In the past months we’ve been working hard for our Institute. We continue motivated in our endeavor to further promote the Internal Audit profession and improve the service to our members. During these months we have conducted three significant events. In July we had our first social event called “Bowling Night” in the Carolina Bowling Center. In this activity some of our directors were able to interact and share some thoughts with the members present but in a different kind of activity. Thanks to all of them for their tips and helpful advice!

In August we had our first round table in Amadeus Bistro Bar where the theme was "Current Tools and Techniques for Auditors". The activity was directed by IIAPR Past President, CPA Néstor Kercadó.

During September I traveled to Barbados and participated in the District Workshop. In this event I had the great honor to represent our chapter along with our past president, CPA Juan L. Martínez, District Representative for the Caribbean. I also had the opportunity to meet with other chapter leaders of the Caribbean.

This activity was about reviewing internal auditing advanced concepts through the sharing of important information with piers of the profession. The chapter leaders received valuable information and tips about the best practices for an adequate chapter management from distinguished resources like Judith Nelson, District Representative, Raven Catlin, District Advisor and Nancy Cifuentes, Manager North American Chapter Relations and our own Juan L Martínez.

During the District Workshop several awards were presented to chapters. Our chapter was honored to receive the Platinum Chapter Award. This distinction is given because the Chapter of P. R. has met the standards set by the Global IIA and after having received the Gold Award for ten consecutive years. We have plenty of reason to celebrate because Puerto Rico’s Chapter is the first of the Caribbean chapters to receive this top of the line award and distinction. Congratulations to all those volunteer leaders who for the past years have given of their time and dedication to the IIAPR so that we could obtain this highly ranked award. Our thanks and congratulations also to our active members. Their continued endorsement and support carried us all the way to the top.

On September 19 we held our summit conference activity, the Auditor’s Day celebration. It was held at the Condado Plaza Hilton Hotel where we hosted approximately 220 people, mostly members and which was deemed a complete success.
This year the theme of the event was "Internal Audit Challenges & Contributions in Today’s Economy". We continued to add names of distinguished speakers to our resource list, so we could offer on that day concurrent conferences about topics that were asked for in current surveys.

The main purpose of the activity was to convey the important role that is played by internal auditors in every organization and the strategies or tools that are needed to be the best in our profession. We had to honor to have present in the activity, the Honorable Secretary of State Dr. David Bernier and Carmelo Rios, Senator. They came to personally give us Auditor’s Day proclamations from the State Department and the Senate of Puerto Rico. They both addressed the importance of our profession declaring the week of the 14 to 20th of September as the week and Auditor’s Day. The IIAPR is honored and privileged to have had the presence of these distinguished government representatives. We thank them for the time dedicated to internal auditors.

The activity was dedicated to Mr. Juan Lorenzo Martínez, for all the contributions made to the IIAPR over the years. Representatives from IIA Global Bookstore came to our event and the participants had the opportunity to buy or order books from their ample library selection and at discount. The work and effort of the past ten presidents was recognized in the achievement of the Platinum Award. The final conference reunited all the members in one conference room with the motivational talk by Douglas Candelario. We ended the event with a social activity in which the members and other participants had the opportunity to fraternize by the sound of the music provided by Noche de Rumba band.

In the coming months we will provide various educational activities that can contribute to our professional growth. Also we’ll continue to promote the importance of Internal Audit Profession so we count on your usual support to achieve our purpose.

Cordially,

Luis Gerena Ruiz, CRMA, CICA, MBA
IIAPR President

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The IIA Puerto Rico Chapter

Established in 1941, The Institute of Internal Auditors (IIA) is an international professional association with global headquarters in Altamonte Springs, Florida, USA. The IIA is the Internal audit profession’s global voice, recognized authority, acknowledged leader, chief advocate, and principal educator. Generally, members work in internal auditing, risk management, governance, internal control, information technology audit, education, and security. Globally, The IIA has more than 180,000 members. The IIA in North America comprises 160 chapters serving more than 70,000 members in the United States, Canada, the Caribbean (Aruba, Bahamas, Barbados, Cayman Islands, Curacao, Jamaica, Puerto Rico, and Turks & Caicos), Bermuda, Guyana, and Trinidad & Tobago. IIA PR Chapter was established in 1973. Today, IIA PR Chapter is the biggest of the Caribbean approximately with 400 members. In 2013 we proudly received the Platinum Chapter Award.

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HISTORY AND MILESTONES -
IIA PUERTO RICO CHAPTER

It was May 1989 and the Puerto Rico Chapter had a two day extraordinary event at the Hyatt Dorado Beach Hotel, and we were honored to have Lawrence B. Sawyer, JD, CIA, CPA (1911 – 2002). Mr. Sawyer is known and remembered as “The Father of Modern Internal Audit”. He was accompanied by his beloved wife Esther. The two day seminar consisted of lectures, group discussions and role playing, with Mr. Sawyer officiating. Under the name of “Creativity in Internal Auditing”, we were able to share Mr. Sawyer’s creative problem solving philosophy of tapping the creativity that exists in all of us, that can be applied to auditing. This event was also sponsored by the EDP Auditors Associations (at that time) and by Colegio de CPA. Mr. Lawrence B. Sawyer passed away on 2002, but his ideas, teachings, legacy and guidance to the profession of internal auditing lives on.

Provided by Carlos E. Huertas Pizarro, CIA, CFSA, CFE, CRMA, MBA
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Internal Controls and You

“Internal Controls”...What are they? Where are they? Who actually owns them? Your alarm clock goes off to make sure you wake up on time. You buy groceries and check the prices to make sure you’re not overcharged. You check your speedometer to stay within the speed limit. Controls don’t stop at home, but apply at your Company. Internal Controls mean different things to different people. This can cause confusion, miscommunication and the non-achievement of goals and expectations. To provide a framework for Managers to follow, The Committee of Sponsoring Organizations of the Treadway Commission (COSO) was developed as a joint initiative of five private sector organizations, established in the United States, dedicated to providing thought leadership on critical aspects of organizational governance, business ethics, internal control, enterprise risk management, fraud and financial reporting. COSO has established a common internal control model against which companies and organizations may assess their control systems.

In our complex and, at times, complicated world of risk management and control, Managers in both public and private entities have long sought to better control the responsibilities that they have. Internal Controls are put in place to keep the company on course towards goals and the achievement of its mission and to minimize surprises along the way. They enable management to deal with our rapidly changing environment, customer expectations and future challenges. Simply stated, internal controls are the checks and balances to make sure the right things get done the right way. So whether you realize it or not, every time you review, approve or inspect something, you’re using internal controls. A Company’s Internal Controls over its vast operations are primarily communicated to employees through its Policies & Procedures. Keep in mind though that people are crucial for strong internal controls: COSO makes everyone, both management and employees, responsible for internal controls. Effective internal controls require everyone’s involvement. Effective internal controls require everyone’s involvement to be successful in promoting effective and efficient operations, reducing the risk of asset loss, ensuring the reliability of financial reporting, and compliance with laws and regulations or legal compliance.

Internal control is a process. It is a means to an end, not an end in itself. Internal control is affected by people. It’s not merely policy, manuals, and forms, but people at every level of the organization. The reviews performed as part of an audit performed are elements of a properly controlled organization. However, Management’s understanding and vigilance in knowing whether controls over their operations and areas of responsibility are present are the first line of defense for a company. COSO encourages us to be aware of controls over operations, reporting as well as compliance with applicable procedures and regulations. It is up to each and every one of us to be aware of risk and control for the areas we manage. Working toward this goal, will make the Company better.
Highlights of Activities

District Workshop-Barbados

Mr. Luis Gerena, IIAPR President, with Mr. Juan Lorenzo, District Representative, Mrs. Nancy Cifuentes, THEIIA Chapter Relations Manager and others Chapters’ Representatives.

During the Workshop chapter leaders received valuable information and tips about the best practices for an adequate chapter management from distinguished resources.

At the Barbados’s Beach

During the District Workshop several awards were presented to chapters. Our chapter was honored to receive the Platinum Chapter Award.
Honorable Secretary of State Dr. David Bernier and Carmelo Ríos, Senator gave us the Auditor’s Day proclamations from the State Department and the Senate of Puerto Rico.

Representatives of the Colegio CPA were in the activity. Mr. Edward Seda, IIAPR Director and Member of Internal Audit Committee, Mrs. Edmy Rivera, Internal Commitee of Colegio de CPA, Mrs. Edmary Abad, IIAPR President Elect and Mr. Luis Gerena, IIAPR President.

The final conference reunited all the members in one conference room with the motivational speech presented by Douglas Candelario.

Mr. Luis Gerena, IIAPR President, with Mr. Víctor Rivera Hernández, Esq., key speaker of the activity.

The work and effort of the past ten presidents was recognized in the achievement of the Platinum Award.

The activity was dedicated to Mr. Juan Lorenzo Martínez.
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