



IIA-Los Angeles *Chapter Newsletter*

2011-2012

March 2012

In This Issue

Chapter Elections
 ISACA-LA Spring Conference
 Join the IIA-LA Chapter
 IIA International Conference
 SoCal Education Conference
 Student Internships
 CAP Count
 Our IIA-LA Chapter Officers

Hot Links

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[IIA Certification](#)

[IIA Training](#)

[IIA Standards and Guidance](#)

[IIA International Conference 2012
\(Boston, MA\)](#)

[IIA-LA Chapter Job Postings](#)

[Audit Channel TV](#)

President's Message

Members and Friends,

Our all-day [Annual Fraud Conference](#) is right around the corner and we have another special guest coming to visit us. The magical Jon Tonsick will wow us with his magic and understanding of fraud. This is an event that you do not want to miss. Register now for our [Annual Fraud Conference](#) to be held on [April 11th](#). Members are able to earn 9.5 CPEs for only \$120. Click [here](#) to register.

As we bring our chapter year to a close, we will hold our [Annual Elections](#) for leadership positions within the IIA-Los Angeles at our May 9th meeting. If you or a colleague are interested in leading the chapter towards Platinum status during the next few years, please let us know by sending an email to President@theiia-la.org.

Finally, do not forget that, on June 3-4, we will host the [IIA North America West Region District 4 Annual Educational Conference](#). This conference will be held in Anaheim, California at the Sheraton Anaheim Hotel. This will be a stellar opportunity to expand your knowledge in the areas of Auditing Writing, Data Analytics, Audit Fundamentals, Compliance, GRC and more. The featured speaker will be the IIA's President and CEO Richard Chambers. Click [here](#) to register.

I would like to thank you for your continued support of the Los Angeles Chapter; and I look forward to seeing you at our many exciting events we have planned for this Spring.

Best regards,

Larry C. Herzog Butler CIA, CPA
 IIA Los Angeles, President

Upcoming Events

Mark your calendars for the following upcoming events presented by the IIA Los Angeles Chapter at the Los Angeles Athletic Club:

[April 11, 2012 - Annual Fraud Conference \(9.5 CPEs\)](#)

[May 9, 2012 - IT Risk Meeting and Officer Elections \(5.5 CPEs\)](#)

[June 3-4, 2012 - Southern California Education Conference](#)

Annual Chapter Elections

During our May 9th meeting, we will hold elections for our chapter officers and Board of Governors. We are specifically looking for members for the following:

- CAEs for the Board of Governors
- VP of Administration
- VP of Finance
- Audit Committee Members
- Succession Planning and Nominating Committee Members
- VP/Chair of Social Media



Our chapter's continued success depends upon quality leadership. Thus, if you or someone you know are interested in running for a position of officer or governor, please contact our President, Larry C. Herzog Butler, at president@theiia-la.org. Your recommendation will be passed on to the Nominating Committee for consideration and placement on the ballot for our upcoming election.

ISACA-LA Spring Conference

Mark **April 14th to April 18th** on your calendar and join the ISACA Los Angeles Chapter at the **2012 Spring Conference**, the leading Information Systems IT governance, control, security and assurance event for the Southern California area. The ISACA Los Angeles Chapter provides affordable quality training on fundamental information systems auditing concepts and emerging technology risks, and an opportunity to network with other auditing and security professionals. **Click here for more information and to register.**

Join the IIA-Los Angeles Chapter

If you would like to join The IIA, please link to <http://www.theiia.org/membership/why-join/>, and then, click on "join or renew" and complete the application. Enter "Los Angeles" in the optional field that says chapter affiliation.

Are you already a member of the IIA, but a different chapter? Or, don't know to which chapter you belong? In order to officially join the Los Angeles chapter, you must update your chapter affiliation. To update a chapter affiliation, call the IIA HQ at (407) 937-1100.

If you have recently changed jobs or moved, you can update your IIA profile by going to <http://www.theiia.org/membership/current-members/>, and then, clicking on "Update Your Profile" to access your account. Also use this link to make any name, address or other data change to your information

The IIA International Conference

Get in the spirit of, "**Revolutionizing Internal Audit**", during The IIA's 2012 International Conference in Boston, Massachusetts. Bringing together an anticipated 3,000 delegates for educational sessions and networking opportunities, the 2012 Conference's core focus will inspire and educate you while cultivating the future of the profession. **IIA Members can save US\$400, when registering before April 30.**



2012 Southern California Education Conference



You are invited to join an anticipated 300 delegates in beautiful Southern California for the 1st annual IIA Southern California District Education Conference. This conference is hosted by Hosted by the Inland Empire, Los Angeles, Orange County, San Diego, San Fernando Valley and San Gabriel Valley Chapters. This will be a dynamic program and cost effective conference that is designed with your professional success in mind. **IIA Members pay only \$250 for 8 CPEs, if registered by April 15, 2012.** You will take away powerful tools, new techniques and best practices after participating in:

- A Pre-Conference Excel Analytics Audit Tool Workshop.
- A Pre-Conference Streamlining and Audit Report Writing Workshop.
- A general session featuring Richard Chambers, President and CEO of The IIA.
- 20 concurrent sessions in tracks dedicated to governance, risk and controls: emerging issues: government and compliance; audit fundamentals; and industry specific topics.
- Hands on Vendor hall and multiple networking opportunities throughout the event.

[Click here to register](#)

Your ongoing professional development is a critical success factor, so we're offering a **\$50 discount when you register for the conference by April 15, 2012.** Register 10 or more people from one organization and the 11th registration is free. This offer applies only to Conference Registration; it does not apply to Additional CPE Opportunities. Please email Registrations at registration@WRD4EC.org to register the 11th free individual for this special offer.

Spring Risk Conference Recap

Mike Jacka, Author and Senior Audit Manager of Farmer's Insurance, launched the day long IIA-LA event with a morning session on "Auditing Social Media." Mr. Jacka was absolutely the right person to be talking on this topic; he literally wrote the book on it, "Auditing Social Media: A Governance and Risk Guide", co-authored by Mike Jacka and Peter Scott; available in the IIA book store.

Mike's presentation style is quite humorous and endearing to those in attendance. He started off, following the style of late-night TV, with the "top ten audit tweets." His knowledge and humor effectively involved and challenged the group in numerous ways with table topics and pop quizzes! Amongst many competing definitions of Social Media, Mike defined it as, "that squishy thing that everyone is trying to put their arms around" and the medium through which "gossip about your company is spread around the world at the speed of light." Mike assured us that, after going through this session, we would be in the top 1% at our firm in auditing social media.

The presentation covered many risks and the expected controls for social media. Mike wrapped up with the always important benefit... nine free "findings" which you can see in his handouts, available on the IIA-LA website.

By the end of the session, Mike Jacka had delivered on his 1% promise.

Special thanks to Debby Munoz for her presentation on the International Conference which will take place in Boston this year. Debby mentioned that the primary benefit to attending is networking" with one's international peers.

Mike Jacka delivered on the lunch topic, "Creative Auditing." He started with a new set of his "top ten" which concluded with singing to the tune of "Twelve Days of Christmas." Mike not only has humor, but he has a voice, too! Left over, I presume, from his band days.

Mike inspired us to be creative in auditing without losing our integrity. It is possible! Summarizing his point of how our actions create misperceptions, he posed the question, "Why did the auditor cross the road?" And

the answer, " The auditors looked in the audit papers and that's what they did last year." Mike challenged us to lead audit in a new way that provides value to the company and builds an environment that helps people to be more creative. Every auditor needs these three skills, according to Mike: Synthesization, Inquisitiveness, and Creativity. Mike advocated for supporting weirdness, like, "How can we [audit] be like Disney?" Is there anything weirder? Yes... he suggested: auditing haikus, limericks, and sonnets.

Mike was very good in his first presentation and his creativeness really came through with this lunch presentation. He is a special and unique presenter and was well received by the group which was laughing by the end of his lunch presentation.

Frank Wu, then presented "eDiscovery: An Internal Audit Perspective". "eDiscovery" (electronic discovery) refers to processes in which electronic data is sought, located, secured, and searched for use as evidence in a legal case. Most in attendance had not yet had to endure eDiscovery. Frank Wu, Managing Director at Protiviti, pointed out that "discovery" has been around for a very long time... but someone puts an "e" in front of it and everything goes awry. He tried to ease our pain and clear up the misconceptions.

Frank provided real examples which resulted in the need for eDiscovery. Non-compliance to regulatory requirements are often a cause. The costs of eDiscovery can be staggering given the volumes and types of electronic data. There are estimates of nearly 8 zettabytes (equal to 1 billion terabytes) of information that will be available by 2015. The presentation discussed what senior executives would want to know when anticipating costs per gigabytes of eDiscovery (see presentation slides for examples). The session concluded with an interactive Q&A period which was representative of the participants sensitivity to the topic.

VaNessa Vollmer, Ph.D., an expert on Human Resource issues and co-author of "Adapt or Perish! How to Survive the Firestorm of Change in Business, Leadership, and Careers" (available via Amazon) started off playing an eye opener YouTube video showing how fast the world is evolving. She provided insight into the "generations"; in particular the millennials (aka "Generation Y") which were born between 1982 and 2003. There are 1.5 billion millennials around the world that are entering into the work force. VaNessa discussed differences between generations and correlated the generations to a repeating pattern of nomads, heroes, artists, and prophets.

For the millennials (artists) we need to provide tools that amplify and enhance the power of imagination, creativity and self expression through experiential learning and communications. Artists tend to be risk adverse and enjoy teamwork. VaNessa wrapped up giving a copy of her book to a member of the audience.

Julie Lathrop of E&Y wrapped the day up and transitions skillfully from several of the prior presentations into "Turning Risks to Results"; but, cautioned, "culture eats strategy for lunch!" Surveys indicated that 59% CEO/CFO don't have a comprehensive process for managing risk across organization. And, companies in the top 25% of risk management maturity deliver an impressive 3x the level of earnings than the bottom 25%. Julie presented five areas around managing risks to results:

1. Enhance risk strategy
2. Embed risk mgmt
3. Improve controls
4. Optimize risk mgmt
5. Enable risk mgmt

Detailed slides in her presentation will challenge you to review how your organization is doing in turning risks into rewards that connect back to corporate goals, strategies and initiatives.

Be sure to register for our April Fraud Conference. It promises to be just as packed with knowledge that you can take back to work with you. [Click here](#) to register.

10 Key Techniques to Improve Team Productivity

Internal auditors often work in teams. Whether they are working on an internal audit or a consulting project, the success or failure of their work often depends on the team's ability to work as a cohesive unit toward the achievement of their objectives. Highly productive work teams possess certain characteristics, and the transformation process begins with clearly defined recruitment goals and practices. Hiring practices, established goals, and effective communication all affect a team's success. As do the leadership skills of

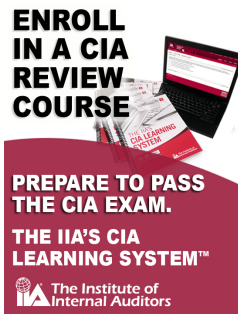
managers and their ability to motivate a team.

Developing high-performance internal audit teams does not happen by accident. It requires effective hiring, setting ambitious but fair expectations, managing and leading with a clear vision, sincerely recognizing everyone's contributions, and helping team members achieve their long-term professional goals. When these things happen, internal auditors will use their skills effectively to add value to their organizations and consistently exceed everyone's expectations. [Click here](#) for the full article and SAVE 20% on your copy of "10 Key Techniques to Improve Team Productivity Today."

Student Internships

If your company or organization is interested in providing internships to local university students, please let us know. Exposure to internal auditing increases exposure of the profession and helps young people make decisions about their futures. Contact our [VP of Internal Audit Legacy](#) for more information.

The IIA's CIA Learning System



The IIA now offers premier quality CIA preparation materials. The IIA's CIA Learning System is an interactive print and Web-based program designed to provide comprehensive and flexible training to CIA candidates worldwide. This new program provides timely analysis of practical audit procedures found in today's global organizations and on the CIA exam.

For more information about The IIA's CIA Learning System, please call +1-877-442-2425 (+1-651-905-2670 outside of North America) or visit www.LearnCIA.com.

CAP Count

The Los Angeles Chapter is in its 8th year of being designated an IIA Gold Chapter. With two more years of achieving Gold status, we will become a Platinum Chapter. We ask that you take an active part in helping to make this happen. Here's what you can do....

- Attend a chapter event (yes, we get points for members and non-member attendees)
- Obtain your CIA, CCSA, CFSA or CGAP designation
- Submit an article to the Internal Auditor (published or not)
- Submit an article to any other professional journal
- Speak at a chapter event
- Submit questions for IIA Certification Exams

The Institute of Internal Auditors (The IIA) Chapter Achievement Program (CAP) is designed to recognize activities that promote the strategic objectives of The IIA. This program provides minimum standards of performance, emphasizes the basic mission of the Chapter, encourages Chapters to perform that mission, and provides Chapters with a means to evaluate their success in accomplishing that mission.

A chapter must earn the minimum CAP points annually in each of the three service categories which are: 1) Service to Members; 2) Service to the Profession; 3) Chapter Administration.

If you've participated in CAP related activities or would like to help us earn CAP points, please reach out to the [VP Administration](#).

Our IIA-LA Chapter Officers

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VP CONFERENCE SERIES

= IIA-LA = March 2012 Newsletter =

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Thank you for reading this month's edition of the IIA - Los Angeles Chapter Newsletter!

We hoped you enjoyed it and if you have any suggestions for improvement or would like to include material in subsequent issues (new s articles, Internal Auditor in the Spotlight, etc.), please reach out to our [Communications Committee](#).

[Forward email](#)



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