President’s Message
Tracy West, Chapter President

Hi All,

I’d like to thank Ruth Powell for putting her risk mitigation techniques to work last month at our program and persevering with a robust discussion and sharing on social link techniques. Thanks, also, to Tessa Lam-Chou, Paul Becker and John Driscoll for keeping the discussion rolling by sharing their experiences and insights.

What do you get when you have low interest rates, companies with lots of cash, available capital, low industry growth and strong equity markets? The answer: Lots of merger and acquisition (M&A) activity! In fact, there was significant growth (70%+) in M&A activity and deal volume equating to approximately $1.7 trillion in the first six months of 2014, and this represented 19 deals over $10B. As many of you know, the Safeway Internal Audit team and I saw this first hand last March as we celebrated my birthday over lunch and saw the news that the private equity firm Cerberus was merging Albertsons and Safeway. The merger closed in January and created a network of 2,230 stores, 27 distribution facilities and 19 manufacturing plants with over 250,000 employees across 34 states and the District of Columbia, and it didn’t even make the list of top deals, which surprised me. As you can imagine, last year the team worked tirelessly to understand the deal and emerging risks related to the transaction, justify the Internal Audit department’s existence since the company was no longer public but owned by private equity, and educate management on the value added services that could be provided by the team. Many of the quality resources the department leveraged were from the IIA. In fact, there are two simple but useful resources I’d like to mention if you too are experiencing M&A activities. There is an IIA Audit Executive Center “Special Report” titled “Adding Value Throughout the M&A Process”. It’s somewhat dated (April 2012) but it, along with a 2010 Audit Executive Center paper titled “Enhancing the M&A Process”, are still very relevant. In addition, there is a book that was published in 2014 through the IIA Research Foundation, which was made available in the IIA Research Foundation Bookstore. It is authored by Carl Pitchford and is titled “Mergers, Acquisitions, and Sales: How Internal Audit Adds Value and Effectiveness.” There are also a number of due diligence checklists and audit programs that are available on various websites, some of which are free.

With M&A activity expected to continue and impact all industries, it is likely that we will consider a program on this in late 2015, which brings me to our next topic. As most of you know, our chapter year ends in May, we use the summer months for planning and we kick off our new year’s activities from September through the following May. Thus, we will be holding officer and board/committee member elections in May. If interested in volunteer opportunities with our chapter, please don’t hesitate to contact me. My new email and phone at Del Monte are Tracy.West@Delmonte.com and 925-949-2725. In addition, we will be sending our annual survey out in April soliciting feedback on our chapter and content. Please don’t hesitate to contact Ruth Powell or me to discuss topics of interest and/or speakers. If you know any hot topic experts, we’d love to hear from you.

Thanks and I hope to see you at the March program.

Thank you,
Tracy West, Chapter President
Northern California East Bay Chapter
We had an unfortunate, embarrassing, and, I believe, first time (for NCEB) incident at our program on February 19th. Our speakers didn’t arrive! Due to a misunderstanding, the speakers did not think they were scheduled to speak. We had 22 people in attendance, so we all agreed to change the program to a “round table” event and proceeded to discuss “Risks of Social Media to our Organizations” and “Cybersecurity Risks for Organizations and Individuals” for the next two hours. We had lots of participation and learned some things we didn’t know. Everyone seemed to enjoy the impromptu event. For those of you who attended, the speakers and I sincerely apologize for the mix-up! The speakers’ slides will be posted on our Chapter website and I will send the link to the slides with the CPE certificates.

Registration is now open and we are looking forward to our March 19th program which will be held at Chevron’s Concord Auditorium, “The Auditor’s Guide to Protecting Data in 2015: A Practical Approach to Managing Increasing Risk Levels” presented by Jill Czerwinski, Crowe Horwath LLC. We have already confirmed with Jill that she will be present! Attendance at this event will earn two CPE. Registration for all programs is open until 10AM the day of the event.

Be sure to mark your calendars for our final events of the year:

- **April 16th** from 2-4PM, “IT Audit Panel Discussion”, Moderated by Thierry Dessange, Safeway. Panelists include: Scott Lowry, VMWare; Kendall Tieck, Workday; and Steven Berberich, Cisco; and

- **May 21st** for our grand finale, “NCEB-IIA Amazing Race and Barbecue” at Diablo Vista Park in Danville!

I look forward to greeting or meeting you at our next program!

Thanks, Ruth Powell, VP of Programs

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On April 23, 2015 in the Chevron Concord Auditorium, Mike Jacka is scheduled to deliver a one-day seminar on Auditing Marketing Processes: Dollars, Brand, and Reputation. Mike is a well-known speaker across the nation at numerous IIA sponsored events. Marketing can represent up to 15% of any organizations expenditures. It is also often responsible for the organizations brand and, accordingly, its reputation. Yet it is an area often unexplored by internal auditing. This session will provide internal audits with the knowledge they need to understand the various operations that are included in marketing, as well as the risks, the mitigation of those risks, and approaches internal audit can use in conducting audits over this important area.

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**Panel Discussion – Certifications** – This was a great interactive event held at San Francisco State on March 5th. We presented several of the certifications common to internal audit professionals in a panel discussion format. Todd Weinman – The Weinman Group, fulfilled the Moderator role for the evening and provided an overall context to the discussion. Although most of the panelists hold several certifications, for this presentation these professionals represented a specific credential. Chrystal England - Deloitte, represented the CPA (Certified Public Accountant), Carol Blanco – Chevron, represented the CIA (Certified Internal Auditor), Edmund Lam – professor, represented the CISA (Certified Information Systems Auditor) and Cindy Yu – Alvarez & Marsal, represented the CFE (Certified Fraud Examiner). The panelists spoke of their experiences in these diverse industries and how these credentials have helped them advance in their careers and to be acknowledged as subject matter experts.

The students, most of whom acknowledged that their awareness of certifications was limited to the CPA, voiced interest in learning more about Internal
Audit and these specific credentials. After the presentation many of the students had the opportunity to speak with the panelists individually.

Special thanks go out to the Moderator, Todd Weinman and the panelists, to Ted Cordery – Frank Rimerman & Co, LLC for his help in the set up, and to Gabriel Cuneta of the Accounting Students Organization at San Francisco State for organizing the event.

**Upcoming Events:**

**Student Networking Event** – This will be held in early April. We are still finalizing the details for location and date. This will be our third Student Networking event for the year and they have been highly popular. It is co-sponsored with the San Francisco ISACA chapter and attendance includes students from Bay Area colleges and universities as well as Internal Audit and IT Professionals.

Students greatly appreciate the opportunity to talk with professionals. They want to hear from you about your career path and the companies and organizations you work with. Your participation at these events is a great way to promote the profession of internal audit to the next generation of auditors.

Look for an email with the date and location.

We are looking for volunteers to help with set up and registration. This is a great way to give back to the professional community. Please contact us if you would like to participate.

Thank you!

**The Academic Relations Committee co-chairs:**

Thank you!

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If you are interested in teaching as an adjunct professor, please contact:
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**Internships**

**Hiring Managers** – If you are offering an internship in your Internal Audit Department, please contact me. I am compiling a listing of Internal Audit shop internships for this upcoming summer and will distribute this to our local Bay Area colleges. Students will contact you for further information about the application process.

**Professors** – Please contact me if you have not already received a listing of these internships that are available to college students.

Thank you –

Brenda Roberts
Brenda_roberts@att.net
510 517-1067
Certification

Mae Tran

Did you know that the IIA offers practice tests to those interested in taking the CIA exam? The cost is $50 per part. For more information, please visit https://na.theiia.org/certification/cia-certification/Pages/Certified-Internal-Auditor-CIA-Practice-Exams.aspx.

Also, the Continuing Professional Education (CPE) reporting deadline passed on Dec. 31, 2014; however, those interested in reinstating their “Certified” status are still eligible to do so. For more information, please visit https://na.theiia.org/certification/certified/Pages/CPE-Reporting-Steps.aspx.

Employment Opportunities

Professionals – Teaching positions are available. If you are a professional in Internal Audit, IT or IT Audit, Fraud Audit, Internal Investigations or have specific skills in Forensic Accounting and Data Analytics, you are needed!: Adjunct Professors are being recruited to teach one or two evenings per week at the Undergraduate and Graduate level at local universities. For some classes, a team teaching arrangement may be possible – guest speakers to present specific topics to support the curriculum are highly desired. Each school has certain requirements for Adjunct Professors, relating to educational degrees and level of teaching experience. If you are interested, please contact the following:

University of San Francisco
Dr. Carol Graham, Professor of Accounting – School of Management
graham@usfca.edu
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Visit the NCEB Chapter Website by scanning the QR code below with your smartphone!
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