When performing IT audits, the Principle of Least Privilege is a term you may hear thrown around quite a bit, but how many novice auditors new to IT audit actually understand what is implied by this within an IT environment? From my experience, not many.

The most common place I see the term surface is when assessing firewalls, but the same principle also applies to all areas related to IT management including physical security.

What is the Principle of Least Privilege and why do Auditors Care?
Paraphrasing Wikipedia: The Principle of Least Privilege dictates that every abstraction layer (applications, operating systems, firmware, hardware, etc.) and every module (processes, users, programs), should only have access to the data and resources necessary to fulfil its business need.

Surveys show that 40 – 80% of IT security incidents result from internal incidents often as result of an employee being granted too much access to systems and data. As an IT auditor and security expert this is where we can make a difference – by helping companies ensure that they have the appropriate access controls in place at their company and that those controls function as expected. When it comes to security it’s not all about hacking and viruses.
Chapter Luncheons

APRIL 2015

PROFESSIONAL SKEPTICISM

April 21, 2015
11:30 AM to 2:00 PM
Global Credit Union

From the first day in the business, every auditor hears, “Professional Skepticism is critical to your success.” If that’s the case, why can’t more auditors define the term and identify the tools they use to increase their ability to apply this core skill? Come follow the journey of one auditor’s quest to understand professional skepticism and share the set of tools she’s found to increase audit relevance, quality, speed, and value.

W. Noel Haskins-Hafer
COMPLIANCE OFFICER
Intuit, Inc.

W. Noel Haskins-Hafer is the Compliance Officer for Intuit Inc.’s personal financial management software division. She advises senior leadership on strategies for developing cutting-edge billing and investment tracking programs that comply with US, international and industry regulations and standards. When she was with Intuit’s internal audit department, she created award-winning audit programs for emerging technologies, including cloud computing, mobile applications and social media.

As a result of that work, she was asked to represent Intuit on Compliance Week’s 2011 Western Cloud Computing Round Table and served as the first industry representative to San Diego State University’s Center for the Teaching of Critical and Creative Thinking.

Noel has an MBA from Rollins College in Winter Park, FL, holds all 4 ISACA certifications as well as Certified Internal Auditor (CIA), Certification in Risk Management Assurance (CRMA), and Certified Fraud Examiner (CFE) designations. She serves on the board of the San Diego chapter of ACFE and is a member of ISACA International’s review committees for certification study materials. Noel is a frequent speaker at audit industry association meetings. She truly believes the best audits are those where everyone laughs and learns together.

MAY 2015

TBD LUNCHEON

STAY TUNED FOR ADDITIONAL DETAILS.
# Schedule of Events

## Spokane Chapter - Institute of Internal Auditors

### 2014 – 2015 Chapter Year

<table>
<thead>
<tr>
<th>Month</th>
<th>Event</th>
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| **September** | Tuesday, 23rd  
Excel: Intro to Macros  
1 CPE                                                           |
| **October**  | Tuesday, 28th  
IT Risk - Keeping Your Business Off the Front Page of the Newspaper  
1 CPE                                                           |
| **November** | CANCELLED in lieu of the Annual ACFE Fraud Conference  
2 CPE                                                          |
| **December** | Thursday, 18th  
Joint Holiday Luncheon with the ACFE  
2 CPE                                                          |
| **January**  | Thursday, 22nd  
Cancelled  
2 CPE                                                          |
| **February** | Thursday, 19th  
Managing Compliance Risk with Third-Party Vendors  
2 CPE                                                          |
| **March**    | Wednesday, 11th  
COSO 2013  
2 CPE                                                          |
| **April**    | Tuesday, 21st  
Professional Skepticism  
2 CPE                                                          |
| **May**      | Date TBD  
TBD Luncheon  
2 CPE                                                          |
| **June**     | No scheduled events  
2 CPE                                                          |
| **July**     | No scheduled events  
2 CPE                                                          |
| **August**   | No scheduled events  
2 CPE                                                          |
Member Spotlight

The IIA Spokane Chapter will be spotlighting various chapter members each month to find out why the member chose their profession, what they do for fun (besides audit), and what has made them successful.

Member: Carrie Young  
Position: Senior Auditor  
Company: AmericanWest Bank  
Certifications: Studying for CIA currently  
Education: Bachelor of Arts, English Literature 
Portland State University

Q: How did you become an internal auditor?

I have 18 years of banking experience, and in the early years most of my positions were in fraud and training. I had a mentor at a financial institution that worked in the Continuous Improvement world. I was a trainer at the time, and I became involved in a kaizen led by the Continuous Improvement Department. The process intrigued me and I looked into what it would take to become part of the Continuous Improvement team. In the meantime, a position opened up in Internal Audit. I thought this would be a great opportunity for me to learn about processes, risks and controls. After being hired as an Internal Auditor, I knew in my first week that auditing was the career for me.

Q: What do you enjoy the most in your current position?

I enjoy the variety of subjects and being in a profession that really adds value to a business. I like the investigative, detailed nature of auditing and as an English Literature major, I enjoy the writing aspect.

Q: What are some of the challenges you face in your current position?

One word: Mergers 😊

Q: If you were not an auditor, what would you be doing?

Internal Auditing is definitely my career choice. If not an Internal Auditor, I would be a writer.

Q: Any special skills or experiences you are proud of as an internal auditor?

I am proud to have a vast array of audit knowledge. At my last employer I coordinated directly with federal and state examiners and gained immense knowledge in all areas of banking.

Q: What are your passions or hobbies outside of internal audit?

I enjoy creative activities, especially watercolor painting. I love baseball and watching both my sons play.

Q: Any word of advice to fellow internal auditors?

Buy the ticket, take the ride.
Back to Basics

Sometimes it’s good to get back to the basics of something we do every day. In this section of the newsletter we will review some of the basic skills and practices that internal auditors use on a daily basis.

This month’s article comes from my personal experiences on my pursuit of the CIA certification.

My Certified Internal Auditor (CIA) Exam Experience
By: Stephen Hunt, VP Communications

I just passed my last exam and obtained the Certified Internal Auditor (CIA)! The exam process was lengthy and stressful…much more than it needed to be, and I am thankful to be done.

The Certified Internal Auditor designation is not for the faint of heart…nor is it too lofty a goal for anyone reading this review to obtain. The actual requirements to obtain the certification can be found HERE.

As I look back on the process, I wish that someone would have pulled me aside when I was first interested in obtaining the CIA to counsel me, or to give me a few tips to successfully obtain the certification. My hope is that this article will help at least one of you through the process.

DISCLAIMER
This is my review of the journey (yes, “journey”) I took in obtaining one of the most sought-after certifications in Internal Audit. The following comments represent my personal opinions written from my own perspective. They do not reflect the opinions of the Institute of Internal Auditors (IIA), the Spokane Chapter of the IIA, my current employer, or any other interested party.

I was able to study for and pass all three CIA exam parts within the space of three months. However, most people I’ve talked to have taken longer to accomplish this lofty goal.

Additionally, and most importantly, my priorities in obtaining the certification could differ from yours. While I desired to learn the material along the way, my main objective was to pass the three requisite exams. Thus, I studied to pass the exams. Any knowledge picked up along the way was an added benefit. That being said, the more I studied and the further I got into it, the more I realized that I already knew most of the material from my experiences as an internal auditor. My internal audit experience was extremely helpful to me, and shortened the total time the certification required to obtain.

THE CERTIFIED INTERNAL AUDITOR (CIA) CERTIFICATION
According to the IIA, the Certified Internal Auditor® (CIA®) designation is the only globally accepted certification for internal auditors and remains the standard by which individuals demonstrate their competency and professionalism in the internal auditing field.

Ultimately, the CIA designation will:
• Distinguish you from your peers.
• Demonstrate your proficiency with internal staff and external clients.
• Develop your knowledge of best practices in the industry.
• Demonstrate your proficiency and professionalism.
• Lay a foundation for continued improvement and advancement.
Earning the CIA designation is a valuable accomplishment and a professional advantage for auditors at all stages of their careers, including chief audit executives, audit managers, audit staff, risk management staff, and also students enrolled in an accounting or other business or financial degree program.

SCORING METHOD
Candidates must score at least 75% on each of three exams to obtain the certification. However, each question may be scored differently (i.e. certain questions are weighted differently). A candidate’s raw score is converted to a scaled score, with a scaled score of 600 being set equal to the 75% passing mark. Based on this scaling, a candidate who answered less than 75% of the exam questions correctly would achieve a scaled score below 600, and a candidate who answered 75% or more of the exam questions correctly would achieve a scaled score of 600 or higher, with results listed as “PASS”.

Each candidate knows his/her score immediately following the test (“Unofficial Examination Results”). An “official score” (“Official Examination Results”) is emailed to the candidate following the test. A numeric score is noted only if a candidate does not successfully pass the exam.

STARTING THE CERTIFICATION PROCESS
CIA applicants must use the IIA’s Certification Candidate Management System (CCMS) to apply for the CIA. The CCMS is touted to be a “user-friendly application to help you apply for, complete, and maintain your certification and related information, while keeping you connected to and informed about The IIA’s certification programs”. I personally found the CCMS to be bit confusing right off the bat and not very intuitive. However, I was able to successfully apply for my exams after spending a few moments getting acquainted with the system. It won’t be too hard for you either.

NOTE: You don’t need to be a member of the IIA to create an account and start the process (in fact, I started my journey to the CIA well before I signed up to be a member of the IIA). If you’ve never used the CCMS before, I would highly recommend logging in and exploring the site.

The best thing I did for myself was to set SMART goals up front. That is to say, I gave myself a specific timeline for obtaining the certification before I even started the process. I don’t think I ever would have finished otherwise. I work better with a deadline, and the cost of the exam and was a pretty decent reminder that I needed to study. I recommend you do the same.

ORDER OF EXAMINATIONS
There is no set rule that states one MUST sit for the exams in any sort of order. I decided to sit for Part 2 first – Internal Audit Practice, as it most closely resembles what I did day-to-day.

I then sat for Part 1 – Internal Audit Basics, which was a bit harder than Part 2. A lot of people consider Part 1 the “weed-out” portion of the CIA Exams. This portion of the exam contains 125 questions…the other two only contain 100 questions each. I would recommend getting Part 2 under your belt first, as it seemed to be a bit easier. If nothing else, it’s a good confidence booster.

Part 3 – Internal Audit Knowledge Elements was my third and final exam.

THE TESTING EXPERIENCE
The test was daunting the first time through, only because I had never done it before. Gleim Online has a free trial that I would recommend going through, just for the test taking experience. Their user interface closely resembles what you’ll experience on test day.
While I was able to sit for and pass all three exams on my first attempt, keep in mind, the IIA puts out different versions of the same exams. Thus, the questions that were presented to me may differ from the questions you’d receive upon sitting for the exams.

The exam for **Part 2** was pretty simple. It was mostly soft topics. I had been sick with the flu the day before the test, and still didn’t feel too great on test day. Even not feeling well, I finished the exam in only 1 ¼ hours. I was comfortable with my answers and didn’t take the time to check any of them.

I found **Part 1** a bit more difficult, but that was partly my fault. My choice of study materials for Part 1 wasn’t the greatest, and I found myself ill prepared for the exam. I made it through all 100 questions in about 15 minutes…without answering more than three or four of them. I had not seen similar questions in my studying, and I started to feel pretty nervous. However, as I calmed myself down I realized that I knew most of the answers based on my own audit experience. I ended up taking 2 ¼ of the 2 ½ hours allotted, as I checked and rechecked each answer. My previous audit experience was the only thing that saved me, which I was thankful for.

I was nervous for **Part 3** and felt that I hadn’t studied hard enough going into it. However, as I progressed throughout the exam, I found that I had studied too much. Most of the questions were soft topics covered only at the basic awareness level. There were only three or four accounting-related questions that required calculations. IT-related questions were minimal. I wish I would’ve concentrated more on general management and global business topics in my studies. I ended up taking 1 ¾ hours of the allotted 2 hours.

**STUDY MATERIAL**
Throughout my journey, I tried many of the different study options available for purchase. Unfortunately, not all are created equal. [Crush the CIA Exam](http://crushtheciaexam.com/) has a pretty decent review of the top five available study materials (minus the new IIA CIA Learning System), as well as some other guidance for the exam. I was able to use four different systems of study, which I’ve noted in my comparative analysis below.

When I first started thinking about the CIA, I thought I needed to purchase and study all the CIA-related books I could find. Thus, I purchased books from the IIA (*CIA Learning System*) and Wiley. I didn’t end up using the books too much. Instead, I found the question sets much more valuable. The question sets helped prepare me for the tests much more than the books did. However, depending on the level of auditing experience you have, your circumstances may be different. I had some experience to back me up. Having a book to study from may be useful in your case.

**What I Used (in the order I sat for the exams):**

- **Part 2:** While I purchased the complete package of books and question set from Wiley for Part 2, I ended up not using the book at all. I thought the question set was sufficient, and felt quite comfortable sitting for the exam after only 3 weeks of studying. I recommend only purchasing the question set (approx. $75). NOTE: You must have an internet connection for Wiley’s study materials.

- **Part 1:** I decided to skip the books altogether for Part 1 and purchased the question set from *Hock International*, as they were cheaper than Wiley (approx. $65), and I didn’t need an internet connection to study. Up until I sat for the exam, I thought the questions were relevant and well put together. However, upon sitting for the exam, I realized that I had seen only 3 or 4 similar questions during my studies. Based on my experience, I would not use materials from *Hock International* again.

- **Part 3:** I was noticeably more nervous for Part 3. I decided to purchase study materials from *Gleim Online* (approx. $120). I appreciated the outline style of learning the material (it was a lot of reading, but not like reading a
book). The calendar function helped me to stay on track so I didn’t fall behind on my studies. I lost confidence in myself at the last minute, and purchased the Wiley question set about two weeks from the test (approx. $75). I was more comfortable studying with Wiley, and I didn’t want a repeat of what happened during Part 1. However, I shouldn’t have worried. The Gleim materials would have been sufficient. I also used some books from the CIA Learning System that a co-worker had left on the company bookshelf for reference, which I quickly read through a couple days before the exam.

Preference
Overall, I preferred Wiley’s study materials. The cost savings over the IIA CIA Learning System were huge (although if you have the funds, go for the CIA Learning System or Gleim Online). The Gleim Online materials are a great “middle-of-the-road” option. Note, there is no benefit from using the CIA Learning System (i.e. the questions in the database do not match actual test questions 100%), but the material is more “complete” than any of the others I tried.

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<tr>
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<th>Wiley</th>
<th>IIA CIA Learning System</th>
<th>Gleim Online</th>
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SUGGESTIONS FOR OTHERS
Here are a few of my suggestions (secrets) that really helped me. I know you can pass too, and hope that you will follow some of these suggestions.

1. **Decide to earn your CIA.** This involves setting a goal and sharing the goal with someone that cares about you. You won’t accomplish this certification until you truly want it.

2. **Pay the application fee and for the first exam.** Set a date. You will not accomplish the CIA without giving yourself a deadline that is set in stone. **THIS IS THE MOST IMPORTANT ADVICE I CAN GIVE YOU.**

3. **Discuss the exam process with a trusted coworker** or other individual who has recently passed the exams (i.e. since the changes in 2013). They will be invaluable to you for advice, suggestions, etc.

4. **Relax.** The exams are difficult, but not overly so. You can do it if you put your mind to it.

I’m happy to answer any other questions you have. Contact me at Stephen.Hunt@awbank.net.
2014 – 2015 IIA Spokane Chapter Officers

Spokane IIA Chapter Officers elected for the 2014-2015 Chapter Year:

<table>
<thead>
<tr>
<th>Title</th>
<th>Officer</th>
<th>Organization</th>
</tr>
</thead>
<tbody>
<tr>
<td>Chapter President</td>
<td>David Gifford</td>
<td>AmericanWest Bank</td>
</tr>
<tr>
<td>VP Membership &amp; Programs</td>
<td>Melanie Shanks</td>
<td>Spokane Teacher’s Credit Union</td>
</tr>
<tr>
<td>VP Communications</td>
<td>Stephen Hunt</td>
<td>AmericanWest Bank</td>
</tr>
<tr>
<td>Treasurer</td>
<td>Terra Kile</td>
<td>DeCoria Maichel and Teague P.S.</td>
</tr>
<tr>
<td>Secretary</td>
<td>Vanessa Scarpelli</td>
<td>Umpqua Bank</td>
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2014 – 2015 IIA Spokane Chapter Board of Governors

Spokane IIA Chapter Board of Governors for the 2014-2015 Chapter Year:

<table>
<thead>
<tr>
<th>Governor</th>
<th>Organization</th>
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<tbody>
<tr>
<td>Penny Brown</td>
<td>AmericanWest Bank</td>
</tr>
<tr>
<td>Debra Peterson</td>
<td>Washington Trust Bank</td>
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<tr>
<td>Cathy Cook</td>
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<td>Colleen Warner</td>
<td>Global Credit Union</td>
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Click here to opt-out of future communications from the IIA Spokane Chapter.