President’s Message

Greeting Chicago Chapter Members,

I am thrilled to announce the Chicago Chapter’s 70th anniversary this year! The Chicago Chapter was formed June 29, 1943, and was the third recognized Chapter (following New York and Detroit). Starting with just 47 initial members, the Chicago Chapter has grown to more than 2,000 members, making it the third largest U.S. Chapter in terms of membership. We could not have accomplished this without your continued support or the service and dedication of countless volunteers that are passionate about our profession.

The Officers and Board of Governors are already planning another fantastic year! As the summer has come to a close, we have many training sessions and a host of new initiatives under way. Our Education Committee has established a great 18 month program that includes our Lunch & Learn series. The Lunch & Learn events are designed to be 2 hours in length, 2 CPEs at an affordable price. In addition, our planning committee for the Annual Seminar is off to a great start. I would like to say a special thanks to Nick McKeehan and Chris Denver for heading up this wonderful event! Furthermore, we have CAE and manager roundtable events each quarter that allows you to network with your peers and earn FREE CPEs.

This year we are very excited about our new partnership with Junior Achievement and are planning an exciting event with them in February 2014. Stay tuned for more details.

The Chicago Chapter is always looking for talented volunteers willing to assist with our numerous volunteer committees. If interested, please contact us through our website, we would love to have you involved. We also want to hear about all the ways our members are staying active in the profession through speaking engagements, publishing articles, volunteering for Junior Achievement, writing questions for any of the IIA sponsored exams or participating on an IIA sponsored Quality Review Team. Please reach out to us and let us know about the great work you are all doing to advance the profession.

Join us on LinkedIn, Facebook and Twitter or visit our website to stay up to date with our profession and all the Chapter has to offer you!!

Tonya Baez, President
IIA Chicago Chapter
“Measurements of Success”... and how to get there was the discussion topic for the Women’s Initiative Forum summer networking event on August 19th at the Gleacher Center. Cathlynn Nigh, Lead for the Women’s Initiative Forum, started the discussion by providing details on how this topic was selected. In many articles the discussion of the “Third Metric” is prevalent. For the formula of success, there is money and power, but there is more... and that aspect is considered the “Third Metric”. The Women’s Initiative Forum has addressed this topic at prior events and based on the discussion will be talking more about it in the future.

The first speaker was Suzanne Griffith, Chief Innovation and Collaboration Officer at the YWCA. Her talk led to a lively conversation on the definition of success: (1) the changes in the definition of success over time and (2) how to individually define success for ourselves. The Women’s Initiative Forum also welcomed Michelle Moreno, Managing Director at Dresner Partners. Michelle talked about her decision strategies over the course of her life that led to personal and professional success... and gave some amazing life lessons at the same time. The evening concluded with a wine reception that, as always, was everyone’s favorite part of the event.

The Women’s Initiative Forum will host a “lunch-and-learn” on September 23rd. The topic of this event is “Project Management Risks”. This discussion will be led by Maha Halabi Ditsch, CIA, CISA, and PMP who is an IT Business Controls Team Leader for IBM. The presentation and discussion at this event will address team building within the audit program, handling virtual teams and the path to becoming a PMP. As auditors, we have learned whether we are running an audit, writing a report or investigating a possible fraud all work seems to be taking on the steps of planning of a major project — and as we know, proper planning leads to the success. This event will prove beneficial to all that attend.

The Women’s Initiative Forum is in the process of planning our future events. First, is the Quarterly Networking event. These gatherings are new this year and will be held at a fun location with drinks/appetizers/current subject matter topics to discuss and the chance to network with members of the Chapter. We also have our annual International Women’s Day event coming up on Monday, March 10, 2014... please mark your calendars. If you would like to be involved in the direction of the group and would like to participate in planning these or any of our events, please contact Cathlynn Nigh at cathlynn_nigh@yahoo.com.

For more information, visit the Women’s Initiative Forum website at: https://chapters.theiia.org/chicago/Pages/Womens-Initiative.aspx
IIA Webinars

The IIA’s webinars are free informational programs available in both live and on-demand formats for 24/7 access. Webinars provide members with a cost-effective and convenient way to boost business know-how. Downloadable presentation materials are available for each webinar.

Upcoming Webinars

The following webinars are being offered by The IIA:

October 8, 2013:
Future of Internal Audit

October 9, 2013:
Business Continuity Management - Crisis Management

November 12, 2013:
Internal Audit in a Virtual World (Mobile Security)

December 17, 2013:
Ethics in the Industry

To register, visit: https://na.theiia.org/training/eLearning/Pages/eLearning.aspx

Welcome!

The Chicago Chapter would like to extend a warm welcome to our new members who joined the Chapter in 2013:

Eric Behun
Nicholas Lesh
Kathleen Paulius
Pawel Szeliski
Ken Weine
Matthew Goodman
April Hornbuckle
Luis Navarro
Pawan Dsouza
Christopher Daugherty
Gustavo Vaz da Costa
Nahrin Zudo
Jeff Jones
Matt Sullivan
Tianyi Lu
Laura Zettinger
Rifat Gorener
Nicholas Rogers
Shoma Meyer
Tanjwara Hasan
Emeka Chike-Obi
Alirece Dorestani
James Newman
dijana tmusic
Eric Leber
Jiayi Tan
Allison Tio
Catherine Bartindale

Arthur Shulsky
Christopher Scharra
Abeer Akhatib
Aaron Duda
Andrew Adrian-Karlin
Temitayo Tele-Ekundayo
Timothy Griffin
Timothy Zakrzewski
Siddarth Parakh
Nancy McLaughlin
Thomas Byrne
Stephanie Eoanou
Cayla Charlton
Ekeke Okafor
Jorge Corona
Yusuf Kamel
Joy Musgrove
Kevin O’Donnell
Cerenkov Kavanda
Olga Breslavskaya
Jamie Postlewait
Muhammad Qazi
Angelina Gastineau
Elizabeth Reed
Johanna Berghofer
Gina Sanchez
Michael Armstrong
Paulina Peters
Angela Polimenakos
Maria DeCasas
Daniel Hennings
Elizabeth Marie Jones
Seeking Volunteer Leader Candidates for 2014–15

Become An IIA Volunteer To Make Your Mark On The Profession While Adding Value To Your Personal Brand.

1. As an advocate, volunteers not only impact the day-to-day functions of internal auditors, they also shape the future of the entire internal audit profession. That’s no small order.

2. Become a volunteer and gain the satisfaction of knowing you’ve had a hand in shaping the future of a global membership organization, 180,000 strong that represents nearly 190 countries.

3. Volunteers’ advice and counsel aid in developing and implementing programs for the thousands of members who rely on The Institute for tools and solutions that ensure the sustainability, growth, and proper functioning of their organizations.

4. Opportunities to serve on boards and committees open doors for qualified members to experience the profession in ways that reveal the endless possibilities in internal auditing.

The IIA is seeking qualified members to serve in the following leadership roles:

- Executive Officers
- Board of Directors
- North American Board
- The IIA Research Foundation Board of Trustees
- 15 Committees comprising 250 members
- District Advisors and Representatives (North America)

Candidates should have relevant expertise and the ability to participate in the leadership of The IIA.

PLEASE NOTE: Nominations must be received by Friday, Nov. 1, 2013.

To learn more about the qualifications and to access the online nomination form visit: https://na.theiia.org
The Social Media Quarterback – All About LinkedIn

In previous editions of the Innovator we have described various aspects of Twitter. See: https://chapters.theiia.org/chicago/Pages/Newletters.aspx

This edition we focus on LinkedIn – the most widely used and recognized Social Media platform for business. It is surprising that many of you out there reading this do not have a LinkedIn profile. If this is you, you are missing career enhancing opportunities minute by minute. Go get one!

For the rest of you who have a LinkedIn profile, we are going to provide you a few tips on how to make your profile sizzle!

1. **Include a Profile Photo**
   Many profiles without a photo simply get ignored. Profile photos add a sense of credibility and make you more interesting, and you don’t have to have movie star good looks. Just remember, this is your BUSINESS profile and your photo should be consistent with your business image. A simple and tasteful headshot without any background images works best, save the photos of family members for Facebook.

2. **Employment History**
   Always include a description of your current job and any other relevant job you have had. In the description emphasize your accomplishments and use specific keywords you think are important for your profile.

3. **Education**
   Always include your education and provide any details about your accomplishments. Do you have a certification? List it and then describe what it means.

4. **Keep it Interesting**
   Write in the first person while describing yourself and spend more time describing the “why” you are interesting rather than the “what” you have done.

5. **Connect, Connect, Connect**
   The more connections you have the more career enhancing opportunities you will have. Connect with people you know, connect with people you meet, and join LinkedIn Groups (make sure they are interesting and fit your profile).

Career Enhancing Opportunities does not necessarily mean “new job”, rather it could be opportunities to learn new skills, opportunities to become a thought leader on a subject, opportunities to speak at conferences, opportunities to meet new and influential people, etc. Opportunities abound, are you ready for them?

If you have questions or want additional information about the Chapter’s Social Media initiatives, please contact Steve Randall srandall@vonyaglobal.com or http://www.linkedin.com/profile/view?id=393746
In November 2010, the Committee of Sponsoring Organizations of the Treadway Commission (COSO) announced an initiative to review and update the Internal Control-Integrated Framework to make it more relevant in the increasingly complex business environment.

In May 2013, COSO released the updated Internal Control-Integrated Framework. The revised framework not only provides more guidance for implementation, but if implemented correctly it can help establish more effective internal controls at lower costs to the organization. The five COSO framework components remain the same; however, a new feature in the updated framework is that the internal control concepts introduced in the original framework are now reflected as 17 principles.

Although control principles were implied in the original (1992) framework, they were not specifically cited until the current (2013) release. Below are the 17 principles across the five components of internal control, building on the concepts provided in the framework’s original version:

<table>
<thead>
<tr>
<th>Component</th>
<th>Principle</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Control Environment</strong></td>
<td>1. The organization demonstrates a commitment to integrity and ethical values.</td>
</tr>
<tr>
<td></td>
<td>2. The board of directors demonstrates independence from management and exercises oversight of the development and performance of internal control.</td>
</tr>
<tr>
<td></td>
<td>3. Management establishes, with board oversight, structures, reporting lines, and appropriate authorities and responsibilities in the pursuit of objectives.</td>
</tr>
<tr>
<td></td>
<td>4. The organization demonstrates a commitment to attract, develop, and retain competent individuals in alignment with objectives.</td>
</tr>
<tr>
<td></td>
<td>5. The organization holds individuals accountable for their internal control responsibilities in pursuit of objectives.</td>
</tr>
<tr>
<td><strong>Risk Assessment</strong></td>
<td>6. Specifies objectives with sufficient clarity to enable the identification and assessment of risks relating to objectives.</td>
</tr>
<tr>
<td></td>
<td>7. Identifies risks to the achievement of its objectives across the entity and analyzes risks as a basis for determining how the risks should be managed.</td>
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<tr>
<td></td>
<td>8. Considers the potential for fraud in assessing risks to the achievement of objectives.</td>
</tr>
<tr>
<td></td>
<td>9. Identifies and assesses changes that could significantly impact the system of internal control.</td>
</tr>
<tr>
<td><strong>Control Activities</strong></td>
<td>10. Selects and develops control activities that contribute to the mitigation of risks to the achievement of objectives to acceptable levels.</td>
</tr>
<tr>
<td></td>
<td>11. Selects and develops general control activities over technology to support the achievement of objectives.</td>
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<td></td>
<td>12. Deploys control activities through policies that establish what is expected and procedures that put policies into action.</td>
</tr>
</tbody>
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<table>
<thead>
<tr>
<th>Component</th>
<th>Principle</th>
</tr>
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<tbody>
<tr>
<td>Information and Communication</td>
<td>13. Obtains or generates and uses relevant, quality information to support the functioning of internal control.</td>
</tr>
<tr>
<td></td>
<td>14. Internally communicates information, including objectives and responsibilities for internal control, necessary to support the functioning of internal control.</td>
</tr>
<tr>
<td></td>
<td>15. Communicates with external parties regarding matters affecting the functioning of internal control.</td>
</tr>
<tr>
<td>Monitoring Activities</td>
<td>16. Selects, develops, and performs ongoing and/or separate evaluations to ascertain whether the components of internal control are present and functioning.</td>
</tr>
<tr>
<td></td>
<td>17. Evaluates and communicates internal control deficiencies in a timely manner to those parties responsible for taking corrective action, including senior management and the board of directors, as appropriate.</td>
</tr>
</tbody>
</table>

For additional information related to the revised framework, visit the IIA’s COSO Resource Center at: https://na.theiia.org/standards-guidance/topics/Pages/COSO-Resource-Center.aspx

Career Assistance Program

The IIA Chicago Chapter 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 and communicating discounted rates for members who are in transition to attend educational sessions.

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 nearly 1,000 current members and an average of 87 jobs posted each month in 2013.

CAP also provides scholarships for Chapter training sessions for members that are currently in transition. We encourage qualified members to check back on the CAP webpage or LinkedIn group for upcoming opportunities to apply for a scholarship.
In an effort to give back to the community, the Chicago Chapter has partnered with Junior Achievement (JA). Look for announcements in our weekly e-mails, chapter website and the Innovator related to events for the benefit of JA. In the meantime, here are some frequently asked questions related to the program:

What is Junior Achievement?
Junior Achievement (JA) is the world’s largest organization dedicated to inspiring and preparing young people to succeed in a global economy. Through a dedicated volunteer network, JA provides programs for students in grades K-12 while supplementing the school’s existing social studies curriculum.

How does the Chapter Contribute?
The IIA Chicago Chapter will hold a bowl-a-thon in February 2014 in order to raise the funds to sponsor classrooms. Each member who chooses to participate will raise donations to contribute while at the bowl-a-thon. Junior achievement provides the member a website to solicit to possible donors. The event will also serve as an opportunity to network with fellow IIA members.

Other Opportunities?
In the future, the IIA Chicago Chapter plans to expand the activities for members to volunteer for JA events. For example, one way is to volunteer at a school, called “JA in a Day”. Each volunteer is assigned a school near their preferred location and would work directly with the teacher to schedule the approximate 4 hour teaching day. The volunteer receives teaching materials from JA which are used to prepare for the lessons as well as teaching aids in the actual onsite lesson.

Next Steps:
The IIA Chicago Chapter will host the bowl-a-thon in February 2014. Date, time and bowling alley will be forthcoming soon!! We look forward to seeing you at the event and making this event a great success.

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 are a few of the upcoming events brought to you by the Education Committee:

Fraud Case Study Teaching Event
Date: Wednesday, October 30, 2013
Time: 2:30 AM - 5:00 PM
Registration: https://chapters.theiia.org/chicago/Events/Pages/CAQ_Fraud_Case_Study.aspx

The Chicago chapters of The Institute of Internal Auditors, Financial Executives International, and National Association of Corporate Directors, along with the Center for Audit Quality invite you to participate in a teaching of the Hollate Manufacturing Case Study. Earn CPE credits for attending this interactive training on fraud deterrence and detection taught by Harvard Business School Associate Professor Karthik Ramanna. The Hollate Manufacturing Case Study examines a fraud at a fictional manufacturing company in order to raise awareness of environments in which financial reporting fraud might flourish. It provides a roadmap to help members of the financial reporting supply chain — audit committees, financial executives and internal and external auditors — engage in an interactive discussion on addressing a potential fraud. This program also provides a great opportunity to network with audit committee members, financial executives, internal audit executives and external auditors.

Other Upcoming Event and Training Dates (more details to be provided as the event nears):

Monday, October 14, 2013:
Half-Day Training - Conducting Fraud Risk Assessments Construction

Tuesday, October 29, 2013:
Lunch & Learn - Auditing Mobile Devices & Security
Member Anniversaries

Join us in congratulating the following individuals celebrating significant milestones as members of the Chicago Chapter:

35 years
Tom F. Kacprowicz

25 years
James E. Marseille
Deborah L. Rhodes

15 years
Lisa Przyborski
Jack E. Pascoe
Anita F. Geter
Frederick G. Lubeley
James P. Stoik
Alicia A. Kostur
Mitchell E. Hershberger
Lavinia Denise Spaulding
Tracey A. Edwards
Frank M. Bozzi

5 years
Jennifer A. Murphy
Lucille Roberts
Courtney B. Lance
Christina Monroe
Jing Xing
Mark Midlock
Maria Arosteguy
Shawn Mathie

10 years
Jennifer Lynne Cromwell
Katherine Kachoyeanos
Michael T. Kaiser
Karen Mufarreh
Michael Mask
Carrie A. Horner
Todd Morgenthaler
Philip Maziarz
Katie Stiteley

This issue’s Spotlight is on Dan Gaffney. Dan is the VP of Operations for the Chicago Chapter and has been a member of the IIA since 1995. He has served as Certifications Committee Chair since 2009.

What made you want to become the new VP of Operations?
I’ve worked as Certifications Committee chairperson for several years and enjoy interacting with internal auditors in our Chicago chapter. When I found there was an opportunity to serve this organization at a different level, I was excited to do so. And, I’ve known most of the Board members for many years and enjoy working with them.

What do you like the most about our chapter?
The Chicago chapter has some leaders who have been with us over 20 years and have great passion for success of the chapter and for internal audit. It’s a great group of successful professionals that I can learn from and keep our organization great.

What are some key things for our chapter to accomplish this year?
The success of our Annual Seminar in the Spring is always top of mind to bring a great day of training and networking to around 1,000 professionals. Expanding our membership is a continuing focus as is support of local universities that are dedicated to the internal audit profession. We’re building a stronger relationship with DePaul because of their strong internal audit curriculum and the quality of their organization to bring future internal auditors into our organization as leaders.

What is the biggest benefit/highlight of volunteering for the chapter?
Without a doubt, it’s working with some of the brightest and most dedicated professionals in the Chicago area.
Recap of 2013 Annual Golf Classic!

Despite early morning rain showers, it didn’t deter the 121 golfers from 46 companies from having a wonderful day at the beautiful Ruffled Feathers Golf Club in Lemont, IL. The day started wet but it turned into a beautiful day. Record scores, record sponsorship and record fun summed up the day at the only Pete Dye designed course in the Chicagoland area and one of the best public courses in the state of Illinois.

The day started with a full hot breakfast buffet and free driving range. Every golfer received a goody bag that included a Torrey & Gray Pitchfix divot tool, Protiviti tees, CME Group ProV1 golf ball, Golf Galaxy $10 gift certificate, and other freebies from our sponsoring vendors. During the round, two beverage and food carts roamed the golf course providing free snacks, beer, soft drinks and water on the course all day. An open BBQ grill lunch was provided at the turn with sausage, hot dogs, grilled chicken and hamburgers.

In addition to great sponsor prizes at our six event holes, Castle Buick sponsored all of our par three Hole-In-One contests at holes #3, #8, #11 & #17. Prizes included a brand new 2013 Buick Verano (car was on the 17th hole), a TPC Las Vegas Vacation, Maui Jim sunglasses, & a Travis Mathew clothing shopping spree. Unfortunately, no one got a hole-in-one but it sure made it more fun trying.

Following golf, everyone was then treated with a reception and dinner. The buffet was a Southern theme with a menu that included fried chicken complimented with a two hour open bar. Finally, prizes and trophies were awarded after dinner.

Our attendees rated the 2013 Annual Golf Classic 4.75 out of 5.00!

The Annual Golf Classic Committee wants to thank everyone, especially all of our sponsors and volunteers, for helping make this event a continued success.

Hope to see you next year on Monday, June 23, 2014!

Event Co-Chairs: Laura Benhart, Brooke Enburg, and Rick Kokoszka
Golf Committee: Theo Sokolovic, Elizabeth Schreiber

(Continued on page 11)
Congratulations
Winners!

Hole/Contest/Sponsor | Men Winners | Women Winners | Prizes | (All Winners received a Trophy)
--- | --- | --- | --- | ---
#3 Closest to the Pin | Doug MacCallum | Doretta Pacini | $100 Lettuce EntertainU Gift Certs | R&M Consulting
R&M Consulting | CME Group | CME Group | |
#11 Closest to the Pin | Brian Andreatta | Monica Kaczor | $100 Gift Certs for Ruffled Feathers | Baker Tilly
Baker Tilly | Paracon Group | Grant Thornton | |
#9 Longest Drive | Derek Koth | Laura Benhart | $100 Golfsmith Gift Cards | Protiviti
Protiviti | Allstate | CME Group | |
#18 Longest Drive | Grant Wilson | Doretta Pacini | Pair of Cubs Tickets | Advanced Resource
Advanced Resource | CME Group | CME Group | |
#5 Longest Putt | Frank Nardi | Leslie Nolan | $50 Amex gift cards | TeamMate
TeamMate | Baler Tilly | CME Group | |
#13 Longest Putt | Dave O’Brien | Susan Jacks | Ping Putters | Access Search
Access Search | Advanced Resources | CME Group | |

SCRAMBLE FOURSOME EVENT WINNERS

GOLD FLIGHT – 57
Jason Steeno | Spintrade
Morgan Nichols | IFG
Joe Robb | Torrey & Gray
Chris Shemmer | ST Residential

SILVER FLIGHT – 67
David Cook | IFG
Rob James | IFG
Sean Kelly | IFG
Jeff Zych | IFG

BRONZE FLIGHT - 71
Mike Garelli | Marco & Associates
Aaron Hubbard | Navistar
Kevin Kaye | Marco & Associates
George Lettin | Navistar

Winners of each of the flights took home a trophy and selected from either golf balls or wine as a prize.

Raffle Winner
Chris Shemmer | ST Residential
Wendell Bowman | First American Bank
Tracey Shebesh | NiSource, Inc.
Kevin Kaye | Marco & Associates
David Cook | IFG
Jim Giroux | Numerate Partners
Ari Sagett | Protiviti Inc.
Dave Haronick | IFG

Sponsor/Raffle Prize
Raffle Ticket $130 Split the Pot – Cash
Raffle Ticket $130 Split the Pot – Cash
Raffle Ticket $130 Split the Pot – Cash
Raffle Ticket $130 Split the Pot – Cash
Raffle Ticket $130 Split the Pot – Cash
$100 Amex Gift Card | Trintech
Pair of Cubs Tickets | Advanced Resources
Pair of Cubs Tickets | Advanced Resources
YOU BELONG IN NEW ORLEANS!

Visit: www.theiia.org/goto/allstar2013
JOIN US IN MINNEAPOLIS

2013 Midwestern Regional Conference

The IIA’s 2013 Midwestern Regional Conference is the must-attend event for internal auditors throughout the United States.

You’ll benefit from the combined expertise, experience, and resources of The IIA and IIA–Twin Cities Chapter.

- Discover the technology and operational tactics to help you successfully address internal audit challenges.
- Gain the new skills and knowledge you need to provide value to your employer, customers, and stakeholders.
- Learn to better align governance and risk management efforts with business strategies.
- Tap into emerging trends and discover new ways to achieve enterprise objectives.
- Share knowledge, experience, and proven practices with your peers.

Learn innovative ways to employ smarter strategies to overcome internal audit challenges with in-depth, comprehensive sessions within five unique education tracks:

- Leadership and Governance
- Fraud and Regulation
- Best Practices and Hot Topics
- Technology
- CIA Review

Visit www.theiia.org/goto/MRC2013 to register or for more information.
Connect with the IIA Chicago Chapter

Twitter:
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www.facebook.com/IIAChicago

LinkedIn:
www.linkedin.com/groups/
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