

January 2010

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WNY Audit Trail

The Monthly Newsletter for the Western New York Chapter of the Institute of Internal Auditors

President's Message

Happy New Year! On behalf of the Board of Governors and Officers of the WNY Chapter, our best wishes for a safe, happy and healthy 2010.

A quick thank you to our December speakers, Dr. Ian J. Redpath and Dr. Linda Volonino for presenting and providing a free copy of their book. Their meeting on E-Discovery for Auditors and Risk Managers was interesting and enlightening. For more information on this meeting, please check the WNY IIA Website for a copy of their presentation.

For our next monthly meeting on **Wednesday, January 27th** at **Chef's Restaurant**, our speaker, Bridgett Arieno from Ernst & Young will be discussing **Cost Reduction and Process Improvement**. The meeting will focus on how internal audit departments can assist management with cost reduction and process improvement efforts, including why many cost reduction efforts fail to meet both short and long term objectives and how companies should design and manage their cost reduction programs to improve results. Please find the meeting notice on our website to register for this upcoming event.

We are diligently working to plan additional events in 2010 including a joint seminar with the Rochester WNY IIIA Chapter in April and our annual Golf Outing in June. If you have any feedback or would be interested in volunteering to assist at either event, please contact me.

Finally, please feel free to contact me or any of the chapter officers directly with questions, concerns, or suggestions. We are here to serve the chapter membership. Any information that you would like to include in the monthly newsletter, such as announcements or job postings, can be forwarded to any officer.

Edward Dickey
Edickey@rich.com

IIA January Meeting Notice

COST REDUCTION AND PROCESS IMPROVEMENT

*Visit the **Events**
section of the WNY
Chapter website to
register!*

The Western New York Chapter of the IIA is proud to present Bridgett Arieno from Ernst & Young as our keynote speaker for the upcoming presentation on Cost Reduction and Process Improvement. In today's business environment, reducing costs is a critical business priority for many companies. Bridgett will be discussing how internal audit departments can assist management with cost reduction and process improvement efforts, including why many cost reduction efforts fail to meet both short and long term objectives and how companies should design and manage their cost reduction programs to improve results.

About the Speaker

Bridgett Arieno is a senior manager in the Advisory Services practice of Ernst & Young (EY) LLP based in Rochester, NY. She joined EY in 2001 when Xerox Corporation outsourced its internal audit function to EY and has remained a part of the team providing internal audit services to Xerox. Bridgett's 17 years of experience at Xerox Corporation in various financial roles and internal audit contributed to the successful implementation of the internal audit outsourcing arrangement. In addition to internal audit services, Bridgett also assists many companies with Enterprise Risk Management implementation.

Bridgett received her Bachelor of Business Administration from Rochester Institute of Technology and a Master of Business Administration from St. John Fisher College. She also is a Certified Internal Auditor and Certified in Control Self-Assessment.

About the Presentation

Date: Wednesday, January 27th, 2010

Time: 12:00 p.m. – 1:30 p.m.

Place: Chef's Restaurant
291 Seneca, Buffalo, New York 14204

Cost: \$20 - Members
\$30 - Non-Member
\$15 - Students

Please make checks payable to the "IIA WNY Chapter". Credit cards payments are not accepted

***** PLEASE NOTE THE NEW RESERVATION PROCESS *****

RSVP: Go to WNY IIA Homepage

<http://www.theiia.org/chapters/index.cfm/view.events/cid/24>

RSVP By End of Day Friday, January 22nd, 2010

*** Please indicate if you would like a CPE Certificate in the notes section when you RSVP***

In order to help keep Chapter costs down, the Chapter will be required to charge for "no-shows", so please make every effort to attend the meeting and avoid unnecessary cost

Complimentary CPE Breakfast Seminar

**Robert Half International Inc.***World's Leader in Specialized Staffing Since 1948***Brock, Schechter & Polakoff, LLP**
Certified Public Accountants/Consultants

Robert Half International cordially invites you to attend our **complimentary** CPE Breakfast Seminar presented by **Brock, Schechter & Polakoff, LLP**. In an effort to assist you with the recently adopted Continuing Professional Education requirements for all licensed Certified Public Accountants, RHI is proud to partner with Brock, Schechter & Polakoff, LLP for a 3 hour CPE course in the areas of Taxation and Accounting & Auditing. Two hours of Tax CPE covering Estate Planning and State Nexus will be provided as well as one hour of CPE Credit for ESOP'S and our Accounting & Audit Update.

CPE Breakfast Seminar

January 21, 2010
The Buffalo Club
388 Delaware Avenue
8:00am – 11:00am
(Registration 7:45am)

Speakers:

David Nelson, CPA and *Karen Dotterweich, CPA* - Estate Planning
Marianne Sullivan, CPA and *Frank Kaczmarczyk, CPA* - State Nexus
Raymond Crane, CPA and *James Waggoner, CPA* - ESOP's and A&A Update

This is the first in a series of Robert Half International CPE Breakfast Meetings. Kindly RSVP no later than **January 11, 2010** to Elizabeth Vealey by calling 716-842-6384 or emailing Elizabeth.vealey@rhi.com. Please include your name, address, phone number, and email address. Space is limited to 50 participants.

WNY Chapter Items of Note



Welcome New Members



Patrick Anthony – US Dept of Housing and Urban Development

Daniel Pyne – Independent Health

Xiaoshan Wu



Issuance of CPE Certificates



CPE certificates for attendance at chapter meetings September through December will be issued via email later this month. Requests to receive CPE certificates are obtained as part of the meeting reservation process, and the certificates were prepared based on responses received.

If you notice any errors (attendance discrepancies, spelling of your name, etc) or do not receive a certificate by month-end and require one, please contact Andrea Mesel at amesel@independenthealth.com or 635-3601. Thank you!

Newsletter Submissions:

This is your newsletter – If you are aware of any position openings, valuable professional information, or wish to share words of congratulations, please contact me at bandychk@natfuel.com. Please submit any additions to the monthly newsletter by the 20th of the month (or the next business day) for inclusion in the next month's newsletter.

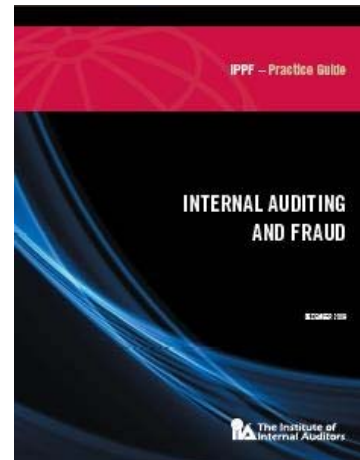
Link to the WNY IIA website:

Please visit our new WNY IIA website at:
<http://www.theiia.org/chapters/index.cfm/home.page/cid/24>

Internal Auditing and Fraud

This guide discusses fraud and provides general guidance to help internal auditors comply with professional standards. Because fraud negatively impacts organizations in many ways — financially, reputational, and through psychological and social implications — it is important for organizations to have a strong fraud program that includes awareness, prevention, and detection programs, as well as a fraud risk assessment process to identify risks within the organization. To help organizations and internal auditors combat fraud, the guide discusses:

- Fraud awareness (e.g., reasons and examples for fraud and potential fraud indicators).
- Fraud roles and responsibilities.
- Internal audit responsibilities during audit engagements (e.g., execution responsibilities and communicating with the board).
- Fraud risk assessment (e.g., identifying relevant fraud risk factors and mapping existing controls to potential fraud schemes and identifying gaps).
- Fraud prevention and detection.
- Fraud investigation.
- Forming an opinion on internal controls related to fraud.
- The guide also includes reference material, questions to consider, and a fraud risk assessment template.

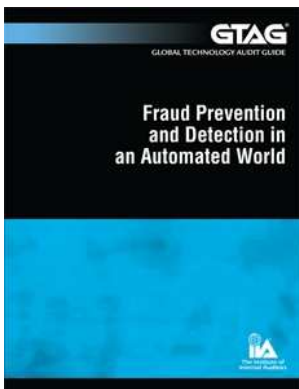


Applicability

This may be applicable to and useful for:

- Chief audit executives (CAEs)
- Boards
- Executive and operating management
- Other assurance providers (OAPs)
- Other professional regulatory bodies

Fraud Prevention and Detection in an Automated World



As technology advances, so do schemes to commit fraud. Therefore, technology cannot only be used to perpetrate fraud, but also to prevent and detect it. Using technology to implement real-time fraud prevention and detection programs will enable organizations to reduce the cost of fraud by lessening the time from which a fraud is committed to the time it is detected. Considering this, it is crucial that auditors stay ahead of fraudsters in their knowledge of technology

and available tools. This GTAG focuses on IT related fraud risks and risk assessments and how the use of technology can help internal auditors and other key stakeholders within the organization address fraud and fraud risks.

Through a step-by-step process for auditing a fraud prevention program, an explanation of the various types of data analysis to use in detecting fraud, and a technology fraud risk

assessment template, the GTAG aims to inform and provide guidance to chief audit executives and internal auditors on how to use technology to help prevent, detect, and respond to fraud. The GTAG also supplements The IIA's practice guide, *Internal Auditing and Fraud*, and informs CAEs and internal auditors on how to use technology to help prevent, detect, and respond to fraud.

Steps to Becoming a CIA

Remember: As a WNY IIA Chapter member, you will receive a 20% discount on all Gleim CIA Review materials!

You are considering taking the CIA Exam because of its increasing importance in today's business world. Successful completion of the exam will provide you more professional opportunities with an increase in compensation. But where do you go from there?

Making the decision to take the CIA Exam and planning a successful outcome requires a strategic plan. Research the pros and cons, the cost and benefits, where, how, and when. Once all the information is gathered develop a plan of attack.

You want to take the CIA Exam and you need to know the right steps necessary to be successful! First become knowledgeable about the CIA Exam. Research the exam, including content, schedules, fees, where and how it is

administered, grading, and pass rates. These are essential components of your plan to pass the CIA Exam. Gleim has created the [CIA Review: System for Success](#), an 80-page booklet designed to answer all these questions for you.

Once you have purchased the CIA Review materials that will guarantee you pass the exam, develop a study plan. Planning for study time and reaching manageable goals is an important step in

maintaining focus and staying confident.

Putting it on paper enables you to visualize what you have to do each week and to see what you have already accomplished.

Take the plunge! Decide the CIA Exam is the right designation for you, gather information, and develop your plan by establishing goals. Taking these steps will put you on the path to successfully preparing for and passing the CIA Exam.



This is a great time to make a New Year's resolution to earn your CIA in 2010!



2009-2010 Board of Governors
Western New York (Chapter #24)

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16	Northeast District #3 Representative	Mary Peck, CIA <i>NYS Office of Mental Retardation</i>	518) 474-4376. mary.e.peck@omr.state.ny.us
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