President's Message

Hello Sacramento! Sacramento Internal Auditors are Super Heroes! We are back for an exciting year in helping Sacramento area internal auditors. I hope you all had a wonderful summer. Your 2015 – 2016 officers and volunteers have been busy in planning out the upcoming chapter year. They all have done a great job and we are all excited what the upcoming year is going to bring.

At the IIA Leadership Academy this year the slogan was “Ignite your Super Powers”, referring that all IIA members and volunteers are super heroes. Iron Man even made a guest appearance at the meeting. I want to take the next giant leap and say that Sacramento area auditors are “Super Heroes” and have super powers. By being involved in the IIA Sacramento Chapter I have met a lot of outstanding auditors which has proven to me the expertise that we have here in Sacramento between all the governmental, private sector, and external auditors is outstanding. We can achieve a lot here in Sacramento. In fact we already have, and nationally the IIA Sacramento Chapter is looked upon as one of the leading IIA chapters. With that said; I challenge you to use your super powers by attending an upcoming IIA program or seminar and when you do, say hi to another auditor and ask them their opinion on an audit issue. I think you will find out that Sacramento internal auditors do indeed have super powers.

In regards to the upcoming chapter year we have some real exciting programs scheduled for September and October. On Tuesday, September 22nd we have “Advanced Analytics” with Graham Ward from PwC which will surely give you some insight and training. In October, our program on Tuesday, October 13th is on “Dealing with Difficult Interviewees” with Carol Buncher which is definitely a topic with great interest. Our seminar on Monday, October 19th is on “Communicating Audit Results” with our friend Merek Lipson which has always been popular.

I also want to highlight some services the IIA provides to give you some tools for your “Auditor Utility Belt”. You can access these services as a member by going to the IIA website at www.theiia.org. First, check out the latest news and blogs at https://iaonline.theiia.org/. Also check out the specialty audit centers the IIA developed for you at https://na.theiia.org/membership/Pages/Specialty-Groups.aspx. These include the Audit Executive Center for CAE’s and department heads, the American Center for Government Auditing, and the Financial Services Audit Center. Finally, check out the webinars at https://na.theiia.org/training/eLearning/Pages/Webinars.aspx.

As we begin the 2015 – 2016 chapter year, I thank everyone for being a Sacramento Chapter member and volunteer. Without your help and support we could not have achieved so much over the last few years. I know Sacramento auditors will truly show their “Super Powers”!

Kevin Shaw, Chapter President
SEPTEMBER 22
CHAPTER MEETING

Advanced Analytics Within Internal Audit

Tuesday, September 22nd, 2015
7:30 am Networking and Breakfast Meeting
Location: HQ 2, VSP HQ
3188 Zinfandel Drive
Rancho Cordova, CA

Program Overview:
In this presentation, Mr. Ward & Mr. Richard will provide an overview of advanced analytics in internal auditing and discuss the benefits of using advanced analytics in internal auditing. Mr. Ward will look at the analytics market space, drivers of analytics in internal audit, how IA departments from large to small are using advanced analytics, and typical steps taken and issues faced in developing and implementing an advanced analytics program. He will include demonstrations of analytics developed and used by IA functions.

Learning Objectives/Outcomes:
At the completion of the presentation, participants will:

♦ Develop a general understanding of the benefits of using advanced analytics in internal auditing.

♦ Understand how internal audit departments are using analytics as well as the steps taken and issues faced in developing and implementing an advanced analytics program.

Who should attend: The session will be directed to all internal auditors (basic/intermediate/advanced).

Price: Members $25 (IIA, ISACA, AGA, ACFE) and Non-Members $45

For Registration Go To: https://chapters.theiia.org/sacramento/Events/Pages/Advanced-Analytics-Within-Internal-Audit.aspx

Payment Options (select one of the following at time of on-line registration):

♦ Very Sorry, but Cash is not accepted at the door.
♦ PayPal or Check
♦ Purchase Order - select this option upon registration and e-mail us your: company name, mailing address, phone number and contact person to iiasacramento@gmail.com. We will then issue an invoice prior to the event for payment.

Graham Ward, PwC - Graham is a Director in PwC’s Risk & Compliance Systems & Analytics (RCSA) practice, in San Francisco. He has over 30 years of experience in data analytics, compliance and audit, and risk management.

After qualifying as a Chartered Accountant in London, Graham spent nine years with a global healthcare and industrial gases company, before joining PwC in Atlanta in 1996.

Micah Richard – Micah is a San Francisco-based Manager at in PwC’s Risk & Compliance Systems & Analytics (RCSA) practice.

Micah has over seven years of experience leveraging statistical analysis to help businesses make better decisions and applying predictive analytics to help answer strategic questions.

His areas of expertise include predictive and visual analytics; marketing and sales strategy, data and analysis; and synthesis of analysis of data at scale, quantitative research methods and qualitative research methods.
Organizations are, by definition, political. They are composed of people who have different individual goals and objectives, different value systems, different approaches to accomplishing their objectives, and different motivating reward systems.

When it comes to internal auditing and the reality that internal audit results may reflect badly on some individuals, the potential for political pressure on chief audit executives (CAEs) is great.

This research report addresses political pressure on CAEs and their internal audit departments. Surveying nearly 500 CAEs from various business sectors around the world, researchers Patty Miller and Larry Rittenberg share how effective CAEs work to mitigate political pressure and lessons learned that may help manage political pressure. Some of the research findings reveal:

- Political pressure comes in many forms.
- Political pressure can be managed and partially mitigated, but it always exists.
- Professional competence is required, but it is not sufficient.
- Political pressure exists whether the CAE position is career-focused or rotational.

Due to the nature of organizations—and basic human nature to succeed and be respected—political pressure will undoubtedly always be a risk in any organization. This research points out some things that can be done to strengthen the culture, improve the governance structure, and build support for internal auditing.

Generously sponsored by The IIA-Toronto Chapter

http://www.theiia.org/bookstore/product/the-politics-of-internal-auditing-ebook-1883.cfm?

ABOUT THE AUTHORS

Patricia K. Miller, CIA, QIAL, CRMA, CPA, CISA, has experience in the areas of governance, risk management, and internal control, with significant consulting and managerial experience in finance, accounting, internal auditing, and risk management areas. She is currently an executive-in-residence for the University of Nevada-Reno, and teaches a graduate course in internal auditing. Her consulting business, PKMiller Risk Consulting, LLC, assists clients in the areas of governance, risk management, and internal auditing.

Larry E. Rittenberg, PhD, CIA, CPA, Professor Emeritus, University of Wisconsin, Chair Emeritus, COSO, has taught the past 38 years at the University of Wisconsin in the area of auditing, IT auditing, corporate governance, and risk management. During that time, he has been an active member of The Institute of Internal Auditors (IIA). He has served as president of The Institute of Internal Auditors Research Foundation (IIARF), member of the International Professional Practices Oversight Committee, global vice-chair of Professional Practices, member of the Board of Trustees of The IIARF, and member of the Education Committee.
A Counteroffer Might Not Make Fiscal Sense

Here’s a Better Approach to Improving Employee Retention

The prospect of losing a valuable employee can be unsettling, especially during accounting-season crunch time when finding a replacement only adds to your already daunting workload. But will making a counteroffer ameliorate the situation? Most often the answer is “no”.

In fact, 78 percent of chief financial officers polled in a recent Robert Half survey said they don’t utilize counter-offers as a tool for employee retention. These executives report that money often doesn’t resolve the issues underlying a worker’s reason for resigning, and a counteroffer can often backfire and create resentment or drive up salaries through the department.

It’s helpful to understand what prompts employees to leave their job in the first place.

CFOs and workers in another Robert Half survey cited the following reasons employees quit:

- Inadequate salary and benefits
- Limited opportunities for advancement
- Unhappiness with management
- Overworked
- Lack of recognition
- Bored with their job
- Overworked

Here are two takeaways for developing a smarter employee retention plan:

1. **Addressing salary issues** *If salary is a primary motive for a worker to take a new job, why not make a counteroffer?*
   - For one, counteroffers can create resentment among other staff members. If you decide you need to appease them, you may upset your company’s salary structure. In the first Robert Half survey mentioned above, of the 21 percent of managers who said they do make counteroffers, more than a third of that group said doing so forced their hand to also give raises to other employees in their departments.
   - Perhaps most important, recognize that leaving a job often involves multiple issues, and money is only one of them. Your counteroffer may not bring greater stability to the situation and you may only be delaying an inevitable departure.

2. **Ways to improve employee retention — and head off the need for a counteroffer** *Here are some strategies managers can employ to preempt the issues that cause employee job dissatisfaction and high turnover:*
   - Among professionals polled recently in a Robert Half survey, 83 percent said a bigger salary would be a top factor prompting them to move to another company. You can head off the counteroffer issue in the first place by using a resource like the Robert Half Salary Guide for Accounting and Finance to benchmark your company’s compensation structure and make sure you’re paying your employees at or above market standards.
   - Help employees develop a defined career path. Provide progress points for growth within the company.
   - Pay for career development and training to help workers feel more engaged and supported.
   - Every employee has unique strengths & motivations; customize recognition to the individual.
   - Listen, keep channels for communication open and ask for regular input.
   - Consider flexible scheduling, among other perks such as job-sharing, telecommuting, and working part-time, which helps employees find the healthy work-life balance they want.
   - Be on the lookout for signs employees may be looking to leave, such as becoming disengaged from their assignment or asking for information about previous projects. Foretell a resignation by involving the employee in a conversation about his or her job satisfaction to get feedback that might help you.

Although a counteroffer might seem like a logical step to improve employee retention, you must first consider the ripple effect and instead develop a long-term management strategy for retaining your best employees. Once you’ve done your due diligence, when valued team members announce their resignation, you can feel comfortable wishing them well on their next endeavor.

This article is provided courtesy of Robert Half Management Resources, the premier provider of senior-level accounting, finance and business systems professionals to supplement companies’ project and interim staffing needs. The company has more than 150 locations worldwide and offers online job search services at www.roberthalfmr.com. Follow our blog at blog.roberthalfmr.com.
Hello fellow internal auditors:

I invite you- Nay- CHALLENGE you to join us in the Crazy Bowl Industry Challenge! The Industry Challenge is an annual contest between companies within the same industry that participate in Junior Achievement’s Crazy Bowl. Companies that raise the most donations get a chance to win big prizes!

Winners will earn bragging rights and an industry trophy to be displayed in your office for a whole year. Plus, receive a pizza party personally delivered by a Junior Achievement board member! FYI, HealthNet won last year!

This year’s theme celebrates all things sports. So, get out of the office, bowl, and have fun! You are helping our next generation to be successful! …And don’t forget to wear your favorite sports-themed costume!

Put together a team of 5 and register for the session that works best for you:

- October 16 (Friday) 2:30pm, 5:00pm, 7:30pm
- October 22 (Thursday) 4:00pm
- October 23 (Friday) 2:30pm, 5:00pm, 7:30pm

Online Registration Deadline: October 9

Crazy Bowl 2015 is Junior Achievement of Sacramento’s largest FUNdraiser of the year! This is our 29th year hosting this popular community event! All proceeds benefit JA’s workforce readiness, financial literacy and entrepreneurship programs in local schools. See more at:

http://crazybowl2015.kintera.org/faf/home/default.asp?ievent=1142953#sthash.obvKU8HY.dpuf

Let your fellow internal auditors know about this challenge and let them know that your company is the best and will win the trophy by forwarding this e-mail. This is a fun way to participate in Crazy Bowl! We have attached information concerning the industry challenge in order to help you out.

Also, do not forget to register your bowling teams and get those donations in. Here is the link to the Crazy Bowl website:


If you need any help in registering your bowling teams, please feel free to let me know.

Kevin Shaw
Junior Achievement Planning Committee Co-Chair
### 2015 - 2016 Seminar Schedule

<table>
<thead>
<tr>
<th>Date</th>
<th>Event</th>
<th>Location</th>
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<tbody>
<tr>
<td>September 22, 2015</td>
<td><strong>Advanced Analytics Within Internal Audit</strong></td>
<td>VSP HQ—HQ 2 (3188 Zinfandel Drive, Rancho Cordova CA)</td>
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<tr>
<td>7:30—10 AM</td>
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<tr>
<td>October 19, 2015</td>
<td><strong>Communicating Audit Results Seminar</strong></td>
<td>VSP HQ—HQ 2 (3188 Zinfandel Drive, Rancho Cordova CA)</td>
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<td>7:30 AM — 4:30 PM</td>
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<tr>
<td>November 11, 2015</td>
<td><strong>Audit Dashboard Development Seminar</strong></td>
<td>VSP HQ—HQ 2 (3188 Zinfandel Drive, Rancho Cordova CA)</td>
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<td>7:30 AM — 4:30 PM</td>
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<tr>
<td>January 26, 2016</td>
<td><strong>Enterprise Risk Management (ERM) Seminar</strong></td>
<td>VSP HQ—HQ 2 (3188 Zinfandel Drive, Rancho Cordova CA)</td>
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<td>7:30 AM — 4:30 PM</td>
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<tr>
<td>February 9, 2016</td>
<td><strong>IT Topic (to be updated) Seminar</strong></td>
<td>VSP HQ—HQ 2 (3188 Zinfandel Drive, Rancho Cordova CA)</td>
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<td>7:30 AM — 4:30 PM</td>
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<tr>
<td>March 29, 2016</td>
<td><strong>Essential Soft Skills for a High-performing Internal Audit Function Seminar</strong></td>
<td>VSP HQ—HQ 2 (3188 Zinfandel Drive, Rancho Cordova CA)</td>
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<td>7:30 AM — 4:30 PM</td>
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<tr>
<td>May 24, 2016</td>
<td><strong>IT General Controls Seminar</strong></td>
<td>VSP HQ—HQ 2 (3188 Zinfandel Drive, Rancho Cordova CA)</td>
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<td>7:30 AM — 4:30 PM</td>
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**For questions or comments, please contact the VP of Programs at IIAsacramento@gmail.com.**
## Calendar of Events

### IIA Regional Chapter Events

<table>
<thead>
<tr>
<th>Chapter</th>
<th>Date / Time</th>
<th>Location</th>
<th>Topic</th>
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<tbody>
<tr>
<td><strong>San Jose Chapter</strong></td>
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<td>Biltmore Hotel Santa Clara CA</td>
<td>No current activity on their IIA website.</td>
</tr>
<tr>
<td>Northern CA East Bay Chapter (NCEB)</td>
<td>September 17 2015 2 PM to 4:30 PM</td>
<td>Chevron Auditorium 2005 Diamond Blvd Concord CA</td>
<td>CAE Panel Discussion with Tom Austin (Cisco in San Jose), Dan Samson (SRI International in Palo Alto) and Perry Liu (AAA in Walnut Creek)</td>
</tr>
<tr>
<td>San Francisco Chapter</td>
<td>October 13 2015 11 AM to 2 PM</td>
<td>W Hotel 181 Third Street San Francisco 94103</td>
<td>Cyber Security Latest Threats and How Internal Audit Can Help</td>
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https://chapters.theiia.org/san-jose/Pages/default.aspx

Register at: https://chapters.theiia.org/northern-california-east-bay/Pages/default.aspx

Register at: https://chapters.theiia.org/san-francisco/Events/Pages/default.aspx
The City of Oakland is currently recruiting for an Auditor for the Office of the City Auditor. The successful candidate will assist with conducting audits of all City operations, financial analysis and/or proposed major expenditures and ballot measures. The City Auditor’s Office is located within Oakland City Hall and easily reached via BART 12th Street City Center station.

Auditor I – Entry level position

Minimum requirements include a Bachelor’s degree in accounting, economics, public policy, public administration, or a related field. A Master’s degree and possession of a professional designation as a Certified Public Accountant, Certified Internal Auditor, Certified Governmental Auditing Professional, Certified Information Systems Analyst, Certified Government Finance Manager or Certified Fraud Examiner are desirable.

The ideal candidate will have knowledge of principles and practices of accounting and auditing, research techniques, performance measure systems, analysis, quantitative techniques, report writing and municipal government operations. Strong computer, communication, interpersonal, collaboration and analytical skills are essential.

To apply and view current openings visit our employment opportunities webpage at:


You may also contact Stephen Lawrence at (510) 238-3378 for information (SLawrence@oaklandnet.com). EOE
ACFE Training—September 21 at VSP HQ

The primary purpose of the Chapter is to promote improved fraud detection and deterrence through expansion of knowledge and interaction of its members in this professional association. The Chapter strives to provide at least 20 Continuing Professional Education (CPE) hours each year. All CPE Credits are approved by the national Association of Certified Fraud Examiners (ACFE).

Training topics are determined by current events, member feedback, and ACFE requirements. Training suggestions and speaker interest are highly appreciated.

Monday, September 21st, 2015
7:30 am Networking and Breakfast Workshop
Location: HQ 2, VSP Headquarters, 3188 Zinfandel Drive Rancho Cordova, CA
$125/Chapter Members
$175/Non-Chapter Members

Program Overview: Fraud Fighting Essentials: Fill your toolbox with interviewing techniques, data analytics and ethics

Keynote Speaker: David Hanzal, Supervisory Special Agent; FBI Sacramento Field Office

Meet David Hanzal, Supervisory Special agent in charge of white collar crime newly transferred to the Sacramento office from Washington, DC. SSA Hanzal will be presenting FBI’s current trends and hot topics for white collar crime.

Learning Objectives/Outcomes:

At the completion of the presentation, participants will:

- Understand the challenges in white collar crime
- Become more skilled in interviewing/interrogating witnesses
- Gain insights on using data analytics to detect and prevent fraud

Registration Instructions

Attendees are required to Pre-Pay by credit card, debit card, a PayPal account or by check. No cash will be accepted at the door. [https://gscacfe.wordpress.com/training/](https://gscacfe.wordpress.com/training/)

Registration for this event ends on **Friday, September 11, 2015**.

Payment Options

**PayPal** – Pay with PayPal if you are paying by Credit Card, Debit Card or PayPal account.

**Chapter Members Sign up** – $125

**Non-Chapter Members Sign up** – $175

**Check** – Make your check payable to: Golden State Chapter and send the check to the following address:

Golden State Chapter 2443 Fair Oaks Blvd, PMB #300, Sacramento, CA 95825
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