Contents in this issue:

- President’s Message
- Most Recent Conference Recap – November 2019 Conference Recap – Ethics & Risk
- Next Conference Preview – February 7th, 2020 Conference - Fraud
- Conference Registration & Pricing
- Event Registration System: Aventri
- Employment Opportunities
- 2019/20 Chapter Officers & Board of Governors

NEXT CONFERENCE

February 7th 2020
FRAUD CONFERENCE

Register here!!! https://www.eiseverywhere.com/ehome/516588

KEYNOTE SPEAKER:
Steven Bellone
Suffolk County Executive

See Bio for more details!

Come hear from the County’s Top Executive on the latest initiatives and perspectives on fraud!

INTEGRATING FRAUD TESTING INTO YOUR AUDIT PROGRAM

“A 3-day MISTI Course condensed into 1 day!”

"It is time for the auditing profession to become the number one reason for fraud detection." Conference content will cover the methodologies used by fraud auditors and focus on the red flags that signal the need for an investigation in addition to risk assessments and integrating fraud detection into your audit program and the 4 steps of a fraud audit process.

UPCOMING CONFERENCES - 2020

Location: Long Island Melville Marriott (631) 423-1600
Time: 8:30am start! (Breakfast at 8am, Lunch approximately at 12:15pm)

March 13th 2020
Channel 1
IT Boot Camp

Channel 2
Banking & Regulations

Hosted in separate conference rooms running in parallel. More details & speakers to follow!

April 17th 2020
Annual Conference
(Leadership & Negotiation without Authority)
Be a Connector for Success
Keynote: Jay Gubrud (car enthusiast)

More content to follow!
To finish out 2019, we held our annual “Ethics & Risk Management” conference. I hope that this conference served as a reminder that ethics are truly at the very core of our profession. Whether it’s our audit or consulting engagements, approaching our projects everyday with an ethical mindset allows us to be better professionals. We also heard from speakers on a wide variety of areas related to risk management. From major changes in financial accounting regulations to industry specific regulatory risks impacting the banking sector, there was something for every audit group at this conference. A big thank you to all our speakers for sharing your insights and to our attendees for their active participation.

I believe that we have finished 2019 off on an extremely high note. I hope you feel that you have developed as an audit professional. The topics, presenters, and participation has helped me develop as an audit professional, and I hope you feel the same way.

We will continue with our annual tradition by hosting our Fraud Conference on February 7, 2020. This conference is traditionally one of our most popular conferences as fraud topics are always very interesting and intriguing to our members. It is sure to be a fascinating conference that you are not going to want to miss – especially this year with County Executive Steven Bellone joining us as our Keynote Speaker followed by a training session delivered by MIS Training Institute’s William Nealon on integrating fraud into your audit programs. Conference registration is open, so be sure to register early.

After February’s Fraud Conference, we will move onto our March Conference, which will have two tracks (IT & Banking), and our Annual Conference in April. We are still diligently planning both conferences and will update you with more detailed information in future newsletters.

Again, thank you all for your support and participation in the first half of our chapter year. I would like to wish you all happy New Year! Look further in the Newsletter for Jerry Posner’s 20 for 2020 – Daily Reminders for a Stellar Year. I am really looking forward to the second half of our Chapter Year!

All of our programs are held on Fridays at the Marriott located in Melville, New York. We look forward to seeing you all at these upcoming conferences. Should you have any questions, please do not hesitate to reach me at our Chapter email address; Chapter241@iiachapters.org.

Kind regards,

J. Speed
Jeffrey A. Speed, CPA, CISA
IIA President, Long Island Chapter 2019/2020
November 2019 Conference Recap
Ethics & Risk

Our November conference was geared toward two areas that serve as the bedrock of our profession, Ethics and Risk Management. I thought this was a great conference that really got into key focus areas that we should be thinking about each and every day. The conference touched on a wide array of topics such as professional ethics, audit plan hot spots, financial accounting rule changes, vendor and supplier risk management, as well as industry specific regulatory risks affecting the banking industry.

The first presentation of the day was led by Ernie Smith, Senior Partner at Nawrocki Smith. The presentation focused on a wide range of topics that included a professional ethics update, enforcement/disciplinary action updates as well as emerging ethical issues that are affecting companies today. As a side note, I especially found the “Ethically Speaking Podcast” that was launched this year to be interesting. I encourage you all to have a listen. Episodes can be found here: https://www.aicpa.org/interestareas/professionalethics/ethically-speaking.html.

In the next session, Jim Fitzmaurice of Gartner spoke on 2020 audit plan risks and hot topics. These audit hot spots are based on a wide-scale data collection by Gartner across various industries. These represent some of the most pressing risks facing companies today and can be a great source of information for any company’s board and audit committees when drafting the 2020 internal audit plan. Jim then took a deep dive into data privacy, risk culture and decision making, organizational resilience, and strategic workforce planning to illuminate the risks even further. Our last speaker of the morning was Margot Palermo, Director of the Business Honors Program at Stony Brook University. Her presentation focused on the perceptions of ethics in business from a student’s perspective as well as the characteristics and qualities of a good ethical leader. Recurring themes of trust, promoting shared goals, breaking down silos, and raising the ethical bar are all things we as an internal audit function should understand and promote within our organization.

Moving to the regulatory side, our first speakers of the afternoon were Chris Wright and Rob Gould from Protiviti. They detailed some key lessons learned from companies that have implemented ASC 842, Lease Accounting. They talked about internal control implications of the new standard and how first time adopters are dealing with the changes. They stressed the critical importance of key pieces to the standard such as determining the lease payment, discount rate selection and proper classification to name a few.

Next we dove into the area of third party risk management (TPRM) with Jilane Khakhar, a director in KPMG’s Forensic practice. We learned that internal audit plays a vital role in the oversight of a company’s TPRM program. We explained that design and effectiveness can be assessed by internal audit through four inter-related components: governance and program design, application review, engagement compliance, and actual on-site reviews of those third parties.

Finally, the last speaker of the day was Laura Jackson of Maspeth Federal Savings Bank. This was a great opportunity to get into some industry specific regulatory matters affecting the banking industry. Laura’s presentation focused on the Bank Secrecy Act (BSA) and Anti-money Laundering (AML). Laura also spoke on compliance risk and what it means to have a functioning compliance management system. She broke down the key components to CMS: training, oversight and commitment, policy management, and monitoring.
FRAUD CONFERENCE

Agenda: (subject to change)

- 8:00am – light breakfast served
- 8:30am – Opening Remarks (Jeff Speed – Chapter President and Ernie Smith – Chapter BOG Member)
- 8:45am – Keynote Speaker: Steven Bellone - Suffolk County District Attorney
- 10:10am (20 min) – Break
- 10:30am – William Nealon, MISTI – Integrating Fraud Into Your Audit Program – Part 1 -
  - Fraud Categories, Scenarios, Schemes, Red Flags, Fraud Statement, Approaches, etc...
- 12:30 (60min) – Lunch
- 1:30pm – William Nealon, MISTI – Integrating Fraud Into Your Audit Program – Part 2 / Part 3
  - Fraud Risk Strategy, Board Understanding, Fraud Risk Assessment, etc...
- 3:30pm (15 min) – Break
- 3:45pm – William Nealon, MISTI – Integrating Fraud Into Your Audit Program – Part 3 / Part 4
  - Integrating Fraud Detection into the Audit Program, etc...
  - Four Steps of a Fraud Audit Process, Fraud in key areas to test (i.e. Disbursements, Payroll, HR, etc...), etc...
- 5:00 – End
*times subject to change

Steven Bellone, Suffolk County Executive:

Biography

Steven Bellone was sworn into office as Suffolk County Executive on January 1, 2012. He was re-elected to a second term on November 3, 2015. Bellone is the 8th County Executive in County history, and previously served as Babylon Town Supervisor from 2001-2011.

County Executive Bellone, who represents more than 1.5 million residents, has led the effort to make County government leaner, more cost effective and efficient while also finding innovative ways to save taxpayer dollars. Under his leadership, his administration has focused on government reform, economic development, protecting water quality and enhancing public safety.

Making government more efficient. Finding innovative ways to consolidate and streamline operations have been a central priority to County Executive Bellone. He inherited a $500 million dollar deficit, and has since reduced the size of County Government more than any prior County Executive by over 10% — saving taxpayers more than $100 million a year.
In addition, the County Executive successfully merged the offices of County Comptroller and County Treasurer, which eliminated duplicative services and patronage positions resulting in an annual savings of $1 Million for taxpayers.

Upon taking office, Bellone established a Performance Management Team that utilizes advanced data analysis to identify more efficient and cost effective ways to operate County government. Since its inception, the office of Performance Management has implemented innovative programs like *SuffolkStat*, which uses advanced business intelligence tools and data analytics to identify trends and inefficiencies that have helped improve performance throughout county government. As a result, Suffolk County is recognized as a regional leader in government efficiency and reform and has received numerous awards from the National Association of Counties for Smart Government initiatives.

County Executive Bellone’s **Economic Development** plan has focused on building innovation economies throughout Suffolk County to attract highly-skilled and knowledgeable workers, and to keep young professionals on Long Island.

His **Connect Long Island** vision aims to invest in an upgraded transportation system that will conveniently connect universities, research centers, and downtowns while reversing the brain drain. The plan is designed to strengthen local businesses by expanding natural customer bases and develop the necessary infrastructure to provide residents with true north - south transportation options. A key aspect of Connect Long Island is the **Long Island Innovation Zone**, which will create a multi-modal corridor from Stony Brook to downtown Patchogue, with bus rapid transit service along Nicolls’ Road providing access to Stony Brook University, Suffolk Community College, three Long Island Railroad stations, as well as the Ronkonkoma Hub.

Since its inception, Suffolk County’s **Connect Long Island** plan has made significant progress including breaking ground on the Ronkonkoma Hub, advancement of the Nicolls Road Multimodal Corridor, launch of the LIRR/MacArthur Airport Train-to-Plane Connectivity Study and a renewed focus on improving mobility options across the county including the planning of an extensive interconnected hiking and biking trail network. County Executive Bellone has also made Suffolk County a recognized leader statewide in efforts to protect and improve water quality by making the issue a top priority of his administration and launching the **Reclaim Our Waters** initiative. Scientists have identified the lack of wastewater treatment as a significant threat to Long Island’s environment and economy. For decades, cesspools and septic systems have discharged excess nitrogen pollution into the environment, culminating in recent years in beach closures, toxic algae, and fish kills. To stop and reverse nitrogen pollution from cesspools and septic systems, **Reclaim Our Waters** calls includes connection to sewers in some areas, and the installation of Innovative Alternative Onsite Wastewater Treatment Systems (IAOWTS) where are not a practical or cost-effective solution.

In July of 2017, Bellone launched the first-of-its-kind program in New York State to provide financial incentives to make it affordable for homeowners to install new nitrogen reducing IAOWTS systems by providing grants of up to $11,000 to offset the increased costs of these new technologies. In addition to grant funding, homeowners can take advantage of low interest financing to further reduce out of pocket costs. Suffolk County’s Septic Improvement Program is strongly supported by both business leaders and environmentalists who believe this initiative will significantly reduce nitrogen pollution, helping to rebuild coastal vegetation, increase property values and improve Long Island’s water quality. Since the program’s inception, over 1,000 residents have registered to participate in this innovative program.

Public Safety has been a main focus of Bellone’s career and during his tenure as County Executive, Suffolk County has experienced some of the lowest crime rates in County history. County Executive Bellone has implemented an intelligence-led community policing model resulting in unprecedented collaboration between officers and the communities they protect which has been instrumental in reducing the crime to its historic lows. One of Bellone’s earliest public safety victories was passing the Community Protection Act; our nation’s toughest sex offender enforcement, monitoring and verification program to date. Under his leadership, Suffolk County has now become a nationwide leader in combatting the opioid epidemic and the fight to dismantle dangerous gangs like MS-13.

As an Army veteran, Bellone is committed to supporting and enhancing veteran service programs throughout the County. Bellone launched the Suffolk County Marathon & Half Marathon to Support Our Veterans in 2015. The inaugural event raised more than $160,000 in funds for local veteran organizations and attracted nearly 3,600 runners from 25 states and four countries to the region. Since the marathon’s inception, the event has raised more than $300,000 in funds for local veteran organizations. County Executive Bellone himself has run in four marathons, including the Suffolk County Marathon from 2015-2017 and in the 2014 New...
York City Marathon in conjunction with the Hope for the Warriors foundation. In addition, County Executive Bellone has partnered with local Gold Star families and local veterans organizations to enhance the Suffolk County Veterans Run Series, which promotes veteran-based races throughout the county. As Babylon Town Supervisor, Bellone raised nearly half a million dollars for wounded soldiers by sponsoring annual Soldier Rides with the Wounded Warrior Project and Run for the Warriors.

Bellone is a graduate of North Babylon High School and he earned a Bachelor of Arts degree at Queens College in 1991. Enlisting in the US Army in 1992, County Executive Bellone served as a communications specialist stationed at Fort Leonard Wood, Missouri. During his service in the Army, he was awarded commendations for meritorious service and earned a master’s degree in Public Administration by attending night classes at Webster University. Bellone earned his Law degree from Fordham University and was admitted to the New York Bar in 1999.

County Executive Bellone resides in West Babylon with his wife, Tracey, their two daughters, Katherine Ann and Mollie Elizabeth, and his son, Michael.

William J. Nealon, MIS Training Institute:

Biography

William J. Nealon - MISTI

William J. Nealon is a Senior Consultant for MIS Training Institute. A former Audit Manager for the New York State Comptroller’s Office, Mr. Nealon was responsible for identifying, planning, and overseeing financial, operational, and programmatic audits and studies in the Higher Education, Tax and Health areas of government. His experience includes audits of the State University of New York, the City University of New York, New York State Department of Taxation and Finance and the New York State Lottery. He was the on-site audit supervisor during the $1.5 billion construction of the Nelson A. Rockefeller Empire State Plaza. During his career, Mr. Nealon was also the Chief Auditor of Refunds for New York State where he was responsible for the audit and approval of all personal and business tax refunds issued by the State.

A 30-year audit veteran, Mr. Nealon’s career includes extensive experience in planning and designing audits to detect fraud and identify poor controls that increase fraud opportunities. He was involved in fraud scenarios that resulted in convictions, and he is currently developing a college-level fraud audit course.

In addition, Mr. Nealon was an Adjunct Professor of Management at the Graduate College of Union University for 15 years, and an Adjunct Instructor at Rensselaer Polytechnic Institute’s Lally School of Management and Technology. He taught courses in accounting and auditing at the graduate and undergraduate levels. Mr. Nealon is a member of the Institute of Internal Auditors and the Association of Certified Fraud Examiners.

Conference Content & Course Details

The Long Island IIA Chapter coordinated with the MIS Training Institute to bring to the Chapter a traditional 3-Day Course condensed and compacted into a 1-Day Conference!!

We will discuss the areas most prone to internal fraud and identify key indicators of fraud scenarios. The conference content will cover the methodologies used by fraud auditors and focus on the red flags that signal the need for an investigation. We will further discuss risk assessments for core business systems and integrating fraud detection into your audit program. You will learn how to implement and develop audit procedures that will increase the likelihood of discovering fraud, including fraud data mining. We will further illustrate how to integrate fraud detection into your audit program and reinforce proper fraud detection methodologies. We will also discuss the four steps of a fraud audit process. See blog excerpt for further insights;
Integrating Fraud Testing Into Your Audit Program: A Guide for the Chief Auditor

January 17, 2019

By Leonard Vona

It is time for the auditing profession to become the number one reason for fraud detection. Our profession has the talent to detect fraud; what we need now are the tools designed to detect the fraud risk statements lurking in our core business systems. Read this blog that presents four ways to accomplish this task.

Integrating fraud into our audit program requires a different way of thinking about our audit process. I offer the following goals for senior audit management:

• Recognize fraud auditing as a technical skill.
• Adopt a methodology designed for fraud detection.
• Aggressively invest in building fraud data analytics.

Educate your audit committee and management on the difference between control testing and fraud testing.

There are four fundamental approaches to integrating fraud detection into the audit program. The four techniques are listed in order of their effectiveness:

1. Prepare a fraud risk assessment, which includes creating a comprehensive listing of fraud risk statements that link to the internal controls and rate the controls’ effectiveness.
2. Perform internal control testing, and be alert to the red flags.
3. Integrate a fraud test into the internal control testing.
4. Create a fraud audit program, which includes the use of fraud data analytics and fraud tests.

There are pros and cons of each strategy.

Please join us for this exciting Conference!!!
The Institute of Internal Auditors Long Island Chapter is pleased to continue its tradition of offering high-quality, low-cost educational events to our members. These seminars provide relevant, current content and provide a high degree of value to attendees. Our 2019-2020 schedule includes coverage of key issues and relevant skills presented by recognized experts and professional speakers in an informative and relaxed setting.

- Full-day seminars - 8 CPE/CPD credits each
- 6 seminars available (48 credits total)

1. Friday, September 13th 2019  
2. Friday, November 8th 2019  
3. Friday March 13th 2020  
4. Friday, October 11th 2019  
5. Friday, February 7th 2020  
6. Friday April 17th 2020

- Location: Melville Marriott (Light breakfast & lunch served)

Rates per Program Session:

- **Subscription:** $163* (19%/35% discount compared to member/non-member rates)
- Member: $200
- Non-Member: $250
- Pass the CIA Exam: Free Session – if passed between May 2019 - April 2020, inquire within
- **Be a Presenter:** Free Session – if you’d like to present a particular topic, project, or best practice at our conference, inquire within and earn a free session.
- Displaced Members: Special rates apply, inquire within
- Host your own event: Special rates if you’re hosting your own conference & would like to receive CPE Sponsorship from the LI IIA Chapter, inquire within
- Program Sponsor: Become a Silver, Gold, or Diamond Sponsor of one of our events, inquire within

*Subscription must be purchased as a whole (includes all 6 sessions) and may be shared among employees from the same Company. Subscription credits can be used to fit your busy schedule so that if a session is missed, you can make up for it in future sessions within the program year. Sessions do not carry over year-over-year. Upon subscription payment, discount code will be e-mailed to you.

**Purchase Subscription Payment Options:** Payment Questions E-mail: LI.IIA.Treasury@gmail.com

- Purchase Subscription online: [https://www.eiseverywhere.com/474103](https://www.eiseverywhere.com/474103)
  - Pay via Credit Card, Pay-Pal – Preferred Method
  - Pay via check (see payment instructions below)
- Purchase Subscription via Mail/Manual Check/Mail (if necessary):
  1. Fill-out ‘Manual Payment Subscription Form’ section below & include Check & Subscription Form
  2. Check payable to: IIA Long Island Chapter
  3. Mail Check & Form: IIA - Long Island Chapter c/o Lauren Agunzo, P.O. Box 442, 25 Route 111, Smithtown, NY 11787

**Manual Payment Subscription Form**

Name: ___________________________________  E-mail: __________________________

Organization:_____________________________  Department:________________________

Number of Subscriptions: _____ @ $975 each (6 sessions*$163=$975)= Total Cost: _______________
To further align with the IIA Headquarters and leverage their low-cost tools & technologies, the Long Island Chapter is now utilizing ‘Aventri’ as our event management tool.

Event Management System “Aventri”

Thank you for your patience & support as we continue to transition to the new event management system!

For any questions or issues regarding receiving communications from or using the system, please email the Chapter at: Chapter241@iiachapters.org

Employment Opportunities:

- If you are interested in a job posting, or posting a job, please contact;
  - Russ Safirstein at Russell.Safirstein@anchin.com, or
  - Joe Horowitz, IIA Long Island Webmaster, at jmh11187018@gmail.com, or
  - Visit the ‘Careers’ Page: https://chapters.theiia.org/long-island/Careers/Pages/default.aspx

20 For 2020 — Daily Reminders for a Stellar Year
By Jerry D. Posner • www.jerrypoens.com • jerrypoens@icloud.com

1. Do something today that your future-self will thank you for.
2. Honor your past (it got you here).
3. Allow for unplanned miracles.
4. Be someone’s guardian angel.
5. Initiate an epidemic of kindness.
6. Just because you think it, doesn’t mean you have to say it.
7. If it’s too difficult to forgive and forget … just choose one.
8. Walk, don’t jump, to conclusions.
9. Constructive feedback isn’t a threat. Tell that to your limbic system!
10. If you had ALL the facts, you might have a different opinion.
11. Here’s an excellent question, “Is this argument really necessary?”
12. Preparation reduces fear and shrinks anxiety.
13. Be your best self especially when others aren’t being theirs.
14. Generally, yelling doesn’t work. P.S. Staying mad? Also a bad idea!
15. Compassion and patience will raise your life’s grade-point average.
16. Treat yourself like someone that you’re responsible for helping.
17. Expecting others to behave rationally, just might not be so rational!
18. Perhaps the path you’ve been searching for is the path you’re on.
19. “Anything is possible. Even the impossible.” (Mary Poppins)
20. It costs exactly $0.00 to be grateful for what you have.
# Executive Board

<table>
<thead>
<tr>
<th>Executive Board</th>
<th>Title</th>
<th>Committee</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Jeff Speed</td>
<td>President</td>
</tr>
<tr>
<td>2</td>
<td>Lauren Agunzo</td>
<td>EVP &amp; Treasurer</td>
</tr>
<tr>
<td>3</td>
<td>Dawn Scala</td>
<td>VP &amp; Asst. Treasurer, Historian / Records</td>
</tr>
<tr>
<td>4</td>
<td>Carolyn Leahy</td>
<td>VP &amp; Chief Information Officer</td>
</tr>
<tr>
<td>5</td>
<td>Joseph Horowitz (2021)</td>
<td>VP &amp; Asst. CIO &amp; Web Administrator, Website Administrator</td>
</tr>
<tr>
<td>6</td>
<td>Anthony Cervoni</td>
<td>EVP &amp; Operations Officer</td>
</tr>
<tr>
<td>7</td>
<td>Ellen Caravella</td>
<td>EVP &amp; Operations Officer &amp; Programs, Programs</td>
</tr>
<tr>
<td>8</td>
<td>Larry Karp</td>
<td>VP &amp; Membership, Membership Development</td>
</tr>
<tr>
<td>9</td>
<td>Brian Austin</td>
<td>VP &amp; Membership 2nd, Membership Development</td>
</tr>
<tr>
<td>10</td>
<td>Biju Beejum</td>
<td>Certification Officer, Certifications</td>
</tr>
<tr>
<td>11</td>
<td>Thomas Comiskey</td>
<td>VP &amp; Secretary</td>
</tr>
<tr>
<td>12</td>
<td>Rocky Shankar</td>
<td>CAP Administrator</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Board of Governors (term ending)</th>
</tr>
</thead>
<tbody>
<tr>
<td>13 Vincent Colletti (2022)</td>
</tr>
<tr>
<td>14 Michael Lanning (2022)</td>
</tr>
<tr>
<td>15 Jessica Rodgers (2022)</td>
</tr>
<tr>
<td>16 Christopher Wright (2022)</td>
</tr>
<tr>
<td>17 Ernest Patrick Smith (2021)</td>
</tr>
<tr>
<td>18 Brian Blisard (2021)</td>
</tr>
<tr>
<td>19 Roy Garbarino (2021)</td>
</tr>
<tr>
<td>20 Robert McNair (2021)</td>
</tr>
<tr>
<td>21 Ron Goldman (2021)</td>
</tr>
<tr>
<td>22 Prabhat Kumar (2020)</td>
</tr>
<tr>
<td>23 Pinak Guha (2020)</td>
</tr>
<tr>
<td>24 Maria Michaelson (2020)</td>
</tr>
<tr>
<td>25 Joel Lanz (2020)</td>
</tr>
<tr>
<td>26 Russ Safirstein (2020)</td>
</tr>
<tr>
<td>27 Alice Seoleyemzian (2020)</td>
</tr>
<tr>
<td>28 Rita Thakhar (2020)</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>District Representatives</th>
</tr>
</thead>
<tbody>
<tr>
<td>Raquel Marin-Oquendo</td>
</tr>
<tr>
<td>Mary Peck</td>
</tr>
<tr>
<td>Heather Graham</td>
</tr>
</tbody>
</table>