Happy January Spokane Chapter members of the Institute of Internal Auditors! Hope everyone had a good holiday last month, and that everyone has made some good audit resolutions going into the New Year.

This is your official IIA Chapter newsletter, which will be coming to you on a monthly basis this chapter year. We hope the information in this newsletter will be useful in bringing relevant information to your attention, including topics such as recent news that pertains to our profession, upcoming trainings, tips, and lessons that we hope will help you in our mutual pursuit of auditing.

In the News

IT Audit Departments Lack Internal Resources (12/04/2013)
42 percent of organisations rely on outside resources to augment their IT audit departments due to lack of right internal resources, according to a newly released survey from global consulting firm Protiviti.
http://www.computerworld.in/news/it-audit-departments-lack-internal-resources

Airport director resigns after management shakeup, internal audit (12/02/2013)
An airport director in McAllen abruptly resigned on 12/02/2013 following management changes and an internal audit.
http://www.themonitor.com/news/local/article_a515783a-5b84-11e3-9ce6-0019bb30f31a.html

Accounting Fraud at the Defense Department? Shocking! (11/27/2013)
The agency in charge of keeping the Pentagon’s financial house in order might be sweeping tax dollars under the rug while its auditor looks the other way.
http://www.thefiscaltimes.com/Articles/2013/11/27/Accounting-Fraud-Defense-Department-Shocking

Keeping Your Nonprofit Safe from Fraud (11/08/2013)
How to keep your nonprofit safe from fraud from nonprofitquarterly.org.
A Look Ahead…To Spokane Chapter Events

Chapter Luncheons

*Additional information on the topics and registration process will be provided on the Chapter website as well as in future communications.

January 2014 Luncheon:

Auditing with Excel
January 21, 2014
11:30AM-2:00PM
Stephen Hunt
Staff Auditor, AmericanWest Bank
$30.00 per participant – box lunch included

AmericanWest Bank Support Center
110 S. Ferrall St.
Spokane, WA 99202

*See the luncheon flyer for details.

Attendees should bring their laptop, if available. All attendees will be invited to follow along with the presenter. If a laptop is not available, attendees are welcome to follow the presentation on an overhead projector. A dataset and other relevant documents will be provided. Treats will be available to any attendee(s) who discover the fraud hidden within the provided dataset. More details to follow during the luncheon.

Stephen Hunt is a Staff Auditor at AmericanWest Bank. He graduated from Eastern Washington University (EWU) in 2012, majoring in both Management Information Systems and General Business Management. Stephen took and passed all advanced Microsoft Excel classes offered at EWU, along with other advanced information technology classes. He is well versed in VBA, SQL, HTML, and PHP, with a working knowledge of other web programming languages. He co-led a project to create a Point of Sale system for a local non-profit theatre from scratch. His previous experience includes roles as technical support for management at previous companies. Stephen has worked in the Compliance and Internal Audit Departments at AmericanWest Bank for over three years.

Sign up on our Eventbrite site: https://www.eventbrite.com/e/january-luncheon-auditing-with-excel-tickets-9976894159
Chapter Announcements

Contact Stephen Hunt, Newsletter Editor, at Stephen.Hunt@awbank.net to include an announcement in an upcoming IIA Chapter Newsletter.

Relocation of our Chapter President

It is with deep regret that we announce the relocation of our chapter president, David Cain. David is leaving us to pursue new opportunities in the Boise, ID area. As an important member of our board for some time now, he was both valued and appreciated by all who had the opportunity to work with him.

On behalf of the Institute of Internal Auditors Spokane Chapter, please join us in wishing David a very big thank you for all he has done for our chapter and good luck in his future endeavors!

A valuable resource from the IIA is the new CIA Learning System Self-Study manuals. The Learning System is a comprehensive training course designed to provide chapters, members, and the audit community of professionals with information and tools to master the global exam syllabus. These tools can be purchased on the Institute of Internal Auditor’s site: https://store.partnerrc.com/IIA/chapters

IIA Chapter Members can save an additional $100!
Chapter 138 Officers 2013-2014

Chapter President
David Cain

Treasurer
Dawn Flerchinger

Secretary
Sheryl Maat

Membership Chair
Melanie Shanks

Newsletter Editor
Stephen Hunt

Board of Governors
Colleen Warner
Penny Brown
Dan Gunther
Debra Peterson
Cathy Cook
David Gifford

Web Administrator
David Cain

We make a difference!

Last month we had a joint luncheon with the Spokane Chapter of the ACFE. Attendance was free with a toy donation. We were able to donate over 50 toys to Toys for Tots, which went to help make a local child happy this Christmas!

Job Postings

Northwest Farm Credit Services
(Senior) Auditor
Spokane

Apply online at:
https://www.northwestfcs.com

Spokane Teachers Credit Union
Internal Audit Officer
Spokane

Apply online at:
https://www.stcu.org

National Mortgage Staffing
Senior Internal Audit Officer
Spokane

Apply online at:
http://nationalmortgagestaffing.com

Clearwater Paper
Internal Auditor II
Spokane

Apply online at:
http://clearwaterpaper.com

Spokane Chapter 138
Chapter 138 Officers 2013-2014

Chapter President
David Cain

Treasurer
Dawn Flerchinger

Secretary
Sheryl Maat

Membership Chair
Melanie Shanks

Newsletter Editor
Stephen Hunt

Board of Governors
Colleen Warner
Penny Brown
Dan Gunther
Debra Peterson
Cathy Cook
David Gifford

Web Administrator
David Cain

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 topic is a preview of the luncheon’s topic, Excel for Auditors.

Pivot Tables

Let’s face it; most of us will use Excel sometime in our auditing career. Knowing how to use Excel to the best of our ability is a skill that is learned and practiced, and, when properly executed, can help us save time and heartache in our audits. This efficiency can help set us apart from the pack, and so, is an important skill to master.

Pivot tables can and will be one of the best tools you could have in your audit tool belt. In his book Excel for Auditors⁴, Mr. Excel, Bill Jelen, states that “Pivot tables are the most powerful feature in Excel. With a pivot table, you can easily summarize 500,000 rows of data with a few mouse clicks. You can drill down to see more detail, or pivot the report to get another view of the data. Pivot tables allow you to group, compare, contrast, and start seeing patterns”.

Pivot tables are created on datasets of transactional data (i.e. data that contains numeric fields such as quantity, revenue, and cost). It can also identify data such as date, customer, or product. Each field should be in a column. If a column contains quantity, there should be nothing else in the column except for a heading in the first row and quantity values in each succeeding row.

Basically, any data that we would normally see on a graph or a chart can be “pivotalized” (my word – meaning used within a pivot table). Let’s consider the following data:

---

Instead of filtering, sorting, or adding the total current balance of all loans originated by a particular loan officer by calculator or hand (which could take a while for a table with multiple thousands of rows), we could create a pivot table to do this basic addition for us. First, click on the “Insert > Pivot Table” button in our Microsoft Excel file (see below).

Next, we want to make sure that the data we want to be analyzed makes its way into the table/range field. In this case, three columns of data (A-C) and fifteen rows (fourteen rows of data with one row of headers). Often Excel is actually smart enough to choose the range for you (which it should do in this case). Once the range has been properly identified click the OK button.
Next, if the objective is to determine total current loan balances per loan officer, select Loan Officers and Current Balance by clicking on them, and adding them to the report.

Our pivot table should now appear like audit magic.

In a matter of just a few short seconds, the total current balance for three loan officers is summarized and displayed. It’s easy to see that Miguel Garcia is outperforming the other two loan officers by a sizable margin. At this point, auditors who want to know why one loan officer may be outperforming the others now have a starting point for focusing their investigations. To drill down into the loans that Miguel originated just double click on his total current balance.
This is just a basic pivot table. If additional fields had been included in the original dataset, additional reports could have been generated that can be used for data analytics, spotting fraud, and sampling.

We’ll discuss these in more detail in the Excel training coming up in the January IIA luncheon. Feel free to try a pivot table on your own before you come. Many people feel this task is pretty daunting, but pivot tables really aren’t as hard as one may think. You can’t break anything by trying. And who knows, it may just help you get off to a good start with the CAE at the beginning of a new year!

We hope to see you in this month’s training luncheon. We’ll discuss pivot tables, and other exciting Excel functions that will make your audits run more smoothly. Make sure to sign up on our Eventbrite site if you haven’t already (see link above)!

As always, have a great month, and Happy Auditing!

- Your Spokane Institute of Internal Auditors Officers

Have luncheon topic or training ideas?
Please contact Stephen Hunt at Stephen.Hunt@awbank.net.

IIA Newsletter articles or comments?
Please contact Stephen Hunt via phone, (509) 434-3771, or email, at Stephen.Hunt@awbank.net.