



# NEW YORK REPORTS

GOLD AWARD CHAPTER

August 2003



Dear Colleagues:

Welcome to our final summer edition of the newsletter. Hopefully you are all safe and sound from the recent black out. Once again, New Yorkers showed their character and spirit and came through in a remarkable fashion. The summer is coming to a quick close.

Hopefully the weather stays nice and we get a little Indian summer to enjoy. The following are details on events that recently took place or are planned for the near future:

- On August 7<sup>th</sup> we hosted our annual training and social event. In the morning, Allen Love from Citigate Global Intelligence and Security discussed some of the finer points on Fraud. After the session, we took the subway up to the Bronx to see the Yankees play the Texas Rangers. We had more than 80 attendees at the training session and more than 50 at the game. Members from the Long Island and Northeast Penn chapters also joined us. The day turned out perfect. The thunderstorms held off and the game was very exciting. The Yankees were losing early on but everything turned around when Enrique Wilson stroked a grand slam. The Yankee relievers provided some anxious moments but came through in the end for a 7-5 Yankee win. Much thanks to Marian Dougherty and her team for coordinating this event.
- The 2003-2004 chapter year workshop and luncheon programs are scheduled and run from September 2003 through May 2004. The first session on Friday, September 12 looks to be a good one. The workshop is on Sarbanes Oxley sections 302 and 404. Steve Goepfert, our luncheon speaker, will talk about Best Practices at Continental Airlines. To see the rest of the schedule [click here](#)
- The chapter is hosting an IIA Focused Conference: New Challenges, New Solutions Oct. 20-23. Location- Intercontinental The Barclay Hotel. More details will be available shortly.
- On October 14<sup>th</sup> Baruch Colleges Center for Financial Integrity will be hosting a joint session for IIA and Financial Executive Institute (FEI) members. Representatives from both organizations will be part of a panel discussing the rippling effects on the external auditor relationship due to Sarbanes implementation.

- On October 28-30, we will be sponsoring an IIA – Quality Auditing Services Group course entitled Quality Assessment Internal Assessor/Validator. The three-day course covers all aspects of quality assessment, emphasizing the new external assessment approach of self-assessment with independent verification. The course includes an examination that upon completion affords attendees with an accreditation recognizing them as competent to act as an independent validator of a properly conducted and document self-assessment. Class size is limited to 25 students. To see brochure for more details [click here](#).

Continuous improvement should be something we all strive for in our careers and our personal lives. Getting involved in New York Chapter committees or events is a great way to expand your skill sets that your corporate position is unable to provide you. It makes little sense to live your life without continuous growth. As Muhammed Ali said “A man who views the world at 50 the same as he did at 20 has wasted 30 years of his life.”

Enjoy what is left of the summer. Until next month.

*Thomas G. Woods, President*  
IIA New York Chapter



*Richard Dapcic*



*Jack Sivilli*

SEPTEMBER 2003						
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*August 12, 2003 – Workshop Sarbanes Oxley sections 302 and 404*

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**Editor's Note:**

barbecues were rained-out. But all was not lost as our annual training and social event on August 7th went well. The day was beautiful. The training session on "Identify, Detecting and Investigating Fraud" that Allen Love presented was well attended. After the session many attendees took the train ride to the Bronx to watch the Yankees play the Texas Rangers. As we New Yorkers know and others who may not want to talk about it also know, the Yankees did us proud. Guess who won... For the New York Chapter of the IIA, along with the end of the summer comes the end of our shortened versions of the newsletter. So for the rest of this month, we will be gearing up for the fact filled, full-sized issues of the "New York Reports" newsletter. Sarbanes Oxley is still a hot topic and will be covered at our September workshop, so save the date to attend both the workshop and the luncheon. Also, keep in mind the registration deadlines for the certification examination, which are fast approaching (i.e., September 30, 2003 for the November CIA exam). For information about the review class [click here](#). Also visit the IIA (<http://www.theiia.org/>) for more information about the Certification Programs, Quality Assurance Review Services, Strategies for Small Audit Shops, etc. The IIA's E-learning program, (<http://www.iiainlinecpe.org/>) offers a wide variety of high quality courses at very reasonable rates. Please visit our website (<http://www.nyiia.org/>) and our national website (<http://www.theiia.org/>) to learn more about the services that are available to you through the IIA and remember to make us part of your professional development.



*Carol F. McFarlane, CPA, CIA, CISA  
Newsletter Co-Chair*

The Maritime Chapter is hosting the IIA's 2003 Northeastern Regional Conference.

The Chapter's program committee has developed a dynamic line of speakers delivering on a diversified list of audit topics.

To explore the schedule of events session topics and speaker bios visit their website, [www.iiahalifax2003.ca](http://www.iiahalifax2003.ca)

*NY Chapter's Annual Social Event  
Yankees Vs Texas Rangers at Yankee Stadium August 7, 2003*



## CIA Exam Review Classes

November 2003 CIA exam is fast approaching. In October 2003, the NY Chapter of the IIA is offering a course to assist candidates in preparing for the exam. This course provides a comprehensive overview of key areas covered by the exam. As part of the course, you will receive study materials and earn **7 CPE** credits for each part that you attend. Included in the study materials are questions from old exams.

**\*\* DETAILS \*\***

PwC  
1177 Ave of the Americas  
(Entrance on 46th Street)  
Room 210  
Lexington Level

Cost: \$75.00 per an Exam part

**Contacts:**

Joe O'Molo  
(212) 578-8394

Jennifer VanAlstyne  
(212) 576-3972

Dates: Part 1: Oct 7, 2003  
Part 2: Oct 8, 2003  
Part 3: Oct 9, 2003  
Part 4: Oct 10, 2003

[jomolo@metlife.com](mailto:jomolo@metlife.com)      [Jennifer\\_VanAlstyne@Newyorklife.com](mailto:Jennifer_VanAlstyne@Newyorklife.com)

Additional information can be obtained at the IIA website at  
[http://www.theiia.org/ecm/certification.cfm?doc\\_id=12](http://www.theiia.org/ecm/certification.cfm?doc_id=12)

Time: 8:30am – 5:00pm each day

This message brought to you by:  
The New York Chapter, Institute of Internal Auditors  
Please visit our website at: <http://www.nyiia.org>



I/A/NY Chapter 2003 - 2004  
**Seminars**  
at  
**Madison Square Garden**

**September 12, 2003**

**Bruce McCuaig**

*Sarbanes-Oxley s302 and 404 – A One Day  
Workshop [for more information click here](#)*

**October 10, 2003**

**Courtenay Thompson**

*Courtenay Thompson & Associates  
Health Care Costs*

**November 14, 2003**

**Richard Chambers**

*IIA HQ  
Assessing Risk & Audit Planning*

**December 12, 2003**

**Kate Head**

*Audit Manager, University of Southern  
Florida  
Risk-Driven Auditing: Increasing the Value  
and Efficiency of Your Audit Process*

**January 16, 2004**

**Jody Camardese**

*Alliance Education Group  
Business Advising Skills For Auditors*

**February 13, 2004**

**Randy Marchany**

*Virginia Tech Computing Center  
Linking the Risk Analysis to the Audit Checklist*

**March 19, 2004**

**Annual Audit Seminar**

**April 16, 2004**

**Darlene Orlov**

*Orlov Resources for Business, Inc.  
Keys to Your Personal Success: The 10 Best Ways  
To Enhance Your Internal Client Relationships  
And To Prepare For Promotion*

**May 14, 2004**

**John McKeever**

*Contemporary Business Concepts  
Auditing in Today's World of Increased  
Corporate Governance*

**For More Information Visit our Website at <http://www.nyia.org/>**

You're Invited to our Garden Party

Institute of Internal Auditors - NY Chapter

# Luncheons

at

**Madison Square Garden**

**September 12, 2003**

**Steve Goepfert**

*Best Practices at Continental Airlines*

**October 10, 2003**

**Howard Johnson**

Lowe's

*Leading an Audit Staff – 2003 & Beyond*

**November 14, 2003**

**Richard Chambers**

IIA Headquarters

*Risk, Control, and Governance in the Post-Enron Era*

**December 12, 2003**

**Penni Fromm**

PEF Associates

*Components of Risk*

**January 16, 2004**

**Michael R. Young**

Attorney – Willke, Farr & Gallagher

*Corporate Governance – A Retrospective Look*

**February 13, 2004**

**L. Tracy Wych**

Senior VP – Chase Bank

*Automated Auditing Tools – A Success Story*

**March 19, 2004**

Annual Audit Seminar

**April 16, 2004**

**Robert McDonald**

IIA Chairman

*The State of the IIA*

**May 14, 2004**

**Awards Presentation**

**For More Information Visit our Website at <http://www.nyiaa.org/>**

*The IIA – New York Chapter is proud to offer  
The “Quality Assessment Internal Assessor / Validator Accreditation” Course*

*October 28, 2003 through October 30, 2003.  
The course will be held at the Citigroup Building  
One Court Square, 50<sup>th</sup> floor,  
Long Island City, NY 11120*

*The course will provide opportunities to:*

- *Enhance internal audit activity using the Quality Assessment (QA) process.*
- *Identify what makes it effective and efficient in the eyes of executive management.*
- *Recognize key factors in assuring top-performance.*
- *Apply QA concepts to real-life challenges.*
- *Discover the secrets of performing a state-of-the-art review.*
- *Practice conducting a QA using case study exercises.*
- *Increase QA knowledge through participant and instructor interaction.*
- *Prepare for, write, and pass the Internal Assessor/Validator Accreditation examination which will be given on the third day of the course*

*Class size is limited to 25 participants only*

*The fee for the course and materials is \$550. To register for the course complete the following and mail this form along with your check or Money Order payable to The Institute of Internal Auditors New York Chapter to: Fred Gennari, Citigroup Inc., Audit & Risk Review/Strategy and Support, 111 Wall Street, 7<sup>th</sup> Floor, New York, NY 10005.*

*For More information Call Fred Gennari at (212) 657 – 3151*

\*\*\*\*\*

*Name: \_\_\_\_\_*

*Company: \_\_\_\_\_ Telephone #: \_\_\_\_\_*

# IIA New York Chapter

...with the best in professional training

## 2003 – 2004 Education Program

The New York Chapter of the Institute of Internal Auditors is pleased to announce the registration fees for the upcoming chapter meetings to be held at The Club Restaurant at Madison Square Garden, 4 Penn Plaza. This year the Chapter is offering **nine** luncheon meetings, **eight** full day workshops, and **the all day Annual Seminar**. Please see the enclosed calendars of meeting and workshop topics that have been selected to provide 63 CPE credits on a wide range of technical and administrative subjects of current interest to both new and experienced auditors. Registration is open to both members and non-members of The Institute of Internal Auditors and casual dress is encouraged.

This year's registration fees are:

Luncheon	\$ 60.00
Workshop (full day including lunch)	\$ 175.00
Annual Seminar (including lunch):	
Members	\$ 275.00
Non-members	\$ 295.00

This year the Chapter is offering **two** Luncheon subscription plans and **three** Workshop plans. The Luncheon subscriptions will cost \$495 to any 9 meetings and \$220 to any 4 meetings. The Workshop plans, which include a ticket to the Annual full day seminar in March, will cost \$1,250 for any 8 workshops and \$700 for any 4 workshops. In addition, you will be able to purchase a subscription to any 4 workshops without the annual seminar ticket for \$600.

Subscription tickets must be used at any meeting during the September 2003 - May 2004 Chapter year and your selection of individuals can be different for each workshop and/or luncheon meeting. There will be no refunds for tickets not used by the May 2004 workshop.

**Subscriptions provide quality training, flexibility, and savings of up to 25% off the regular registration price!** To register your organization, please complete the attached [registration form](#) with a check or money order **made payable to The Institute of Internal Auditors New York Chapter** and [mail them to](#):

Bill Morello - IIA New York Chapter  
 New York Life Insurance Company  
 51 Madison Avenue – Room 1817  
 New York, NY 10010

## What Featured Workshops Will Offer:

- Instruction on emerging Trends & Challenges in the 21<sup>st</sup> Century
- Leading experts in Best Practices
- Risk-Driven Audit Planning, Management, and Analysis
- Joint Sessions with Regional Chapters
- Informative guest speakers from various industries
- Luncheon with five-star restaurant cuisine at Madison Square Gardens Club Restaurant

## ...And So Much More!





**THE INSTITUTE OF INTERNAL AUDITORS**  
**NEW YORK CHAPTER**  
**2003 - 2004 GROUP SUBSCRIPTION PLAN**  
**REGISTRATION FORM & INVOICE**

**PLEASE PRINT**

NAME: \_\_\_\_\_

ORGANIZATION: \_\_\_\_\_

ADDRESS: \_\_\_\_\_

PHONE NUMBER: \_\_\_\_\_ FAX NUMBER: \_\_\_\_\_

E-MAIL ADDRESS: \_\_\_\_\_

SUBSCRIPTION PURCHASED	NO.	PRICE	TOTALS
<b><u>LUNCHEON ONLY</u></b>			
(9 MEETINGS)	_____	@ \$ 495.00	EACH = _____
(4 MEETINGS)	_____	@ \$ 220.00	EACH = _____
<b><u>WORKSHOPS</u></b> (INCLUDES THE LUNCHEON MEETING)			
With Annual Seminar (8 MEETINGS)	_____	@ \$ 1,250.00	EACH = _____
With Annual Seminar (4 MEETINGS)	_____	@ \$ 725.00	EACH = _____
Without Annual Seminar (4 MEETINGS)	_____	@ \$ 600.00	EACH = _____
<b><u>ADDITIONAL TICKET PURCHASES</u></b>			
Annual Audit Seminar Member	_____	@ \$ 275.00	EACH = _____
Non Member	_____	@ \$ 295.00	EACH = _____
AMOUNT DUE			_____

***TICKETS WILL BE MAILED TO ABOVE ADDRESS UPON RECEIPT OF PAYMENT***

MAKE CHECKS PAYABLE TO - **THE INSTITUTE OF INTERNAL AUDITORS--NEW YORK CHAPTER** AND MAIL THEM TO:

**BILL MORELLO -- IIA**  
**NEW YORK LIFE INSURANCE COMPANY**  
**51 MADISON AVENUE - ROOM 1817**  
**NEW YORK, NEW YORK 10010**

**TELEPHONE: 212 576-7745**  
**FAX: 212 447-4206**  
**E-mail: [wmorello@newyorklife.com](mailto:wmorello@newyorklife.com)**

Tax ID No. 23-7350019

**The Sarbanes-Oxley Act, Sections 302 and 404: Practical Implementation Strategies**

A one-day workshop designed specifically for assurance providers - internal auditors, external auditors, risk management personnel and others - involved in designing and implementing compliance strategies for Sections 302 and 404 of the Sarbanes-Oxley Act

Presentation to the IIA Chapter by Bruce McCuaig, BComm, CA-CIA, CCSA  
Director of Client Services, CARD@decisions Inc.

E-mail: [Bruce.McCuaig@carddecisions.com](mailto:Bruce.McCuaig@carddecisions.com)

Web site: [www.carddecisions.com](http://www.carddecisions.com)

Phone: (905) 823-5518

***The Sarbanes-Oxley Act, Sections 302 and 404***

The Sarbanes-Oxley Act has been described as, "the highest corporate governance compliance bar anywhere in the world to date". Are you overwhelmed when you read the rapidly expanding body of commentary and advice about the Act? Is your research raising more questions than answers? Questions such as:

- Where can I get a straightforward, understandable interpretation of the legislation?
- Is my company positioned to clear the Sarbanes-Oxley bar?
- How much higher is the Sarbanes-Oxley bar compared to the SEC's previous expectations?
- How do the requirements of Sarbanes-Oxley differ from regulators' expectations in other jurisdictions?
- What underlying work has to be completed before my CEO and the CFO can certify that all our SEC disclosures are truthful and reliable? (Section 302)
- How can we provide assurance that management has taken appropriate steps to satisfy themselves that the disclosure processes and controls in the company are capable of producing information on which the stakeholders rely? (Section 302)
- How should the work of internal auditors be positioned to ensure external audit certification under Section 404 of the Act, in accordance with the new AICPA internal control attestation standard?
- How should we document all of the compliance work in an efficient way that ensures that it is accessible and easy to update each quarter?
- In what way will Internal Audit have to change to respond to the requirements of the Act?

This workshop provides practical state-of-the-art coverage of the following topics:

- What needs to change? Why?
- What do securities regulators, including the SEC and other major stock exchange regulators expect in the area of risk and control governance?
- What will the new Public Company Accounting Oversight Board ("PCAOB") audit standards require to obtain a SOX section 404 control representation certification from an external audit firm?
- How to set-up and prioritize an external disclosure risk and control assessment universe.
- Techniques to assess and report on control effectiveness using COSO, CARD®model, and other control models.
- How to assess whether a control deficiency constitutes a reportable "significant deficiency" under section SOX section 302 (a) (5) (A).
- Techniques to monitor and report on the state of risk and control across an entire organization to your Board and your external auditor on a virtually real-time basis with limited resources.
- Techniques to control the cost of external audit work necessary to obtain SOX section 404 certification.
- Problems organizations can expect when implementing a Sarbanes-Oxley compliance program and how to overcome them.

### Professional Profile

Bruce W. McCuaig, B.Comm., CA·CIA, CCSA



Bruce McCuaig joined CARD<sup>®</sup> *decisions* in 1995. Prior to joining CARD<sup>®</sup> *decisions* Bruce held senior executive positions with Gulf Canada in Calgary and Toronto and Gulf Oil Corporation in Houston, Texas. While General Auditor of Gulf Canada Resources in 1987, Bruce implemented the original work team self-assessment concepts, including development of officer and board level presentations outlining the benefits of this new approach. He directed the first series of CSA pilots conducted during the summer of 1987 presented by Tim Leech and Paul Makosz.

Bruce's experience includes extensive audit and financial management in the oil and gas industry, both upstream and

downstream, as well as exposure to the mining and banking sectors.

Since joining the firm in 1995 Bruce has worked with clients around the world training and overseeing complex, innovative Enterprise Risk & Assurance Management ("ERAM"), Control & Risk Self Assessment ("CRSA"), and Collaborative Assurance & Risk Design ("CARD<sup>®</sup>") implementation initiatives in public and private sector clients ranging in size from individual departments to some of the world's largest multi-national corporations.

Bruce is an experienced speaker, author and presenter, participating regularly in international conferences on the subject of control self-assessment and publishing in professional audit and financial journals.

#### Some of Bruce's specific experiences and achievements include:

- General Auditor of Gulf Canada from 1983 to 1988 with responsibility for directing over 80 professional staff.
- Pioneering the use of a conceptual control framework for training, assessment and reporting purposes in Gulf Canada in the fall of 1986.
- Co-authoring a technical response to the Treadway Commission exposure draft in 1986 outlining the benefits of control self-assessment and the use of a control model for training and reporting.
- Co-authoring two important articles on Gulf's initial experience with and learnings from the control self assessment experience: "Is Everything Under Control? A New Approach to Corporate Governance", McCuaig/Makosz, Financial Executive Magazine, January/February, 1990 and "Ripe for a Renaissance", McCuaig/Makosz, Internal Auditor Magazine, December, 1990.
- Winner of Internal Auditor Magazine's Outstanding Contributor Award for 1990.
- Frequent speaker at IIA Conferences, Control Assessment Conferences and Government/Industry Associations.
- Hands-on experience assisting clients with complex enterprise risk management and enterprise risk implementations in large client organizations.
- Training and consulting for public and private sector staff in Canada, the U.S., the U.K., Holland, Greece, Australia, New Zealand, Malaysia, Hong Kong, the Middle East and Africa.
- Wrote "The Genesis of CSA", CSA Sentinel, May 1997 and "Audit, Assurance and CSA", Internal Auditor Magazine, June 1998.
- Co-authored "CRSA Current State of the Art, Its Origins and Impacts" published in Control Self-Assessment for Risk Management and Other Practical Applications published by John Wiley & Sons.