President’s Message

Chicago Chapter Members,

I am extremely excited and honored to serve as your President for the 2013-2014 Chapter year. We have a wonderful and devoted group of people serving the Chapter this year: Ken Clow (Senior Vice President), Ken Shaw (Vice President of Education), Dan Gaffney (Vice President of Operations), Steve Randall (Secretary) and Nick Saracco (Treasurer). I also must thank Rebecca Nilson, our outgoing President, for her wonderful leadership and dedication over the past year; we look forward to her continual contributions to the success of our Chapter.

The Chicago Chapter has achieved a tremendous amount through its previous leaders and members by: investing in the future of the profession by partnering with collegiate Internal Audit education programs and awarding scholarships to students; advancing the profession through donations to the IIA National Research Foundation; supporting the continuous education and development of its members by offering relevant educational programs and roundtable discussions; timely updates through our quarterly Innovator; achieving eleven years of continuous Platinum status – the highest Chapter recognition level from the IIA; and organizing our nationally recognized Annual Seminar - just to name a few.

This year’s Officers and Board Members are dedicated to serving our members by continuing and building upon the historical success of the Chapter. I would like to encourage you to get involved and volunteer with the Chapter.

We have quite a few events already lined up this year. Two July events are:

- Health Care Reform - Audit and Compliance Implications for Health Exchange Information Flows
- Women’s Initiative Lunch & Learn

Please check out the chapter’s website for more details on these events, as well as future events to come!

I hope you are as excited as we are to play a part in another great year with the Chicago Chapter!

Tonya Baez, President
IIA Chicago Chapter
The Career Assistance Program (CAP) Committee assists members during career transitions in the following three ways:

- providing access to training and networking events,
- communicating available job opportunities, and
- offering scholarships to attend educational sessions.

The following upcoming training sessions offer a discounted registration fee for members in transition.

**IT Security Governance and Controls**
August 26th, 2013 from 8:00-5:00 at the Gleacher Center

**Performance Based Auditing in the Public Sector**
August 12 from 8:00-12:00 at the Gleacher Center

CAP uses LinkedIn as the main forum to communicate information from employers and recruiters to members who are in career transition. The Chapter established this LinkedIn group (IIA – Chicago Chapter) to facilitate networking and discussions, resulting in over 940 current members and an average of 95 jobs posted each month in 2013.

The CAP Committee encourages all to become a member of the LinkedIn group and eligible individuals to take advantage of the training discounts.

**New Certifications**

**The Certified Internal Auditor (CIA)** designation is the only globally accepted certification for internal auditors and remains the standard by which individuals demonstrate their competency and professionalism in the internal auditing field. Please join us in congratulating the following chapter members who recently obtained their CIA certification:

- Steven Stryker
- Jason W. Maslan
- Sandra M. Jenson
- Steven A. Tremaglio
- Thomas G. Drake
- Kelly L. Quick
- Chad R. Pedersen
- Eric Hesness
- Julie Mills
- Tyritha M. Ekelemu
- Susan Lea Henry

**The CRMA (Certified in Risk Management Assurance)** is one more mark of professional distinction for internal auditors demonstrating your ability to provide assurance on core business processes in risk management and governance. Please join us in congratulating the following chapter members who recently obtained their CRMA certification:

- Eric Jokisch
- Denise Harvey
- Eric Nellessen
- Todd E Morgenthaler
- Joseph Billetdeaux
- Edward Moy
- Susan M. Kilby
- Rebecca J. Nilson
- Dora D. Sirakova

**The CGAP (Certified Government Auditing Professional)** certification program is designed especially for auditors working in the public sector at all levels. It is an excellent professional credential that prepares auditors for the many challenges they will face in this demanding arena. Please join us in congratulating the following chapter members who recently obtained their CGAP certification:

- Ryan C. Freundt
- Catherine Vasilakis Pleasant
Join us in congratulating the following individuals celebrating significant milestones as members of the Chicago Chapter:

**Member Anniversaries**

**40 years**
- John Prochaska
- Robert McCabe

**35 years**
- Mary C. Kyes

**30 years**
- Edward P. Gozdecki
- Richard J. Kokoszka
- Michael A. Zumach
- Wayne A. Barbier

**25 years**
- Dale W. Bridge

**20 years**
- Peter G. Beniaris

**15 years**
- Julie L. Greco
- Warren W. Stippich
- Anna Bourne
- Shelly A. Banks

**10 years**
- Wendy Ewing
- William Clay Cochran
- Frank S. Maggio
- Darryl Hennington
- Kitty Liu
- Michelle Wilson
- Bruce A. Wright
- Christina Ng-Tran
- Maria Carrera
- S. Nawsheen Rabbani
- Bryan R. Foxworth
- Steven Holden
- John Larounis
- Andrew L. Schweik
- Susan M. Kilby
- Jack E. Pascoe
- Lisa Przyborski
- Steven Cox
- Felisha Lashelle Chiles
- Lenell Beaty
- Daniel L. Krueger
- James P. Martin
- Jeff Peters
- James P. Ryan
- Nirav J. Patel
- Veronica Long
- Nanciann Olson
- Adrienne Spivey
- Michael J. Stent
- Lauryn Kessler
- Tony Cristofano
- Terrence J. Bernett
- Erin Joy Shoemaker
- Xiaoyang Li
- Vincent J. Concialdi
- Thomas C. Cutting
- Jason J. Daily
- Arvin Floresca
- Arlene Manahan
- Roberto Alvarez

**5 years**
- Melissa Sandve
- Larsenia Horton
- Francis Grieashamer
- Maureen Cwiok
- Lisa Walcott
- Lynn M. Banks
- Cassandra Seale
- Brendan Swan
- James Brennan
- Jodi Pfeiffer
- Kyle Sullivan
- Steven Swanson
- Ben Savoie
- Sarah Duguid
- Mary Tayson
- Thomas Charles
- Maag
- Sara Martinez
- Doug Vlasak
- Doug Kanney
- Stell Mallios
- Michelle Horton
- Mohammed Maali
- Marisol Pantoja
- Mike Rasmussen
- Stephen Bloch
- Rachelle Saieg
- Philip Skrzypek
- Bonnie Akindele
- Dawn Anderson
- Judy Beeson
- Alice Cosby
- Erik Horton
- Spenser Staton
- David Juengel
- Diane Peters
- Timothy Demas
- Larry Dakof
- Goranka Kasic
- Jaime Lopez
- Daniel Gray
The Chicago Chapter would like to extend a warm welcome to our new members who joined the Chapter in 2013:

Sam Lisuzzo  Demetrios Sagris  Gerardo Guerrero
Amanda Shuler  Jason Wenglarski  Rogina Montgomery
Andreas Ruhland  Yee-Ling Chan  Sheena Chawla
James Pan  Adeel Wali  Michael Hare
Morgan Foster  Xiaoran Chen  Justin Ivy
Lisa Tran  John Enders  Rebecca Keith
Obeid Muqtader  Johnny Bastidas  David Addis
Myjhune Morris  Richard Capra  Cheryl Clark
Consuela Richardson  Kendra Crowder  Leigh Taylor
Katherine Barr  Peter Sakyi  Angela Ahlgren
Quizzanda Jackson  Sonya Williams  Joseph Gioffre
Everetto Moore  Binta Kouadio  Tiffany Lee
Tracey Bogue  David Mckeon  Gabriela Mendez
Jeff Frantz  Mary McLaughlin  Max Gordon
Parth Lakdawala  Varun Choudhary  Robert Swatek
Jim Lessner  Alyssa Kahle  Katherine Kimble
Veronika Ossul  Syedmubin Jamal  Saeed Nur
Eric Ruzalski  Carmen Pacheco  Larry Ruffin
Robert Lebourveau  Darlene Perez  Kevin Smith
Enchelle Harris  Dan Shen  Kevin Cayton
Adam Karac  Ashley Thomas  Dan Giancola
Annelies Van Thillo  Ruchee Gosalia  Charles Heller
Grace Variola  Michelle Baillie  Mark Moore
Kimberly De Vries  Steven Mcadoo  Abeer Alkhathib
Puja Patel  Lisa Mcluckie-Thain  Katherine Kamykowskki
Steven Burgeman  Caroline Ramos  Eileen Mitchell
Tina Gomez  Bronson Eshleman  Ada Flores
Adam Yanasak  Andrew Hoffman  Keerthana Naidu
Leonel Martinez  Matthew Taylor  Heather Ronspies
Lidan Li  Joseph Baldassarre
Simeon Frank  Jasmine Villagomez
Reza Shah  Nicole Hulbert
Viva Yeboah

MEMBERS ONLY WEBINARS

The IIA’s complimentary Members-Only Webinar Series is available exclusively to you as part of your membership investment. These educational webinars are developed specifically with IIA members in mind. See below for a list upcoming webinars:

July 10, 2013: Guidance Webinar: Maturity Models
July 30, 2013: Pulse of the Profession
August 13, 2013: Enterprise Risk Management
August 14, 2013: Guidance Webinar: PA Internal Audit Coverage of Risks to Achieving Strategic Objectives
September 11, 2013: Guidance Webinar: Anti-corruption and Bribery
September 17, 2013: CyberSecurity (The Effectiveness of Your Controls)
October 8, 2013: Future of Internal Audit
October 9, 2013: Guidance Webinar: Business Continuity Management - Crisis Management
November 12, 2013: Internal Audit in a Virtual World (Mobile Security)
December 17, 2013: Ethics in the Industry

Visit the www.theiia.org for additional information, or to register!
And the winner is...

Many members spend countless hours dedicated to the continuous improvement of the Chicago Chapter. Each year, Chicago Chapter members recognize fellow members for outstanding contributions to the Chapter. At the Annual Chapter Luncheon, the Chicago Chapter recognized eight members with the following awards:

**Ed Gozdecki**

*William C. Anderson – Member of the Year*

This is our chapter’s highest award and it recognizes the individual who has made the most outstanding contribution to the chapter over the current year. Candidates who have demonstrated truly exceptional work for our chapter are considered.

**Jason Leonard**

*Special Recognition*

This award is given to the member who has either made a significant contribution over the current year or who has provided significant and consistent service over a number of years.

**Vinod Kalathil**

*Auditor of the Year*

This award is unique in that it is not related to volunteer work. This award focuses on the day-to-day performance working as an Internal Auditor. This award celebrates the value our profession brings to organizations and is awarded to an auditor who contributed recommendations to their organizations such as fraud discovery or fraud prevention control improvements, new risk assessment methodologies, revenue leakage controls, expense savings, continuous monitoring processes, compliance and regulation controls, etc.

**Steve Randall**

*New member of the Year*

This award is for outstanding contributions made by a new member of the IIA or a new chapter board member during the current year.

**Suri Musiri**  
**Ken Shaw**

*Outstanding Committee Chairperson of the Year*

As you can imagine, there are a large number of volunteers working in our chapter in a structured format with Chairpersons overseeing each committee. This is a valuable role within our chapter and this award serves to recognize the highest performing Chairperson over the current year.

**Patrick Scheibel**  
**J. Dustin Schultz**

*Educator of the Year*

This award is given to an educator who has made significant research or internal audit classroom contributions to the Chicago Chapter over the current year.
SOCIAL MEDIA

What do you want to know?
Everyone wants to know something, an interest burning deep inside of us. Whatever your interest happens to be, the answer is literally at the tip of your finger, you just need to know where to click. Copy the following code into any web browser:
https://twitter.com/search/realtime?q=

Add your topic of interest at the end of the string and voila, knowledge at your fingertips.

Here are a few examples:

**INTERNAL AUDIT**
https://twitter.com/search/realtime?q=internal%20audit

**MOBILE SECURITY**
https://twitter.com/search/realtime?q=mobile%20security

**CLOUD SECURITY**
https://twitter.com/search/realtime?q=cloud%20security

**BUSINESS CONTINUITY**
https://twitter.com/search/realtime?q=business%20continuity

Don’t have a topic of interest?
Well, then maybe you are interested in learning about someone.
Here are a few people you may find interesting:

**Richard Chambers**  
Chief Executive Office of the IIA  
https://twitter.com/rfchambers

**Norman Marks**  
IIA Blogger and Speaker  
https://twitter.com/normanmarks

**Kevin Mayeux**  
SVP & North American COO for the Institute of Internal Auditors  
https://twitter.com/KevinMayeux

Whatever you want to know is a point and click away. A world of knowledge is at your fingertips.

If you have questions or want additional information about the Chapter’s Social Media initiatives, please contact Steve Randall srandall@vonyaglobal.com or https://twitter.com/s_r_Randall
The biggest non-recurring expenses in corporations today are IT projects. They are a tremendous consumer of time, resources, and money. Not to say that many projects are not a good investment — many are. They help the business grow, they streamline processes and add efficiencies, they improve customer and employee satisfaction — the list is endless.

IT project auditing is a different flavor than standard IT auditing. Rather than looking for risks in established, regularly recurring IT processes, the auditor is looking for risks in a project, and by definition, a project is a unique undertaking and has a defined beginning and end.

But at the executive level the question always remains, “Did I get what I paid for?” Well-conceived projects have a carefully constructed cost-benefit analysis (CBA) and total cost of ownership (TCO). Upon project launch, the system and related business is monitored to see if the benefits are actually achieved. Most IT projects, however, do not do this. In fact, in many organizations, IT acts as a glorified order-taker. The business decides it wants a new system (accounting, sales, CRM, retail, etc.), perhaps does some research, maybe even signs a contract with a vendor, and then asks IT to install it. Conversely, some business units take a minimalist approach — simply asking IT to deliver a new system and leaving it to IT to decide what is needed. Neither approach is very good.

A better approach is to have IT and the business work together at the very inception of the project to refine the idea and integrate technology up front. And to include Audit as part of the project. The result is almost always a better overall solution for the business. Surprises and risks are reduced, weak ideas are killed off early, and approved projects have a better likelihood of success and meeting the promises of their CBA. From the auditor’s perspective, the task of trying to decipher IT documents and metrics is greatly simplified.

IT projects produce many documents (well, they should produce lots of documents — if a project you are auditing isn’t producing any documentation, that is your first warning sign). Auditing a project is often an exercise in comparing the methodology in use against the documents actually produced. As long as the document exists, the auditor can check it off. But does this approach really tell you anything about the health of the project, or if it will turn into a financial black hole? There are a few key documents an auditor should look at closely:

**Project Charter** — tells you what the project is about, who is sponsoring it, and some basic assumptions. Use the smell test — you know the business. Does it make sense? Is the business need sound and aligned with established strategy and direction? Are the right people sponsoring it?

**Issue Logs** — Tells you how things are going. If the list is growing steadily and issues seem to linger on the list for lengthy periods of time, then there is a problem. Other things to look for:

- Who are issues assigned to? Is the person qualified to fix the issue?
- How long do issues stay open, on average?
- Do the issue resolutions make sense?
- Do issues repeat? Repeating issues indicate a lack of good management and are a warning sign of other problems in the project.
- Is log actively managed?

**Risk Mitigation Plan** — lists things that might turn into an issue later on. Key items to look for in a well-managed Risk plan:

- Should have relevant risks listed
- Should be quantitative
- Likelihood of risk, magnitude, controllability of impact. Each risk should have a score.
- Should have mitigation steps for each risk
- Should have management plan for each risk should it occur
- Is the plan actively managed?

(Continued on page 8)
Communications Plan – who is communicating what, to whom and how often. Make sure key stakeholders are included. One of the most common reasons for project failure is because key stakeholders are not consulted or involved in the project early on. A weak or missing communications plan is a warning sign. “Meetings as needed” is not a plan.

Status Reports – these should be issued weekly, and describe the health of the project using a color scheme (usually red/yellow/green). If status reports suddenly go from green to red in the course of a week it is a sign of poor project management. Projects don’t typically go south so quickly. Rather, it is likely that the project manager has been downplaying a festering problem and now he can’t hide it any longer.

Revisit Business Case Regularly – Business needs can change rapidly for a variety of reasons. Projects can take on a life of their own, even after the fundamental assumptions behind the business case are no longer valid or as strong. Make sure the business need still exists. It is better to kill off a project that is no longer needed than to let it continue on its own momentum. Remember that many people in both the business and IT often forget the concept of a sunk cost.

The auditor’s role in an IT project should not be just one of enforcer. Auditors should be partners to both IT and the business, helping to ensure quality and consistency. Too often, IT is under enormous pressure to “just get it done.” The end result can often lead to poorly implemented systems and millions of dollars wasted. IT is often in a difficult position, unable to push back too hard on the business. Auditors working in close partnership with IT can help ensure that projects stay on track and provide the desired benefit. After all, we are all working for the same business.

Education Committee Update

The Education Committee is responsible for planning the Chicago Chapter’s monthly training events and Annual Seminar. Their role is to provide the chapter with events that provide our membership with quality training at an affordable price. The following event is brought to you by the Education Committee:

Health Care Reform: Audit & Compliance Implications for Health Exchange Information Flows

Date: July 19, 2013
Time: 11:15 AM – 1:30 PM

The Affordable Care Act represents the most significant change to health care in years. Not since HIPAA has there been such a shift in the way organizations manage health information. This event provides insight and information you need to understand and plan for these changes. At this training, you will:

• Learn some of the business and technology impacts of Healthcare Reforms and Regulations to the Healthcare Payer organizations.
• Learn about opportunities to establish effective health information controls to bring in operational efficiency, cost reduction and compliance.

Other Upcoming Training Events
(more details to be provided as the event nears):

August 26, 2013:

IT Security Governance and Controls

To register for these events, or for additional information, please visit the Chapter’s website:
https://chapters.theiia.org/chicago
In each issue, the Innovator profiles a current Chapter member. The goal is to find out why they chose their profession, what they do for fun (besides audit), and what has made them successful.

This issue’s spotlight is on Tonya Baez, the Chicago Chapter’s new President. Tonya has been a member of the IIA since 2004 and has volunteered with the Chicago Chapter in various capacities including:
- Chicago Chapter Board of Governors (2010 to Present)
- Academic Relations Committee Chairperson (2010 to Present)
- Co-Chairperson for 50th Annual Seminar
- International Conference and Annual Seminar Committee volunteer (Various)

Questions:

**What made you want to become the new President of the IIA Chicago Chapter?**

I wanted to become President of the Chapter because I am passionate about promoting and really enjoy working in the internal audit profession. I have certainly benefited from my membership in the IIA through my Certified Internal Auditor certification; the local and national seminars and conferences I’ve attended; and the opportunity to get to know and work with some wonderful internal audit professionals here in Chicago. Over the years, I have served the Chicago Chapter in various roles and was looking for a new challenge. Our Chapter has had a long history of success with serving our members. I am truly thankful for the support I have received and excited to continue our efforts and provide value to our membership.

**What do you like the most about our chapter?**

The Chicago Chapter is the third oldest and largest chapter in the IIA organization and is respected and viewed as a leader or trailblazer by other chapters. Our membership is comprised of individuals from so many diverse organizations and industries throughout the Chicago-land area. We always have events, training, roundtables, etc. going on. There are so many resources and ways to get involved and learn from some of the best auditors in the business!

**What are some key things for our chapter to accomplish this year?**

Some key things for our chapter to accomplish this year are: to continue to increase our membership and chapter volunteers; to expand our use of the CVent event planning tool; continue to enhance our website; continue to support internal audit education programs and work toward bringing an international conference back to Chicago in the future.

**What is the biggest benefit/highlight of volunteering for the chapter?**

The biggest benefit/highlight of volunteering with the chapter is the opportunity to enhance or use your talents and skills in a different way to help the chapter and the profession. No task is ever too small and every contribution is greatly appreciated. Plus, the networking opportunities are great and you build lasting working relationships with other internal audit professionals.
Get Ready to Explore Boundless Training Opportunities!

The IIA’s 2013 Midwestern Regional Conference is the must-attend event for internal auditors throughout the Midwestern United States. Audit executives, directors, managers, and staff will benefit from regional speakers in tracks on leadership and governance, fraud and regulation, best practices and industry hot topics, and technology.

Additional sessions will be available for CIA Review, featuring The IIA’s CIA Learning System, updated for the three-part exam. These sessions are priced separately and provide additional CPE credits.

<table>
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<th>Non-members</th>
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<td>Early Registration — ends September 20</td>
<td>US $695</td>
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<td>Pre-conference Sessions</td>
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<td>Conference registration is not required.</td>
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Connect with the IIA Chicago Chapter

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LinkedIn: www.linkedin.com/groups/Institute-Internal-Auditors-IIA-Chicago-1123977