Hurricane Harvey made landfall near Rockport, Texas as a Category 4 on August 26th. The storm battered southeastern Texas with more than 50 inches of rain, causing catastrophic flooding. The amount of rain it unleashed set a new record in the United States. The floods resulted in the displacement of thousands of people, with countless harrowing rescues televised and shared on social media. It also caused with business disruptions, including affecting approximately 20% of the United States oil refining capacity. Harvey is on track to being the costliest weather disaster in modern history. As South Florida sent aid and volunteers to Texas, a second storm was fast approaching our own area.

Hurricane Irma made landfall twice in Florida, first near Cudjoe Key as a Category 4, and then on Marco Island as a Category 3 on September 9th. The Cape Verde storm sent Florida into a state of emergency with mass evacuations on both coasts and shortages of hurricane essentials (gas, nonperishable food and materials) across the state. Shelters opened their doors to thousands of families, including those with special needs and even their pets, while others sought refuge in the home of friends and family. FEMA estimates that approximately 25% of buildings in the Keys were destroyed and 90% of houses sustained some damage. Approximately 4 million homes and businesses in Florida were without power after the storm. Of the estimated 50 deaths in Florida, 10 resulted at a Hollywood nursing home that lost air conditioning because of the hurricane. Less than two weeks later, the Caribbean would be hit by yet another powerful hurricane.

Hurricane Maria barreled through several islands in the Caribbean, including Dominica and Turks & Caicos, Puerto Rico, a United States territory, experienced a direct hit on September 20th which marked the first time since 1932 that a Category 4 hurricane hit the island. Similar to the other hurricanes, the loss of life and property was devastating. It was reported that the entire island lost power and many state-side lost communication with loved ones on the island. The scenes of flooding and imminent danger from failing dams continue to dominate our nightly news as the island struggles with the evolving humanitarian crisis.

In the aftermath, we are left wondering what we can learn from all of this. Although we hope this hurricane season is an anomaly and not a sign of things to come, we must inevitably take it into consideration during our (personal and professional) risk assessments. Internal auditors should also seize this opportunity to add value as trusted advisors by addressing key issues highlighted by the storm. We can play two distinct roles: reduce risks before disaster strikes and restore functions and controls in the aftermath of a risk event. A few key topics to consider include:

- **Business Continuity Planning**, enterprise-level and end-to-end solutions beyond IT contingency planning
- **Accounting and Disclosure Implications**, related to insurance claims and proceeds
- **Insurance Coverage**, completeness and adequacy
- **Charitable Contributions**, oversight and accountability
- **Hurricane Relief Funds**, benefiting employees without adverse tax consequences
- **Emergency Procedures**, especially at healthcare, government and private entities charged with the care of others during the storm

We invite you to join the conversation on social media and add to the list of topics. With approximately two months remaining in hurricane season, now is the time to connect with your local internal audit network, share ideas and prepare for the next inevitable hurricane. The South Florida community was very fortunate to have avoided a direct hit, but hurricanes are an inherent risk of daily life in paradise.
MEMBERSHIP SPOTLIGHT

Did you know the IIA Miami Chapter has 801 members? Internal audit spans across many industries. Our IIA Miami Chapter local chapter is no exception! The following are the top 5 industries with active memberships:

- Banking & Financial Institutions
- Executive, Legislative, and Other General Government Support
- Educational Services
- Local Government
- Professional, Scientific, and Technical Services

Don't see your company's industry represented above? Encourage your peers to become IIA Miami members.

Becoming certified differentiates you against competition in the job market and increases your confidence by having mastered a new body of knowledge.

Are you thinking about sitting for the CIA exam? The IIA’s CIA Learning System can help you achieve success like the newly certified members above. You can pick self-study or facilitator led courses. The interactive self-study program combines reading materials with online study tools to teach and reinforce the entire global CIA exam syllabus in a flexible, on-demand format. Facilitator-led courses are also available around the globe in traditional classroom, online and virtual formats. Visit the IIA website for more information about the learning system and our IIA Miami website for exclusive member discounts.

IIA ANNOUNCEMENT

The Miami Chapter will serve as the host for the IIA International Conference in July 2020!

This amazing event is expected to draw over 2,500 internal audit professionals from around the globe! Miami Chapter Board Members Justin Gwin (Associate Principal, Kaufman Rossin) and Steve Roth (VP of Internal Audit, Norwegian Cruise Lines) have been named Co-Chairs of the event. They are working closely with IIA Headquarters to make all necessary arrangements and are actively searching for those who are interested to assist with planning. Subcommittees are being developed over the following aspects of the event: Finance/Budgeting, Marketing, Educational Programs, Social Events, Sponsorships, Travel/Logistics, and On-site Volunteers. If you are interested in being part of this event in any way, please contact Justin jgwin@kaufmanrossin.com or Steve srth@ncl.com.

IIA SCHOLARSHIPS

The Institute of Internal Auditors - Miami Chapter, Inc. intends to award four scholarships of $1,000 each to students pursing a degree focusing on either Auditing or Accounting.

Deadline for application is October 31, 2017. The award will be presented at the Chapter’s CPE Event in January 2018.

Contact and Submission:
Blanca Malagon, University of Miami,
bmalagon@miami.edu or (305) 284-2605
Jennifer Goschke joined Office Depot, Inc. in November 2016 as Vice President and Chief Audit Executive. In her role, Jennifer is responsible for managing Global Audit Department resources, supervising the Internal Audit program, and providing recommendations on procedures and systems to leadership and the Audit Committee.

Jennifer has more than 20 years of experience leading Internal Audit and Risk Management functions in the retail, eCommerce and biotech industries. Before joining Office Depot, Jennifer was Vice President and Chief Audit Executive for Conn’s Inc., a specialty retailer with 110 retail locations in the U.S.

In addition to Jennifer’s audit experience, she served as a Divisional Chief Financial Officer for Sam’s Club where she oversaw the finances for a $13B division before moving into a Retail Operations position with the company. As Regional General Manager of Sam’s Club’s Mountain Region, Jennifer was responsible for the operational and financial performance of 41 stores and 5,700 associates. In this role, she proved herself a valuable asset, garnering the best performance in the company in 2011 due to a significant increase in sales, profits, and customer satisfaction scores. Prior to that, she served as Senior Director, Global Internal Audit Services for Wal-Mart.

“Career progression shouldn’t necessarily always be viewed as moving up the rungs of a ladder; instead view your career progression more as a jungle gym, which requires you to move side to side.”

The IIA Communications Committee met with Jennifer to learn more about the Chief Audit Executive at the helm of one of South Florida’s largest employers. The Committee also gained insight into the lessons Jennifer has learned through her many years of experience.

What key advice can Jennifer provide for other individuals in the profession?
Jennifer believes Internal Audit is a great way to build relationships and view the business from a new perspective. There is a lot of value when one steps out of an audit role to work in a different role or position within the same company. As one transitions back into the Internal Audit world, one brings with them a new perspective about making internal audit recommendations practical and reasonable to the business. For this reason, Jennifer encourages business experience as it provides an opportunity for lateral movement versus simply moving up.

One’s career progression shouldn’t necessarily always be viewed as moving up the rungs of a ladder, instead view your career progression more as a jungle gym, which requires you to move side to side.

What was the turning point in Jennifer’s career?
In 2003, Kmart Holding Corporation was just emerging from bankruptcy. Despite the risk this company represented, there was a huge opportunity to be a part of the company’s restructuring and rebuilding. Jennifer took that risk, and as a result, was highly rewarded. She was part of an amazing comeback story and became a Director of Internal Audit for a major, Fortune 500 company at the young age of 28. That experience marked her as a risk-taker, opportunity-seeker, and as someone who isn’t afraid of a challenge.

What would people be most surprised to know about Jennifer?
1. She was born in Italy.
2. Her father was in the military, so moving around from place to place is something Jennifer enjoys (i.e., new experiences, new friends, etc.).
3. In addition to obtaining a Bachelor’s Degree in Business Administration, Jennifer minored in Psychology. This background has helped her in developing and maintaining meaningful relationships throughout her career, as well as in fostering a productive and “caring for people” environment.

What is it like to work with Jennifer?
Her philosophy is all about building more efficient processes together, taking an agile approach, and changing the way auditing is done – for the better. She genuinely cares for the people she works with and believes in investing in and helping others. This approach has proven to resonate with her team members.
SEC rescinds historic guidance under new revenue rule
The Securities and Exchange Commission is telling companies its historic staff guidance on revenue recognition will not trump the new revenue standard when it takes effect in 2018.

High-Performing Teams Need Psychological Safety
Studies show that psychological safety allows for moderate risk-taking, speaking your mind, creativity, and sticking your neck out without fear of having it cut off — just the types of behavior that lead to market breakthroughs.

How audit methodologies will change in the future
New audit methodologies will help firms transition from the current state of audit to the audit firms of the future.

New study shows more audit committee disclosure
An EY study of Fortune 100 proxy materials shows audit committees continue to make incremental additional voluntary disclosures to explain their oversight of the external audit.

Audit documentation: Tips for getting it right
Insufficient documentation represents a failure to comply with generally accepted auditing standards (GAAS). That lesson has never been more relevant than it is today.

3 steps to protecting your business from workplace fraud
According to a new report titled Keeping Business Clean: A CGMA Guide to Countering Fraud & Corruption by the Association of International Certified Professional Accountants, despite awareness movements and advances in legislation, fraud and corruption continue to plague businesses.

CAREERS
Check-out the IIA Miami website for new job postings.

LinkedIn
Have you checked out LinkedIn’s new features? As the article below states, “More and more businesses are using LinkedIn as either their primary, or in many cases exclusive, job-posting site — which means you’ve got to learn how to play the LinkedIn game.”

Check us out our IIA Miami group page on LinkedIn and interact with other professionals in the South Florida area! We also post job posting announcements on LinkedIn.