>
<th>Date</th>
<th>Topic &amp; Location</th>
<th>CPEs</th>
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<td>9.23.20</td>
<td>Save the Date-Volunteer Kickoff Event via Zoom</td>
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Be on the lookout for more training opportunities for the month of October. Check the Charlotte IIA Training & Events page often for more updates and information.

IIA North America Member Webinars & Online Courses

Click the following Webinars and Online Course title to view a description and outline, along with presenter information and key takeaways.

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<th>CPEs</th>
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<tr>
<td>9.15.20</td>
<td>Members-only Webinar: Cracking The Decency Code, The Leader’s Path to Integrity and Trust</td>
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<tr>
<td>9.23.20</td>
<td>Business Continuity-Lessons Learned from the Pandemic</td>
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Drive Your Career Forward

Save up to $230 on CIA Application Fee—For a limited time, The IIA is waiving the application fee for the Certified Internal Auditor® (CIA®) designation. As the only globally recognized certification for internal auditors, becoming a CIA proves expertise, value, and understanding of the International Standards for the Professional Practice of Internal Auditing and how to apply each of the Standards. But wait, being a CIA really means so much more—more credibility, more promotions, more money.*

*Certified Internal Auditors earn on average $38,000 more annually than those without a certification, according to The IIA’s 2017 Internal Audit Compensation Study (based on U.S. responses).

The IIA’s New Three Lines Model

An update of the Three Lines of Defense. The IIA’s New Three Lines Model

An update of the Three Lines of Defense

The Internal Audit Student Exchange

The Internal Audit Student Exchange is going virtual! Registration is now open for this year’s Exchange being held on Friday, September 18. The new 3-hour format will be a student-only event and is FREE to attend. Both Educators and AR Chairs are welcome to attend; however, the Academic Relations Committee will hold separate webinars for each audience. Learn more.

Important! Chapter Virtual Training Policy

The IIA’s executive and legal team finalized the attached mandatory Chapter Virtual Training Policy. Privacy around member data is of the utmost importance, and we want to ensure IIA Chapters keep this at the forefront. Please make sure your Programming Chair and other key leaders are aware of this policy. To coordinate training opportunities, reach out to the Training Team at GetTraining@theiia.org.

Programming

The IIA is not waiving CPE requirements for its certifications during the COVID-19 situation. If you plan to hold online training, you must follow The IIA’s new Virtual Training Policy when planning and conducting events.

Chapters are able to partner with The IIA HQ’s virtual offerings to provide training to our members with very little volunteer effort. New courses are being added every day, contact Alicia.Borden@theiia.org.

We are excited to offer Chapters a FREE Zoom line for up to 100 attendees. There is also limited availability for Zoom lines for up to 500 attendees. Contact GetTraining@theiia.org to reserve.
IIA CHARLOTTE CHAPTER
MEMBERSHIP SPOTLIGHT

Name: Donna A. Sullivan

Current Position: IT Principal Auditor, Wells Fargo

Educational Background: PhD, Organizational and Business Management specializing in Information Technology

IIA Certifications: CIA, CISA

What made you join the Institute of Internal Auditors (IIA)?
I love the field of auditing, especially compliance, operational, and IT audits! I believe auditors make significant contributions to every industry and business sector.

What member benefits have you found to be the most beneficial to you?
The excellent training opportunities; networking with professionals in similar roles and industries; and serving as a volunteer. The resources (i.e. auditing framework, principles, guidance, GTAGs, and IA magazines) have been invaluable throughout my audit career.

Has being an IIA member helped you with your career development? If so, please let us know how.
As a volunteer, I have had great opportunities to build leadership skills. As a training/conference attendee, I have always had rich learning experiences, which I was able to apply in practice. In fact, when I decided to change my career to become an auditor, I became a volunteer with the IIA and ISACA. It gave me the opportunity to network, which is how I got my first audit job.

Name: Trust S. Dzvene

Current Position: Enterprise Testing Associate at Wells Fargo

Educational Background: Master of Science in Accounting- UNC Greensboro, Fellow Certified Chartered Accountants (FCCA) UK

IIA Certifications: Certified Internal Auditor

What made you join the Institute of Internal Auditors (IIA)?
As member of Wells Fargo Internal Audit team, I was automatically signed up as IIA member when I joined in 2015 as this is a requirement. I was also transitioning into audit from accounting and I felt that joining the IIA and becoming a CIA would help me with my new career path.

What member benefits have you found to be the most beneficial to you?
Networking events allowed me to meet other IIA members from different organizations and backgrounds and that has created lasting connections.
The training workshops have been beneficial in terms of learning and getting required CPEs.
I have participated in a couple of IIA Charlotte Chapter community service events, which allowed me to give back to my community and touch people’s lives in a number of ways.

Has being an IIA member helped you with your career development? If so, please let us know how.
Yes, being an IIA member has helped my career development. Studying for my CIA exam exposed me to the IIA standards and principles of internal auditing hence that made my transitioning to internal audit easier. I have since transitioned to risk management and I am still able to utilize the skills I acquire from IIA.
IIA CHARLOTTE CHAPTER
MEMBERSHIP SPOTLIGHT

Name: Robert Tolley
Current Position: Audit Manager
Educational Background: Bachelor of Science, Accounting, University of North Carolina at Charlotte
IIA Certifications: CIA, CRMA

What made you join the Institute of Internal Auditors (IIA)?
When moving from external auditing in public accounting into a corporate internal auditing environment I knew I needed a source outside of my workplace to help equip me with the knowledge and resources to get up-to-speed on the industry.

What member benefits have you found to be the most beneficial to you?
The IIA Charlotte Chapter has consistently provided numerous, high quality, and engaging training opportunities to help me, other fellow IIA members, earn the CPE needed to maintain our certifications.

Has being an IIA member helped you with your career development? If so, please let us know how.
As mentioned in the previous responses the IIA has been instrumental in getting my career in IA off the ground and offering many trainings that I have found beneficial to my day-to-day work, but I have also read every IIA Smart Brief that has hit my inbox. The newsletter helps to keep me informed on the latest news and career guidance related to the profession.

Name: Monica Gutierrez-Altenhof
Current Position: Internal Auditor at TIAA
Educational Background: Bachelors in International Business and Masters of Accountancy both from UNCC. Currently, in my last semester for my MBA at UNCP.
IIA Certifications: CPA and CFE

What made you join the Institute of Internal Auditors (IIA)?
When I started at TIAA, my manager asked me to fill out a form to join IIA. Honestly, I had never heard of them, but I was willing to try something new.

What member benefits have you found to be the most beneficial to you?
I love the networking events. I have made a lot of great connections. My favorite was the volunteer event last year counting the toys for the toy drive.

Has being an IIA member helped you with your career development? If so, please let us know how.
In December 2018, I helped put together a CPE breakfast event at TIAA. I connected with members of different companies, while learning valuable event organization skills. I had recently accepted a new job within TIAA, and I was able to meet some of my new coworkers in a more relaxed setting before officially starting the job.
Hefty fines levied by U.S. regulators last week in two high-profile cases provide new examples of how ineffective controls can lead to significant problems. One instance was driven by inadequacies in managing cloud computing risks, the other resulted from conspicuous and deliberate rejection of sound governance practices. In one instance, internal audit was part of the problem. In the other, it was a victim.

The best known of the two cases involved Capital One, the Virginia-based bank holding company known for its catchy "What's in your wallet?" advertising campaign. The bank was hit with an $80 million civil fine from the U.S. Office of the Comptroller of the Currency (OCC) stemming from a 2019 data breach that exposed more than 106 million customer records.

The FBI arrested a former Amazon employee in connection with the crime, alleging she also breached 30 other companies and organizations. She is accused of creating a program to scan cloud customers for a specific web application firewall misconfiguration associated with Amazon Web Services. Once the tool found its target misconfiguration, the hacker exploited it to extract account credentials from databases and other web applications. While clearly the victim of the hacking scheme, Capital One was presentably susceptible because of serious lapses in basic risk assessment and control processes associated with cloud computing, according to details of the breach revealed in an OCC Consent Order.

Capital One did not establish appropriate risk management for the cloud operating environment, including failing to design and implement "certain network security controls, adequate data loss prevention controls, and effective dispositioning of alerts," according to the order. More troubling, according to the order, is that the bank's internal audit "failed to identify numerous control weaknesses and gaps in the cloud operating environment. Internal audit also did not effectively report on and highlight identified weaknesses and gaps to the Audit Committee." And even when internal audit did raise concerns, the OCC found, the board "failed to take effective actions to hold management accountable, particularly in addressing concerns regarding certain internal control gaps and weaknesses."

The bank, according to the OCC, has begun to address corrective action and committed to providing resources to "remedy the deficiencies."

Details in the report paint a picture of risk management and governance breakdowns at all levels — the board, executive management, and internal audit.

The second case involved World Acceptance Corp. (WAC), a small-loan consumer finance business based in South Carolina. The firm was fined $21.7 million by the U.S. Securities and Exchange Commission (SEC) for violations of the Foreign Corrupt Practices Act (FCPA) by its former wholly-owned subsidiary in Mexico. According to the SEC's Cease and Desist order, the subsidiary was accused of paying out $4.1 million in bribes to government and union officials over a nearly seven-year period. But this case was as much about poor controls as any attempt to cover up allegedly illegal actions.

The Mexican subsidiary was accused of paying government and union officials to ensure that loan repayments continued to be made in a timely manner, according to the SEC order. The scheme included paying intermediaries to fly to different municipalities in the country with "large bags of cash to pay offi-
"lacked the internal accounting controls sufficient to detect or prevent such payments."

Beyond the obvious FCPA violations and accounting control lapses in Mexico, the governance breakdowns were compounded by a "tone at the top from WAC management (that) did not support robust internal audit and compliance functions and undermined the effectiveness of those functions," according to the SEC order.

The report details issues starting in October 2015, when the then-CEO fired the vice president of internal audit after he raised compliance concerns, including the lack of accounting controls at the Mexican subsidiary. The CEO then combined the internal audit and compliance functions into one department and pressured the vice president over the new department to cut staff and become more "bare bones," according to the SEC order. About a year later, the CEO changed the reporting lines for the department from the board to the general counsel. According to the SEC, the vice president over internal audit and compliance was soon ousted allegedly for voicing concerns that the functions were "not sound."

In 2017, external auditors formally reported material weaknesses in the firm's internal controls over financial reporting. Specifically, external auditors cited control design gaps in vendor management and payment processes in the company's Mexico subsidiaries.

In the Capital One case, it appears risk assessments, risk management, independent risk management, and internal controls testing were missing from cloud services. Worse, it appears internal audit provided little independent assurance over this key risk area. The corrective actions called for in the OCC order include development of a formal internal audit plan that includes:

- Reassessing the cyber and technology risk assessment.
- Assessing and validating the completeness and accuracy of management's documented inventory of technology assets and configurable devices and software.
- Incorporating lessons learned related to the cybersecurity breach root cause analysis.
- Revising the risk-based technology audit plan.
- Assessing internal audit staff expertise and training needs.

Such a comprehensive list does not mean any of these key actions in particular was missing before the breach, but it lays out the complexity of assurance responsibilities that internal audit should take on when any organization turns over data storage and computing services to a third party.

In the WAC case, the SEC accepted the company's offer of remedial efforts that included supporting the SEC investigation; the firing of key personnel, including the CEO and general counsel; and divesting itself of its Mexico operations.

While these cases are different, there is a common moral to the stories: Strong and effective internal audit functions can keep organizations out of trouble. Ignore internal audit, or worse, circumvent it, and the regulators will be knocking on the door with serious charges and big fines.