From the President...

Greetings!

I hope that you had a wonderful holiday break and are having a happy and productive start to 2013! As announced in December, we are gearing up for the 2013-2014 election of our chapter officers and open Board of Governors positions. The nominations committee, made up of myself and the two past Presidents (Doug Welch and Lael Holloway), has been busy preparing the official slate for our membership to vote upon. We are pleased to announce the following slate:

**2013-2014 Slate of Officers and Board of Governors for Elections:**

- **President** Rob Carter, **Layne Christensen**
- **VP-Programs** Angela York, **KCP&L**
- **VP-Membership** Christee Highbarger, **KC Southern**
- **VP-Services** Rick Wright, **Collective Brands**
- **VP-Web Services** Luke Sims, **Grant Thornton**
- **Treasurer** Tony Kisner, **Black and Veatch**
- **Secretary** Josh Kettler, **RSM McCladrey**
- **Board Member** Karen Begelfer, **Sprint**
- **Board Member** Melissa Ryan, **Epiq Systems**

This slate will be voted upon at the March KC IIA meeting. Please be sure to attend and make your vote count! Thank you to the above individuals for your willingness to serve as chapter leaders for our Kansas City chapter. I’d also like to extend a special thank you to Doug Welch and Lael Holloway for all of your work on the Nominations Committee.

See you at our February meeting!

Sincerely,

Stephanie Jones
2012-2013 KC IIA President
DATE: Thursday, February 7, 2013

TIME: Registration 7:15 AM
Breakfast 7:15 AM
Program 8:00 AM – 12:00 PM

LOCATION:
The Ritz Charles
9000 West 137th Street
Overland Park, KS 66221
(Two blocks south of 135th and Antioch Road. Next to the Blue Valley Recreation Complex.)

PROGRAM:
Enterprise Risk Management: Achieving and Sustaining Success
Paul J Sobel, VP, CAE of Georgia-Pacific LLC

Kurt Reding, Assistant Professor, Wichita State University

CPE: 4 CPE Hours
MENU: Breakfast – The Continental Plus
Assorted Juices, Sliced Fresh Seasonal Fruit, Muffins, Cinnamon Rolls, Bagels with Cream Cheese

Please denote any dietary restrictions when registering and accommodations will be made.

COST: Member: $85
Non Member: $100
February 2013 Speaker Biography

Paul J Sobel, CIA, CRMA
Paul Sobel is Vice President/Chief Audit Executive for Georgia-Pacific, LLC, a privately owned forest and consumer products company based in Atlanta, GA. He previously served as the Chief Audit Executive for three public companies: Mirant Corporation, an energy company based in Atlanta, GA.; Aquila, Inc., an energy company based in Kansas City, MO.; and Harcourt General’s publishing operations based in Orlando, FL. His responsibilities included leading the global internal audit efforts at these companies, as well as consulting on each company’s ERM, compliance and internal controls programs. He has also served as International Audit Manager for PepsiCo, Senior Manager in Arthur Andersen’s Business Risk Consulting practice, and Experienced Manager in Arthur Andersen’s Financial Statement Assurance practice. Paul is a frequent speaker on governance, ERM and internal audit topics. He has published a book titled Auditor’s Risk Management Guide: Integrating Auditing and ERM. In addition, he co-authored the textbook sponsored by the IIA’s Research Foundation titled Internal Auditing: Assurance and Consulting Services. His third book, titled Enterprise Risk Management: Achieving and Sustaining Success, was published in August 2012. Finally, he has been recognized for articles published in Internal Auditor magazine and Management Accounting Quarterly.

Paul is currently serving on The IIA’s Board of Directors as Senior Vice Chairman. In the past he has served in various Vice Chairman roles and as President of The IIA Research Foundation. He was Program Chair for The IIA’s 2010 International Conference, which was held in Atlanta, and will be serving in the same role for The IIA’s 2013 International Conference, to be held in Orlando. In 2012 Paul was recognized in Treasury & Risk Magazine’s list of 100 Most Influential People in Finance. He has also served on the Standing Advisory Group of the PCAOB and as The IIA’s representative on the Pathways Commission, which developed recommendations to enhance the future of accounting education in the United States.

Kurt F. Reding, PhD, CIA, CPA, CMA
Kurt is the Grant Thornton Faculty Fellow and a Clinical Assistant Professor in the School of Accountancy at Wichita State University. He currently serves on the IIA Wichita Chapter’s Board of Governors and has served previously on the IIA’s Board of Directors, North American Board, Board of Research and Education Advisors, and Academic Relations Committee. He is a frequent speaker at IIA conferences and seminars. Kurt received the IIA’s 2003 Leon R. Radde Educator of the Year Award. He also has received both the IIA’s John B. Thurston Award and the IMA’s Lybrand Gold Medal, the highest annual writing awards bestowed by these organizations. He has coauthored three books published by the IIA Research Foundation: Enterprise Risk Management: Achieving and Sustaining Success (2012), Internal Auditing: Assurance and Consulting Services (2007 and 2009), and Introduction to Auditing: Logic, Principles, and Techniques (2002). He has published articles in Internal Auditor, Internal Auditing, Managerial Auditing Journal, Management Accounting Quarterly, and other journals.

Kurt has more than 25 years of experience as an audit educator and practitioner and holds a PhD in Accounting from the University of Tennessee. He is a member of the Institute of Internal Auditors, the American Institute of Certified Public Accountants, the Institute of Management Accountants, and the American Accounting Association.
Save the Date!!
2012 – 2013 Schedule of Programs

<table>
<thead>
<tr>
<th>Month</th>
<th>Date</th>
<th>Topic</th>
<th>Speaker/ # CFE's</th>
<th>Location</th>
<th>Price</th>
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<tbody>
<tr>
<td>September</td>
<td>9/6/2012</td>
<td>11 Auditing for the NOT-1 Auditor</td>
<td>Danny Goldberg, Synergy 6 CPE Hours</td>
<td>Clubhouse on Baltimore - Downtown KC</td>
<td>$110 Member</td>
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<tr>
<td></td>
<td>10/4/2012</td>
<td>Audit Planning to Address Fraud</td>
<td>Glenn Summers, Director, Center for Internal Auditing, Louisiana State University 6 CPE Hours</td>
<td>Hiltz Charles-Overland Park</td>
<td>$110 Non-Member</td>
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<tr>
<td>November</td>
<td>11/1/2012</td>
<td>Professional Sports Finance Overview</td>
<td>Lita Drum, CFO, Kansas City Chiefs</td>
<td>Hiltz Charles-Overland Park</td>
<td>$100 Non-Member</td>
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<tr>
<td>December</td>
<td>12/6/2012</td>
<td>Applying Data Analytics to Efficiently Audit Vendors and Contractors</td>
<td>Paul Petitt, Director, Esquadri</td>
<td>Clubhouse on Downtown KC</td>
<td>$90 Member</td>
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<tr>
<td></td>
<td></td>
<td>Trends in Internal Audit and the IIA</td>
<td></td>
<td></td>
<td>$100 Non-Member</td>
</tr>
<tr>
<td>February</td>
<td>2/7/2013</td>
<td>Enterprise Risk Management: Achieving and Sustaining Success</td>
<td>Paul Sobel, VP, CFE of Georgia-Pacific LLC</td>
<td>Hiltz Charles-Overland Park</td>
<td>$100 Non-Member</td>
</tr>
<tr>
<td>March</td>
<td>3/7/2013</td>
<td>Materiality: Are you chasing Geckos or Alligators?</td>
<td>Doreene Calderon, Chief Internal Auditor, City of El Paso 3 CPE Hours</td>
<td>Hiltz Charles-Overland Park</td>
<td>$80 Member</td>
</tr>
<tr>
<td>April</td>
<td>4/1/2013</td>
<td>Auditors Business Ethics and Critical Thinking Skills</td>
<td>Patrick Kuntse, INF Speaker on Ethics 4 CPE Hours</td>
<td>Hiltz Charles-Overland Park</td>
<td>$100 Member</td>
</tr>
<tr>
<td>May</td>
<td>5/1/2013</td>
<td>Fraud: Advanced Concepts for Internal Auditors</td>
<td>John Halt, Hall Consulting 6 CPE Hours</td>
<td>IUB</td>
<td>$110 Non-Member</td>
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<tr>
<td>June</td>
<td>6/6/2013</td>
<td>Reinventing Internal Audit: Horizontal Auditing</td>
<td>Mike Solomon, Executive Director of Internal Audit, Duke University 3 CPE Hours</td>
<td>Hiltz Charles-Overland Park</td>
<td>$90 Non-Member</td>
</tr>
<tr>
<td>August</td>
<td>6/20/2013</td>
<td>Deriving Value from SOC Reports</td>
<td>Jon Seale, Principal, Grant Thornton LLP 3 CPE Hours</td>
<td>IUB</td>
<td>$90 Non-Member</td>
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</table>
Richard Chambers, CIA, CGAP, CCSA, CRMA, is president and CEO of The IIA. In his blog, he shares his personal reflections and insights based on his more than 30 years of experience in the internal audit profession.

**The U.S. Federal Reserve Sends a Strong Signal on the Value of Internal Auditing**

Every now and then, regulatory bodies around the world issue guidance documents that make a profound statement about internal auditing. Last week, the U.S. Federal Reserve issued some new guidance that clearly falls into that category.

The 15-page document, titled *Supplemental Policy Statement on the Internal Audit Function and Its Outsourcing*, technically applies only to U.S. banks with assets of US $10 billion or more. However, from my perspective, the Fed has made a powerful statement on the importance of a strong and effective internal audit function in financial services institutions in the “post financial crisis” era.

With this statement, the Federal Reserve also comes closer than virtually any other regulator in the industry to endorsing or mandating The IIA’s *International Standards for the Professional Practice of Internal Auditing*. In fact, the document’s opening paragraph asserts:

“The Federal Reserve is providing this supplemental guidance to enhance regulated institutions’ internal audit practices and to encourage them to adopt professional standards and other authoritative guidance, including those issued by The Institute of Internal Auditors.”

The guidance, which addresses the characteristics, governance, and operational effectiveness of an organization’s internal audit function, includes the following key provisions:

- If the chief audit executive (CAE) reports administratively to someone other than the CEO, the audit committee should document its rationale for this reporting structure, including mitigating controls available for situations that could adversely impact the objectivity of the CAE.
- Internal audit management should perform knowledge gap assessments at least annually to evaluate whether staff members have the knowledge and skills commensurate with the organization’s strategy and operations.
- Internal auditors generally should receive a minimum of 40 hours of training annually.
- The internal audit function should have a code of ethics that emphasizes the principles of objectivity, competence, confidentiality, and integrity, consistent with professional internal audit guidance such as The IIA’s Code of Ethics.
- The internal audit charter should define criteria for when and how the internal audit function may outsource some of its work to external experts.
• The audit committee and its chairperson should have ongoing interaction with the CAE separate from formally scheduled meetings to remain current on internal audit department, organizational, and industry concerns.

• The audit committee should receive an opinion on the adequacy of risk management processes at least annually, including the effectiveness of management’s self-assessment and remediation of identified issues.

• Internal audit's risk-assessment methodology is an integral part of the evaluation of overall policies, procedures, and controls at the organization and the development of a plan to test those processes.

• Internal audit’s risk-assessment methodology should address the role of continuous monitoring in determining and evaluating risk.

• It’s common practice for organizations with defined audit cycles to follow a three- or four-year audit cycle; high-risk areas should be audited at least every 12 to 18 months.

• Internal audit is encouraged to use formal continuous monitoring practices as part of the function's risk-assessment processes to support adjustments to the audit plan or universe as they occur.

• A well-designed, comprehensive quality assurance program should ensure that internal audit activities conform to The IIA’s professional standards and the organization’s internal audit policies and procedures. The program should include both internal and external quality assessments.

• Each institution should conduct an internal quality assessment annually, and the CAE should report the results and status of internal assessments to senior management and the audit committee at least annually.

• The audit committee and the CAE are responsible for the selection and retention of internal audit vendors and should be aware of factors that may impact vendors’ competence and ability to deliver high-quality audit services.

• When an organization relies significantly on the resources of an internal audit service provider, the organization should have contingency procedures for managing temporary or permanent disruptions in the service in order to ensure that the internal audit function can meet its intended objectives.

While not everyone may agree with the provisions of the Fed’s new policy guidance, I do view it as a very positive development. Feel free to share your thoughts.

*Posted on January 28, 2013 by Richard Chambers*
2012 – 2013 Chapter Leadership

Officers:
Stephanie Jones – President
Stephanie.jones@pentana.com
Christee Highbarger – VP Membership
CHighbarger@KCSouthern.com
Rob Carter – VP Programs
Rob.Carter@Layne.com
Jonathan Wiltse – Treasurer
Jwiltse@waddell.com
Rachel Rohrer – Secretary
Rachel.rohrer3@bluekc.com
Aaron Hollingshead – VP Services
Aaron_Hollingshead@americancentury.com
Kimberly Harper – VP Web Services
Kimberly.Harper@bluekc.com

Board:
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Keith Ohland
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Doug Vogl
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Amy Walker
Amy.Walker@hrblock.com
Randy Weih
Randy.Weih@yrcw.com

Board – Past Presidents:
Lael Holloway
Lael.Holloway@Experis.com
Doug Welch
Doug.Welch@hrblock.com

District Representative:
Jason Minard
Jason.R.Minard@wellsfargo.com

Ex-Officio Member:
La Donna Flynn
LFlynn@pittstate.edu

If you have any questions or would like to submit an article for the newsletter, please email Aaron Hollingshead, VP Services, at Aaron_Hollingshead@americancentury.com.
Time Is On Your Side
Melissa Leonard, Gleim Chapter Coordinator

"I don't have the time." "My family takes up all my time in the evenings." "I get too tired at night to study." Does this sound familiar? If you are a CIA candidate, chances are you have previously uttered some variation of one or more of these statements.

Unfortunately, there isn't a "one size fits all" solution to these problems. You have to start by being honest with yourself. What sacrifices are you willing to make to better your professional life? What times of the day are you the most productive? Does a quiet or busy study space work better for you?

On average, candidates should dedicate 10-20 hours per week studying for the CIA exam. Therefore, you will need to determine what time-consuming activities can temporarily be given up or deferred until after you have completed the CIA exam. These sacrifices can be anything, like giving up your favorite morning talk show for a couple of months or not going out to dinner with friends as often.

Once time has been carved out, you must determine when is the best time to study. Many people are most productive early in the morning, when they are fresh and usually not disturbed. This time of day might be good for working parents. They can get up before the children start their day and get a solid hour or two of undisturbed study time. An added benefit is that you complete your CIA review first each day, not later as a last priority. Others might prefer to study at night. Late hours after friends, family, or roommates are no longer around to distract you for whatever reason. Again, you must be the one to determine when the best and most productive time to study is for you.

When you study might even be determined by where you study. Do you need a nice quiet space? Will you need to go to the library to avoid regular distractions? If so, you will need to schedule your study sessions based on when the library is open. You might find that you can fit in an hour or two of study time during your commute or while at the gym. No matter where you study, you want to make sure that the time is well spent and productive. You don't want to have to go back and review things you just studied because you couldn't concentrate due to distractions or because you were too sleepy.

Ultimately, if you are honest with yourself and set up a regular schedule with clear objectives, you will get into a routine and see how you can manage your time effectively.

Remember, as a Kansas City Chapter member, you will receive a discount on Gleim material. Gleim has been helping CIA candidates pass the CIA exam since 1980. Contact Melissa at 800.874.5346, ext. 131, or melissa.leonard@gleim.com to take advantage of your chapter discount or if you have any questions.
Welcome New Members!

We would like to recognize and welcome the following new members to the Kansas City Chapter of the IIA!

Aaron Weaver – Seaboard Corporation
Andrea Klotz – Hostess Brands
Annette Kneib – US Dept of Education
Ben Hodes – Seaboard Corporation
Beverly Cornelison-Mines – US Dept of Education
Brent Miller – Seaboard Corporation
Brock Adkins – Ferrellgass Inc
Beverly Cornelison - Mines – US Dept of Education
Connie Worrell – Fidelity National Financial Inc
Darryl Meador – US Dept of Education
Emily Bovaird – PNC Financial Services Group Inc
Francisco Aristigueta Pulgar – Black & Veatch
Gina Goodwin – GEHA
Heidi Zenger – National Bank Holdings Corp
Kayle Barrett – HNTB
Kristen Whitcare – PNC Financial Services Group Inc
Lisa Robinson – US Dept of Education
Lynn Smith – Johnson County Government
Mallory Van Winter – HNTB
Nick Hallauer – Ferrellgas Inc
Saadia Mahmood – National Bank Holdings Corp
Shaun Johnson – Ferrellgass Inc
Stephanie Miracle - RSA
Stephanie Newman – ACUA
Steven Aberdeen – National Bank Holdings Corp
Tammy Ngo – Seabord Corporation
Tracy Wade – National Bank Holdings Corp
Kansas City Chapter News!

Want to win a brand new iPad???
Here’s how to win: For each meeting that you attend, you will be entered into a drawing to win the new iPad with Wi-Fi – 16GB. The contest will start with the September 2012 meeting and will end with the May 2013 meeting. The winner will be randomly selected and announced at the conclusion of the May 2013 meeting. You need not be present to win. Remember, the more meetings you attend, the better chance you have to win! Good luck!