President’s Message  
Tracy Allen, CPA, CISA  
Chapter President

Welcome to the Springfield Chapter’s 36th program year. For our 2014-2015 program year we have a stellar team of Officers, Board of Governors and chapter volunteers, a winning lineup of training and an exciting chapter year in store. As we kick off the year and begin our first training in September, I wanted to make you aware that one or two days prior to each training session we plan to send out the PowerPoint presentation or other handouts for training so that participants can print and bring to the training. Please be sure you give your current email address when registering for training, and if you will be out of the office right before training you may want to request the handout early to be sure you have one available.

We will also be using Survey Monkey for all post training evaluations this year. We will send out the surveys one or two days after training and ask that you respond within 7 days of the survey going out. If you have previously opted out of Survey Monkey you may wish to remove the opt-out so that we can be sure to get your feedback for each training. Your feedback is very important to us as it allows us to change and improve our process and continue to succeed in our mission to provide the best training and services for our Chapter Members.

The Chapter Officers and Board of Governors and their contact information can be found on page 5 of the newsletter. I encourage each of you who are new to the Chapter or new to the internal auditing profession to reach out to any of these leaders in the Chapter and the Internal Auditing profession when you have questions or want to learn more about the Chapter or our profession. In addition to the wealth of interesting and informative facts available every month thanks to one of our most dedicated and low profile volunteers, Ameen Dada of the Auditor General’s Office, there is also a great deal of information available on the IIA national website and the our Chapter's page linked to that site. If you haven’t yet seen the site, you should check it out!

I am proud to be a part of such a successful chapter and appreciate the honor of being allowed to serve as your President this year.

Tracy

Lie Detection, Pinocchio Effect, and Ethics  
Jay Wagner, CIA, CISA  
Chapter First Vice President

On September 11, 2014, we welcome the return of one of the Springfield IIA’s favorite speakers, Nejolla Korris. Dubbed “the human lie detector,” Nejolla has agreed to teach three courses in this one day event: 1) Linguistic Lie Detection, 2) the Pinocchio Effect, and 3) Ethics Viewpoint.

The Linguistic Lie Detection session presents an overview of how linguistic lie detection is used in business, audit, and investigative areas. Session participants learn the basics of information gathering and how to interpret the information they receive.

The Pinocchio Effect highlights how to pay attention to verbal responses. The session aims to improve listening skills to discover what the subject really meant, teach the importance of assessing responses based on what the subject stated, teach what kind of questions produce valuable answers, and explain why non-answers ARE answers.

The Ethics Viewpoint session focuses on integrating ethics with everyday workplace life. Ethical issues are associated with deviance or corruption and its counterparts: lying, evasion of accountability, and abuse of authority. Ethics breaches begin with people. In interactive sessions, participants will put into practice ethics issues that will help build a strong ethical business culture.

Lie Detection, Pinocchio Effect, and Ethics

- Speaker: Nejolla Korris
- Date: September 11, 2014 @ 8:30a – 4:30p
- Place: Northfield Center
- CPE: 7 hours
- Cost: Members: $100 Non-Members: $125 Students $20
- Register: Email Emily Durbin at Springfield.IIA@comcast.net by September 8
<table>
<thead>
<tr>
<th>Date</th>
<th>Speaker</th>
<th>Program</th>
<th>Hours</th>
<th>CPE</th>
<th>Members</th>
<th>Non-Members</th>
</tr>
</thead>
<tbody>
<tr>
<td>9/11/14</td>
<td>Nejolla Korris</td>
<td>Pinocchio Effect, Linguistic Lie Detection, and Ethics</td>
<td>8:30 – 4:30</td>
<td>7</td>
<td>$100</td>
<td>$125</td>
</tr>
<tr>
<td></td>
<td></td>
<td>(Ethics 4 hours)</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>Students: $20</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>10/29/14 to 10/30/14</td>
<td>Various</td>
<td>Annual SIAAB Fall Government Auditing Conference</td>
<td>8:30 – 4:30</td>
<td>14</td>
<td>$80</td>
<td>$80</td>
</tr>
<tr>
<td></td>
<td></td>
<td>(Gov’t)</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>11/20/14</td>
<td>Bill Jalen</td>
<td>Student Day with Mr. Excel</td>
<td>8:30 – 11:30</td>
<td>3</td>
<td>$60</td>
<td>$75</td>
</tr>
<tr>
<td>✓ Seminar at UIS</td>
<td></td>
<td>Students: $15</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>December 2014</td>
<td>N/a</td>
<td>No Training Planned</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>01/22/15</td>
<td>Rob Cameron, CPA</td>
<td>Auditing Standards Update</td>
<td>12:30 – 4:30</td>
<td>4</td>
<td>$60</td>
<td>$75</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Students: $15</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>02/26/15</td>
<td>Brad Rachmiel and Brennan Warren</td>
<td>Audit Implications of IT Control</td>
<td>12:30 – 4:30</td>
<td>4</td>
<td>$60</td>
<td>$75</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Students: $15</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>03/26/15</td>
<td>Dr. Joan Pastor</td>
<td>TBD</td>
<td>8:30 – 4:30</td>
<td>7</td>
<td>$100</td>
<td>$125</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Students: $20</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>04/23/15</td>
<td>John Hall</td>
<td>Fraud Risk Management for Internal Auditors</td>
<td>8:30 – 4:30</td>
<td>7</td>
<td>$100</td>
<td>$125</td>
</tr>
<tr>
<td></td>
<td></td>
<td>✓ Joint meeting with Central Illinois Chapter</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>04/23/15</td>
<td>John Hall</td>
<td>Fraud Risk Management for Internal Auditors</td>
<td>8:30 – 4:30</td>
<td>7</td>
<td>$100</td>
<td>$125</td>
</tr>
<tr>
<td></td>
<td></td>
<td>✓ Joint meeting with Central Illinois Chapter</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>05/28/15</td>
<td>TBD</td>
<td>TBD</td>
<td>12:30 – 4:30</td>
<td>4</td>
<td>$60</td>
<td>$75</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Students: $15</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

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 (i.e., November 2014 at UIS).
This Month in Chapter History

5 Years Ago (September 2009)

Larry L. Stone, CISA, CCP, CRPC, served as the Chapter President.

- The Chapter planned to host a two-day training seminar titled “IS Auditing: The First Step” by Gordon Smith, President and CEO of Canaudit, Inc. which, unfortunately, needed to be cancelled.
- There were three door prize winners at the seminar: Jim Dickey, Gary Styzens, and Cindy Thomas.
- This month’s member profile was done on Staci Crane, CISA, who was serving as Chapter Secretary.

10 Years Ago (September 2004)

Stephen Kirk, CIA, CGAP, served as the Chapter President.

- The Chapter hosted a full day seminar titled “Report Writing” which was presented by Jim Roth, Ph.D, CIA of AuditTrends. As an extension to the IIA’s slogan of “Progress through Sharing” the Springfield Chapter President’s theme for the new chapter year was “No Auditor Left Behind.”
- Congratulations went to Candice Long, Office of the Auditor General, and Aaron Jennings, Horace Mann Companies, for passing the CIA exam.

15 Years Ago (September 1999)

Rusti Cummings, CPA, served as the Chapter President.

- This month’s meeting was at the Northfield Center. The afternoon session was a panel discussion titled “New Directions in Internal Auditing.” Robert S. McCabe, Senior Vice President of Professional Resources International gave the after-dinner presentation on “Risk of Employee Turnover.”
- The following members were recognized:
  - Tom Fitzgerald passed the CIA exam and was promoted to audit supervisor at the Department of Human Services.
  - Ric Rowe became the Chief Internal Auditor for the Department of Revenue.
  - Brenda Vost and Barb Minton passed the Certified Information Systems Security Professionals (CISSP) exam.
- In celebrating the CIA designation’s 25th Anniversary, the following CIAs who attended the meeting were recognized with a 25th Anniversary Pin: Mary Fritz, Merlyn Hepperly, Mark Krell, Deanna Marvin, Debra Miller, Barb Minton, Lesslie Morgan, John Nosari, Ray Piparinen, Mark Schwab, and Harry Thurau.

20 Years Ago (September 1994)

Nancy Hilger, CPA, served as the Chapter President.

- This month’s meeting was held at the Best Western Springfield East. The afternoon seminar topic was “Business Process Reengineering,” presented by Phil Adams and Ken Porello of Deloitte & Touche. The after-dinner speaker was Tom Casteel, Division Vice-President of New Business Service at Franklin Life, who spoke on “Reengineering in Practice at the Franklin.”
- John Nosari was elected to the IIA Springfield Board of Governors.
- The Chapter sponsored a Golf Outing on August 25, 1994. Brad Hammond brought a group of “professional” golfers with him and won the event with 10 under par by outplaying a group from the Auditor General’s Office.

25 Years Ago (September 1989)

Nita K. Wilson served as the Chapter President.

- This month’s meeting was held at the Sheraton. The afternoon seminar was “What’s Next: Internal Auditing Opportunities.”
- The after-dinner speaker was James B. Hanson, PhD, MBA, Chief Executive Officer, J. Burke Hanson & Associates who spoke on “Power Reporting in the Traditional Audit Function.”

30 Years Ago (September 1984)

Sandra K. King, CIA, served as the Chapter President.

- This month’s meeting was held at the Sheraton. The pre-dinner seminar was titled “The CIA Program – Why it is worth the effort.” It was presented by Rudy Davenport, CIA, who was an internal auditor for the Department of Rehabilitation Services.
- Judy Parker, internal auditor with the Department of Commerce and Community Affairs joined the chapter.
One of the best ways internal auditing can add value is by providing recommendations that not only correct problems, but also address the cause of those problems. This is the difference between “cleaning the spider webs” and “killing the spider” (addressing the root cause) to mitigate future occurrences.

Generally, problems arise because of a breakdown within the internal control system. As stated in the Committee of Sponsoring Organizations of the Treadway Commission’s (COSO’s) Internal Control-Integrated Framework, internal control is described as a process aimed at achieving objectives related to:

1. effectiveness and efficiency of operations,
2. reliability of financial reporting, and
3. compliance with applicable laws and regulations.

Internal auditing is responsible for evaluating the controls and making recommendations for improvement when controls are not working as intended. Within each objective, internal controls address five interrelated areas:

1. Control environment.
2. Risk assessment.
3. Control activities.
4. Information and communication.
5. Monitoring.

Usually, the cause of a problem stems from a breakdown in one of the five COSO internal control components. The key to preventing problems from recurring is to determine their source and recommend action to correct the specific cause.

When starting a new audit, one of our first goals is learn what the auditee should be doing. If you are ever assigned to conduct a management or operational audit, you may want to refer to the National State Auditors Association publication titled “Best Practices in Performance Measurement”.

GOALS & OBJECTIVES
Goals help answer the question, “Where is the organization going?” Each goal should represent a desired result that is realistic, achievable, and measurable. Goals should make sense to others outside the organization. Objectives are more and provide measurable targets to be accomplished.

ACTION PLANS
Implementation or action plans should specify responsibilities, detailed steps, and resources needed.

PERFORMANCE MEASUREMENT
Performance measurement is a critical element of accountability. In addition, it is important to show what was received by using public resources and whether the public received an acceptable benefit. Good performance information provides managers with the tools they need to manage for results by understanding the mission, goals, objectives, and data used to measure results.

DEVELOPING MEASURES
Performance measures should be part of the action plan. Measures should compare actual performance with expected results. The process for developing performance measures includes:

- Basing measures on the agency’s mission, goals, and objectives. They may include input from staff, customers, and policy makers.
- Assessing measures by asking if the measures are meaningful and needed by customers.
- Reporting externally to stakeholders.
- Defining measures to show the methods used to calculate the measure.

TYPES OF MEASURES
In its Service Efforts and Accomplishments report, GASB placed performance measures in five categories:

- Input Measures – labor, materials, equipment.
- Output Measures – units produced or services.
- Outcome Measures – assessing impact.
- Efficiency Measures – cost per unit of output.
- Explanatory Information – factors that affect performance.
Welcome to the start of a great new chapter year. Chapter President Tracy Allen and First Vice President Jay Wagner have been putting together a terrific schedule of seminars. If you want to suggest a speaker or seminar, please let Tracy or Jay know.

If you would like to participate more in our chapter, talk to any officer about joining a committee.

Congratulations to Board member Larry Stone on his recent retirement. Larry worked for the State for 30 years at various agencies. Now he is doing the things he enjoys: teaching and riding his motorcycle around the country.

Congratulations to Jay Wagner on becoming the Chief Internal Auditor for the Office of the Attorney General. Previously, Jay had worked as an auditor for the Attorney General and then become the Chief Internal Auditor for the Department of Veterans’ Affairs.

Congratulations to Leighann Manning on becoming the Chief Internal Auditor for the Department of Veterans’ Affairs. Leighann worked for the Office of the Auditor General for 13 years.

If you pass the CIA exam and receive the CIA certificate directly from the IIA, please give it to the chapter to recognize your accomplishment and have your certificate nicely framed at no cost to you.

In order to give out larger attendance prizes in the future, these awards will now be awarded in the form of a reduced fee to an upcoming seminar.

The Board of Governors consists of all Officers, Governors, and the past two Presidents.

The Chapter extends its condolences to Bill Sampias whose father, William J. Sampias, passed away this summer. Mr. Sampias was a graduate of the Indiana University School of Law and served his country in the U.S. army in the Office of the Staff Judge Advocate.
Professionals Are Addicted to Buzzwords
Dennis McCafferty, Baselinemag.com
(Provided by Cary Franks)

- **Synergy.** This self-important term refers to the whole being greater than the individual parts—sort of like teamwork.
- **Value-Add.** If you buy our product or service, it will make your life, job, company a lot better.
- **Scalable.** One of the most overused IT buzzwords, it refers to a tech solution being able to handle growth in demand.
- **Ideate.** As in, “We’re gonna have a meeting to do some serious ideating.” Most of us call this “thinking.”
- **Leading Edge.** Seemingly every company describes itself as “leading edge.” But how can we have all leaders and no followers?
- **Pain Points.** A.k.a.: Things we don’t like.
- **Core Competencies.** Can’t we just say, “This is what we do best.”
- **Best of Breed.** Are we talking about tech products or purebred dogs?
- **Thought Leader.** We used to call these guys “experts.”

How to Budget With the 50/20/30 Rule
Laura Shin, Forbes

When it comes to money, there is no shortage of ways we could spend it: food, clothing, mortgage/rent, medicine, education, technology, gym, gas, etc. Below is a guideline to consider when you set up a budget: the 50/20/30 Rule. It will also tell you the order in which you should be spending your money.

1. **Essential Expenses.** No more than 50% of your take-home pay should go to housing, transportation, utilities, and groceries.
2. **Financial Priorities.** At least 20% of your take-home pay should go your retirement contributions, savings, and any debt payments.
3. **Lifestyle Choices.** No more than 30% of your take-home pay should go to personal and voluntary choices about how you spend your discretionary income like cable, internet, phones, childcare, entertainment, gym fees, hobbies, pets, personal care, restaurants, shopping, etc.