President’s Message
Amy Lyons

Brr!! I hope all of our members have been keeping warm during the Polar Vortex. The weather has been crazy with up and down temperatures.

Every month I struggle with what to include in my note, I typically think about what is going on in our Internal Audit group and check out the IIA website always finding interesting articles. This month IIA President Richard Chambers gave five New Year’s resolutions; the resolutions that he proposed are designed to enhance the quality of our performance as internal audit professionals. According to Chambers, “They are simple resolutions that are powerful enough to enhance our value, but painless enough that keeping them changes from a mere possibility to a probability.”

1. Get to Know the 2013 COSO Framework
2. Scour Legislative Headlines for Future Compliance Risks
4. Keep Pressing for a Seat at the Table
5. Secure the Right Credentials and Polish Your Resume

Be sure to check out Richard’s explanations and his blogs regarding internal audit licensing leaders encouraging others to lead on the IIA website. I hope to see all of you at this month’s training!

Training Seminar
Building an Ethical Culture
Tracy Allen, CPA, CISA

Our February 27th training will feature two very accomplished speakers who will give us guidance on Building an Ethical Culture, Identifying Fraud and Avoiding the Headlines.

The morning speaker is George Heyman from Mount Prospect, Illinois. He is a Professor Emeritus of Accounting and Economics at Oakton Community College who serves as chair of the Ethics committee for the Illinois CPA society. He is an experienced presenter and received the Harstein award for academic excellence. George has worked for Deloitte, Haskins and Sells, serving as an internal auditor and a business consultant. George has a BA in English from the University of Illinois – Chicago, MAS from the University of Illinois and MBA and Certificate of Achievement in International Economics from DePaul University, as well a CPA and CGMA.

The afternoon session will be provided by Lucas Morris who leads network and application security assessment and penetration testing services for various clients at Crowe Horwath LLP. He is the manager responsible for Crowe’s Information Security Assessment services. In this capacity, he guides the methodology and development of the deep technology review services to aid clients in develop strategies for secure technologies. With the rapid changes in the technology industry and new, diverse threats, Lucas focuses on improving the security posture and readiness of clients to defend against the latest challenges. Lucas is a Certified Information Systems Security Professional (CISSP).

Lucas will be providing strategies to keep your organization from being the lead story in the Chicago Tribune. Negative press is a significant concern for any organization but for government it is crucial to maintaining public trust and the consent of the governed.

Email springfield.iia@comcast.net to register or call Chapter Secretary Emily Durbin at (217) 782-3324.
Springfield IIA Chapter
CHAPTER HISTORY
February

Five Years Ago – February 2009

Jay Wagner, CIA, CISA, served as the Chapter President.
- **TRAINING.** Paul Rozek presented “Identity Theft – A 24X7 Enigma!”
- **GOLD.** The chapter again met the criteria for Gold and has retained its Platinum status.
- **PROFILE.** This month’s member profile was Carol VanWinkle who is the elected auditor for the Peoria County.
- **MEMBER NEWS.** Door prizes were awarded to Steve Kirk, IOIA; Gary Robinson, Department of Public Health; Gary Stone, Inspector General; Larry Stone, State Retirement System; and Danny Wildermuth, Secretary of State.

Twenty Years Ago – February 1994

Bill Coons, CFE, served as the Chapter President.
- **TRAINING.** Patrick Kelly, Sangamon County State’s Attorney, presented a half-hour seminar on “White Collar Crime.” Tom Hutchison of the Illinois Gaming Board spoke about internal control reviews and accountability in the casino industry.
- **MEMBER NEWS.** Chapter members Bill Coons, CFE, and Ben Zemaitis, CIA, CPA, were appointed by Governor Edgar to the Internal Audit Advisory Board.

Ten Years Ago – February 2004

Cary Franks, MS MIS, served as the Chapter President.
- **TRAINING.** This month’s lunch presentation was “Business Continuity” presented by Richard Madrid, Jefferson Wells International. Jan Hetzerg assisted Richard during the afternoon session of “Project Management.”
- **LOCATION.** The training was at the Northfield Center.

Twenty-Five Years Ago – February 1989

Kevin Carhill, CIA, served as the Chapter President.
- **TRAINING.** Al Marcella spoke on “Access Control for Third Party Applications/SDLC.” Ric Rowe, CFE, presented a half-day seminar on “Conducting Preliminary Surveys.”
- **NEWSLETTER.** Dorothy French Coil was the new Newsletter Editor.
- **GOLD.** Bob Schwarz, CISA, announced that the Springfield Chapter had become The IIA’s first “Gold Chapter” ever in the Chapter Achievement Program.

Fifteen Years Ago – February 1999

Lesslie D. Morgan, CIA, CPA, CGFM, CISA, served as the Chapter President.
- **TRAINING.** This month was the annual Bosses’ Day Luncheon at the Northfield Center. The speaker was Carole O’Neill, Training Supervisor for the city of Springfield and for City Water, Light & Power. She spoke on “Violence in the Workplace.”
- **CONFERENCE.** Our State and Local Government Conference was not only a training success but a financial success as well.
- **PROFILE.** This month’s member profile was EPA auditor Gary Styzens who moved from DPA with former chapter member Stu Gresham. [Editor’s note: when I joined the State, the person I sat next to was Gary Styzens, and the person who offered me the position was Stu Gresham. Both have since retired.]

Thirty Years Ago – February 1984

James R. Donkin, served as the Chapter President.
- **TRAINING.** Doug Weaver, Business Editor for the State Journal Register, spoke at the “Sweetheart’s Night.”
- **SEMINAR.** Dr. Jerry Fitzgerald presented a three-day seminar on “Designing Controls into Computerized Systems.” Don Thannen, CIA, Lillian Stevens, Bob Schwarz, CISA, and Ric Speers helped arranged the seminar.
- **NEW MEMBERS.** New members were Theresa Harrell, student and Elaine Hyden Wright, SIU-C.

Thirty Five Years Ago – February 1979

Lisa Hall Huckaby, CISA, served as the Chapter President.
- **TRAINING.** Chapter meeting and dinner continued to be held at the Top of the Arch. Members and guests attending the dinner meeting were 10 to 15.
- **PROGRAM CHAIR.** Bob Schwarz, CISA, was elected President for the new Chapter’s second year, 1979-80.
<table>
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<tr>
<th>Date</th>
<th>Speaker</th>
<th>Program</th>
<th>Hours</th>
<th>CPE</th>
<th>Members</th>
<th>Non-Members</th>
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| 8/29/13       | Christopher Trifiletti (FBI) Tim Hungerford (Hungerford, Vinton, LLC) | • Morning: Cyber-Security  
• Afternoon: Fraud                                                           | 8:30 - 4:30 | 7   | $100    | $125        |
|               |                                              |                                                                        |             |     | Students: $20 |
| 8/29/13       |                                              | • Meet Chapter Officers and Board Members  
• Light Hors d'oeuvres and Cash Bar (Northfield Center). RSVP by 8/27/2013 | 4:30 - 6:30 |     |         |             |
| September 2013| N/a                                          | No Training Planned                                                    |             |     |         |             |
| 10/29/13 to 10/30/13 | Various                                      | Annual SIAAB Fall Government Auditing Conference                       | 8:30 - 4:30 | 14  | (Gov’t) | $55         |
| 11/21/13      | Rob Cameron, CPA                             | The Impact of SAS 115 - Communication of Internal Control Related Matters Identified in an Audit. | 12:30 - 4:30 | 4   | $60     | $75         |
|               |                                              |                                                                        |             |     | Students: $15 |
| December 2013 | N/a                                          | No Training Planned                                                    |             |     |         |             |
| 01/23/14      | Al Marcella                                  | Privacy Compliance                                                     | 8:30 - 4:30 | 7   | $100    | $125        |
|               |                                              |                                                                        |             |     | Students: $20 |
| 02/27/14      | George Heyman, Lucas Morris                  | • Ethics and Fraud (morning)  
• Avoid Headlines (afternoon)                                               | 8:15 - 4:15 | 7   | $100    | $125        |
|               |                                              |                                                                        |             |     | Students: $20 |
| 03/20/14      | Leita Hart-Fanta                            | How to Conduct Performance/Operational Audits                          | 8:30 - 4:30 | 7   | (Gov’t) | $100        |
|               |                                              |                                                                        |             |     | Students: $20 |
| 04/17/14      | Tom Esch                                     | Courageous Dialogue – Tools for Talking When Stakes are High            | 8:30 - 4:30 | 7   | $100    | $125        |
|               |                                              |                                                                        |             |     | Students: $20 |
| 5/22/14       | Pam Dill-McCoy (Team Mate)                   | Risk Assessment                                                        | 8:00 - 12:00 | 4   | $60     | $75         |
|               |                                              |                                                                        |             |     | Students: $15 |

Cancellations should be made at least 24 hours before the meeting to avoid a charge.  
Meetings will be held at the Northfield Center, unless noted differently.
Back to the Basics
Interviewing
Paula Whatley, www.theIIA.org

One of the most difficult skills for auditors to master is the subtle art of interviewing. The challenge lies not only in asking the right questions, but asking those questions in the correct manner and gaining the interviewee’s trust.

- Asking overly assertive questions can make the interview seem like an interrogation, causing auditees to act defensively and withhold information, and can undermine cooperation.
- An auditor’s ability to gain the auditees confidence and develop a rapport can significantly affect the level and quality of information obtained during an interview.
- Approaching auditees with tact and diplomacy can ensure questioning elicits useful, honest responses.

Auditors should never conduct an interview “cold.” Interview sessions need to be well-planned to ensure a successful outcome.

- Auditors should be cordial and friendly, expressing genuine interest.
- Avoid any behavior that would cause the auditee to feel threatened.
- Auditees will be more forthcoming if they feel comfortable with the interviewer, which can help reduce the amount of time required for follow-up sessions.
- Auditors may benefit from putting themselves in the client’s position. Employees who take particular pride in their work might find outside scrutiny especially difficult to tolerate. Sympathizing with their responsibility can be helpful.
- Helping auditees understand the larger picture will make it easier to get cooperation.

Taking notes is an effective tool in understanding; another is “mirroring,” which involves paraphrasing and repeating back to the auditee what the auditor has understood.

Auditors should begin wrapping up the meeting by telling auditees that their cooperation is appreciated. By emphasizing that the auditees’ input is valued will help conclude the interview on a positive note. In addition, the auditor should mention that a follow-up conversation may be required for further clarification.

Mount Everest
CLIMBERS QUIT EXPEDITION AFTER BRAWL
www.dawn.com

European climbers were involved in a high-altitude brawl with Nepalese guides on Mount Everest and had to cancel their expedition.

- Famed Swiss and Italian mountaineers claimed they were attacked by an “out-of-control mob.”
- Punches flew in the thin mountain air as furious Nepalese pelted stones at the Europeans’ tents.
- An American eyewitness said the Europeans had ignored a request from Nepalese guides to wait during their ascent, and dislodged ice that hit the Sherpa below, sparking a “terrifying” clash at 21,000 feet.

A mediation meeting between the European climbers and the Sherpa was signed that said the parties “committed not to go into conflict or use violence” and that such violence has no place in mountaineering.

Cost Per Mile
www.aaa.com

The average owner of a sedan has to shell out nearly $10,000 a year to own and operate that car. A new AAA report shows, the cost of driving 15,000 miles a year rose 1.2 cents (2%) to 60.8 cents per mile.

Auto club AAA studied five cost categories – maintenance, fuel, tires, insurance and depreciation.

The biggest percentage increase was in maintenance, which grew by 11% to 5 cents per mile for sedan owners. Average costs are higher for bigger vehicles.

“As a vehicle gets older you tend to encounter more significant repair costs,” says Michael Calkins, AAA’s manager of technical services.

AAA has published this study since 1950 when gas cost 27 cents a gallon, and the cost per mile was about 9 cents.
Former Chapter President Cary Franks just had knee surgery and is walking like a true blue robot! Actually he had partial knee surgery that he said was performed using robotic technology. Cary is doing great but was unable to attend the January seminar. We hope to see him taking pictures at a meeting soon!

As you know, a new law has been passed to reduce retirement benefits. If anyone is thinking about retiring, a retirement coordinator indicated that they were hearing that one would be less likely to lose benefits if they retired at the end of April, although courts could determine the new law is not constitutional.

There are several internal audit positions available at the Illinois State Board of Education. Please see the ISBE website for details.

There is also a vacancy for a chief internal auditor position at the Department on Aging.

The Board of Governors consists of all Officers, Governors, and the past two Presidents.
The Ten Commandments of Disaster Recovery

Dennis McCafferty, CIO | INSIGHT

1. “Thou Shalt Analyze Single Points of Failure.” A single point of failure in a critical component can disrupt any redundancies and resilience within the rest of the system.

2. “Thou Shalt Keep Updated Notification Trees.” You need cohesive communications to make sure everyone is on board with the disaster recovery plan.

3. “Thou Shalt Remain Aware of Current Events.” Always stay on top of any weather – or sporting or political events – that can impact your enterprise operations.

4. “Thou Shalt Consider Every Possible Disruption.” Beyond natural and civic events, there are instances of operator error, component failure, software failure, power outages and even planned downtime.

5. “Thou Shalt Document the Recovery Process.” Write up all of the steps for failover in a clear, concise but detailed way so secondary staffers can manage if the primary team members are unavailable.

6. “Thou Shalt Centralize Information.” Whether located via SharePoint, a portal or a cloud platform, everyone involved in the recovery must know where the playbook is kept.

7. “Thou Shalt Create Test Plans and Scripts.” Scripts must include integration testing, as silo testing alone does not accurately reflect multiple applications going down at once.

8. “Thou Shalt Retest Regularly.” Especially when there are new releases, code changes and upgrades. Look to do retesting at least once a year.


10. “Thou Shalt Define Metrics and Distribute ‘Scores.’” Grade the recovery compliance of each application, along with who is testing and when. This will help increase audit scores.

Submitted by Cary Franks

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