



# NEW YORK REPORTS

PLATINUM AWARD CHAPTER

AUGUST 2006



Dear Colleagues:

As we approach Labor Day and the end of the summer, we are excited about the official start to our 2006-07 Chapter workshop program. Once again, the Workshop Committee has organized a great program featuring expert speakers and current topics. Here is an update on recent events and a preview of events planned for September and October.

- On **August 10<sup>th</sup>**, we hosted our annual training and social event. In the morning, Rocco Grillo from Protiviti led an excellent discussion on Auditing and Privacy. After the session, we went to Shea to watch the New York Mets play the San Diego Padres. The weather was great and the Mets were victorious. We had over 45 attendees at the game and the training session. Thanks to Tracy Wych from Calyon for organizing and hosting the event and Adam Stumer of NYSE Group for helping with the registration.
- Our workshop program kicks-off on **September 8<sup>th</sup>**. Jeffrey Beck will be presenting the topic "Champions of Change: Business Process Audit Workshop". Mr. Berk is a CPA and a recipient of the Certified Public Accountant's Gold Key Award. This session will focus on business process audit tools and techniques for internal auditors to be change agents and valued consultants for business units (see details on pages 9 and 10).

We also are honored to have Richard Cody, the former Governor of New Jersey, as our featured luncheon speaker.

Please do not miss out – order your subscription tickets! Details are provided in this newsletter as well as on the nyiaa.org website.

- Beginning in **September**, Mark Arning will be hosting the monthly General Auditor Roundtable meetings at New York Life. These meetings provide a forum for Chief Audit Executives to discuss relevant topics. A notification with specific dates for these sessions will be distributed shortly.
- On **October 24<sup>th</sup>**, the NY Chapter will offer a free two-hour CPE training session on the "Top 10 IT Security Audit Challenges, Insights, Experiences & Practical Solutions." This session will begin at 3:00pm, followed by a cocktail networking reception. Much thanks to Julie Connors and Deloitte & Touche for coordinating and sponsoring this event. More details regarding this event will be posted to the website shortly.
- The CIA Review classes will be held on **Monday, October 30<sup>th</sup> through Thursday, November 2<sup>nd</sup>**. As in the past, the format will be a one-day training session for each part of the exam. Details are provided in this newsletter (see page 8) as well as on the nyiaa.org website.

Enjoy the rest of the summer. I look forward to seeing you at our first meeting on September 8<sup>th</sup>.

## 2006 – 2007 CHAPTER OFFICERS

### **PRESIDENT**

**RICHARD M. DAPCIC**  
NYSE

(212) 656-2131

E-Mail: [rdapcic@nyse.com](mailto:rdapcic@nyse.com)

### **Executive Vice President**

**TRACY WYCH**

Calyon

(212) 261-7090

E-Mail: [twych@us.calyon.com](mailto:twych@us.calyon.com)

### **Vice President-Professional Development**

**BRIGITTE COLLINS-POWELL**

AXA Financial

(212) 314-5348

E-Mail: [brigitte.powell@axa-financial.com](mailto:brigitte.powell@axa-financial.com)

### **Vice President-Professional Services**

**CAROL Mc FARLANE**

MetLife

(212) 578-5351

E-Mail: [cmcfarlane2@metlife.com](mailto:cmcfarlane2@metlife.com)

### **Vice President - Secretary**

**DIANE NAPOLITANO**

New York Life Insurance Company

(914) 846-3875

E-Mail: [diane\\_napolitano@newyorklife.com](mailto:diane_napolitano@newyorklife.com)

### **Vice President & Treasurer**

**ADAM STUMER**

NYSE

(212) 656-4687

E-Mail: [astumer@nyse.com](mailto:astumer@nyse.com)

### **Immediate Past President**

**(2005-2006 Chapter Year)**

**LUCA PAGOTO**

New York Life Insurance Company

(212) 576-6350

E-Mail: [Luca\\_Pagoto@newyorklife.com](mailto:Luca_Pagoto@newyorklife.com)

### **Newsletter Co-Chair**

**MICHELLE DUKE**

Guardian Life

(212) 598-7482

E-Mail: [michelle\\_duke@glic.com](mailto:michelle_duke@glic.com)

### **Newsletter Co-Chair**

**CAMILLE HERZOG**

Resources Global Professionals

(212) 578-5250

E-Mail : [camille.herzog@resources-usa.com](mailto:camille.herzog@resources-usa.com)

### **Advance Technology**

**JOEL IPE**

Citigroup

(212) 657-0354

E-Mail: [Joel.Ipe@citigroup.com](mailto:Joel.Ipe@citigroup.com)

## Editor's Corner



I am so excited about being a new member of the New York Chapter of the IIA and the Newsletter Committee.

I currently work for Resources Global

Professionals in the Resources Audit Solutions (RAS) group.

I am equally excited about this month's newsletter and the up and coming events in the New York Chapter of IIA. In this issue, we have an article from an intern who spent his summer at MetLife and attended the NY Chapter's organizational meeting in June. We also have information on our up and coming events, including the upcoming workshop on business process change facilitated by Jeffrey A. Berk. Enjoy this month's newsletter and be sure to visit the website at <http://www.nyiaa.org/>

*Camille Herzog, Editor*  
IIA New York Chapter

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# NY Chapter Institute of Internal Auditors (IIA) and the Internal Audit Profession

## An INROADS Intern's View

By: Francisco R. Range



My first internship was as an INROADS intern at MetLife in their Internal Audit Department. In this department, I have discovered the value of the internal auditors within the

Company and the impact of the NY Chapter of the IIA on the internal audit profession. A significant part of my discovery about the IIA came from attending the New York Chapter's June organizational meeting. This meeting, which was held in the Club restaurant of the renowned Madison Square Garden, began with an informal buffet style lunch followed by the formal presentation. As each of the VPs of the Executive Committee presented their goals and objectives to the Board of Governors, I became more and more aware of what the IIA is all about and how this organization impacts the internal auditing profession. It became very clear that the NY chapter of the IIA provides opportunities to the profession for many different companies through the monthly workshops and luncheon speakers, review

courses for candidates taking the Certified Internal Audit examination, presentation to undergraduate student to introduce them to the profession, Business and Industry meeting addressing new or existing business concerns and General Auditors and Directors roundtable discussions.

After the meeting, a series of informal discussions amongst the executive committee, BOG guest and other volunteers began. I was able to meet the people behind the NY Chapter of the IIA. One of the recurring themes in the discussions was building awareness of the benefits of the profession. As an accounting major, I had my biases that the audit universe would only include the financial aspects. This internship with MetLife gave me the opportunity to attend this meeting, and has made me more aware of the other dimensions of Internal Audit that address business functions that are vital to the company's functionality and more importantly success.

I would like to take this opportunity to extend my thanks to both Marian Dougherty and Carol McFarlane for the inviting me to this meeting.

# Career Opportunity

**Job Title:** Internal Auditor  
**Location:** White Plains, NY

## About the Organization

**Pentegra Retirement Services** is a pension service company located in White Plains, NY.

## Description

Reporting directly to the Audit Committee Chairman of our Board of Directors, the Internal Auditor is responsible for implementing an internal audit program for Pentegra Retirement Services and directing the activities of the internal auditing function.

## Responsibilities

- Review and evaluate the adequacy and effectiveness of Pentegra Retirement Services' systems of internal accounting, financial and other operating controls and the extent of compliance with these controls and other policies, plans and procedures.
- Develop and present an annual audit plan to the Audit Committee for approval and submit revisions to the annual audit plan for approval as needed.
- Schedule audits to ensure that each area of the organization is audited regularly. Initiate spot audits.
- Coordinate audit efforts with those of company's external auditors and other inside and outside resources of audit and compliance services, to avoid duplications and ensure that issues raised as a result of the reviews are appropriately addressed.
- Formulate practical internal audit functions to be incorporated into operations.
- Offer solutions to improve control environment to meet Pentegra standards and follow-up with managers and professionals to ensure satisfactory resolution.
- Provide audit reports to the Audit Committee and management with recommendations to ensure each function continues to operate in accordance with established regulations, laws, policies and procedures.
- Report directly to the Audit Committee on a regular basis regarding:
  - Action that has been taken on significant audit findings, including those reflected on the exception report.
  - Efforts to direct audit activities toward the highest exposures to risk and toward increasing efficiency, economy and effectiveness of operations.
  - Adequacy of the internal audit plan
  - Audit schedule status and any recommendations for revision.

## Qualifications

- Demonstrated ability to direct the internal audit function.
- Familiarity with defined benefit and defined contribution plans.
- BA/BS degree or equivalent (preferably in Finance or Accounting).
- Minimum of 5 years relevant experience.
- Demonstrated proficiency organizing and prioritizing work to meet deadlines.
- Strong verbal, written, analytical and persuasive skills.
- Ability to interact effectively with all levels of employees and management.
- Must be have working knowledge of word processing and spreadsheet software as well as using a calculator

Send resume, letter and salary history/requirements to: Colleen M. Zanicchi, Assistant Vice President, Human Resources, Pentegra Group, 108 Corporate Park Drive, White Plains, NY 10604-3805, Fax: (914) 694-9384, E-mail: [czanicchi@pentegra.com](mailto:czanicchi@pentegra.com)

Equal Opportunity Employer

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## CBOK Introductory Text

### CARRYING ON A LEGACY – THE COMMON BODY OF KNOWLEDGE 2006

The Institute of Internal Auditors Research Foundation (IIARF) is committed to understanding how the practice of internal auditing is carried out around the world and using this knowledge to provide guidance to our more than 115,000 members. Today, this effort is taking a monumental step forward.

The IIARF is performing an ongoing research program, entitled the Common Body of Knowledge (CBOK), which will broaden our understanding of how internal auditing is practiced around the world. This comprehensive study will be updated every three years and will become a permanent program of The IIA Research Foundation.

#### What is the Common Body of Knowledge (CBOK)?

- The most important research study the IIARF has ever undertaken
- The first project funded by the William Bishop III, CIA Memorial Fund
  - We envision this project to be a living legacy of Bill's passion for internal auditing
  - Bill was a tremendous supporter of internal audit research and CBOK will provide a fitting tribute to Bill's contributions to the profession of internal auditing
- A comprehensive survey that will capture the state of the internal auditing profession throughout the world including:
  - The knowledge and skills that internal auditors possess
  - The varying skill and organizational levels that practice internal auditing work
  - The actual duties performed by internal auditors

- The structure of internal audit organizations
- The types of industries which practice internal audit
- The regulatory environment of various countries
- CBOK will provide an understanding of the unique value-added role internal auditing has in organizations throughout the world
  - This understanding will enable us to better define the future of internal auditing and ensure that it remains a vibrant and relevant contribution to organizations
- The results of CBOK will drive many crucial aspects of The IIA for the next 3 years, including:
  - Certifications and exams
  - Standards
  - Advocacy
  - Practice Advisories
  - Educational Programs
  - Educational Products
  - Publications

#### HOW CAN YOU PARTICIPATE?

- Visit the CBOK web site at [www.theiia.org/CBOK](http://www.theiia.org/CBOK) and sign up to take the survey
- Encourage your co-workers and staff to take the survey when it is released
- Promote the survey within your organization, IIA chapter or affiliate and other professional groups

We anticipate the release of the survey in the third quarter of 2006. To learn more about CBOK, view project phases, sign up to participate in the survey or keep up to date on the project's status, visit [www.theiia.org/CBOK](http://www.theiia.org/CBOK).



## IIA/NY Chapter 2006-2007

# Seminars

at  
Madison Square Garden

### September 8, 2006

*Jeffrey Beck*

- Champions of Change Business  
Process Audit Workshop

### October 13, 2006

*Randy Marchany*

*Virginia Tech IT Security Office and Lab*  
- Auditing Wireless Networks

### November 10, 2006

*Steve Adubato* (Morning)

- Make the Connection: Improve Your  
Communication at Work

*Tim Pison* (Afternoon)

- Negotiation Skills

### December 8, 2006

*Rich Lanza*

- Automating Your Audit Department for  
Improved Efficiency & Effectiveness

### January 12, 2007

*Robert Luebke*

- Achieving Business Excellence Through  
Auditing

### February 16, 2007

*Sandra Miller*

*S.J. Miller & Associates*  
- Leadership Skills for Auditors

### March 23, 2007

- Annual Audit Seminar

### April 6, 2007

*Nick Barone*

- Addressing the Internal Auditor's Obligations  
to Detect & Prevent Fraud within the  
Department

### May 4, 2007

*John McKeever*

*Contemporary Business Concepts*

- Fraud Prevention Internal Controls The Keys

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

You're Invited to our Garden Party  
 Institute of Internal Auditors - NY Chapter  
**Luncheons**

At  
**Madison Square Garden**

**September 8, 2006**

**Rich Cody**  
 Former NJ Governor  
 -Experiences in the Public Sector

**October 13, 2006**

**Nicole Silsby**  
 Deloitte & Touche LLP  
 -Assessing Your Organization's Governance Processes

**November 10, 2006**

**Steve Adubato, Ph.D.**  
 - Communication Skills

**December 8, 2006**

**Steve Goepfert**  
 IIA Chairman of the Board  
 - IIA Activities & the "Tell the World"  
 Theme

**January 12, 2007**

**Lynn Bruneau**  
 Protiviti  
 -SOX Lessons Learned

**February 16, 2007**

**ACL**  
 -Continuous Monitoring: Effective  
 Strategy for Effective Controls

**March 23, 2007**

- Annual Audit Seminar

**April 6, 2007**

**Ernst & Young**  
 - *Ho to Combine the Role of the  
 Auditor as well as Trusted  
 Advisor*

**May 4, 2007**

- Awards Presentation

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

## CIA EXAM CANDIDATES

Now is the time to sit for and pass the Certified Internal Auditor (CIA) exam. To assist you the New York Chapter is yet again offering a preparation course.

<i>Section</i>	<i>Dates &amp; Time</i>	<i>Cost</i>	<i>CPEs</i>
<b><i>Part I</i></b>	Monday, October 30, 2006 7 hours 8:30 AM to 4:30 PM	\$ 75	7
<b><i>Part II</i></b>	Tuesday, October 31, 2006 7 hours 8:30 AM to 4:30 PM	\$75	7
<b><i>Part III</i></b>	Wednesday, November 1, 2006 7 hours 8:30 AM 4:30 PM Thursday, November 2, 2006 3.5 hours 8:30 AM to 12:00 PM	\$100	10.5
<b><i>Part IV</i></b>	Thursday, November 2, 2006 3.5 hours 1:00 PM to 4:30 PM	\$50	3.5

### Where?

New York Life Insurance  
51 Madison Avenue (btw 26<sup>th</sup> and 27<sup>th</sup> Streets) – HR Learning Center, rooms  
Madison north & south.

Reservations are on a “First Come Basis.” For Information & Registration contact:

**Brian Mannix:** e-mail [Brian\\_Mannix@newyorklife.com](mailto:Brian_Mannix@newyorklife.com); Telephone: (212) 576-5928 or  
**Juan Perez:** e-mail [juan\\_h\\_perez@newyorklife.com](mailto:juan_h_perez@newyorklife.com); Telephone: (212) 576-7984.

# Champions of Change: The Managers Guide to Creating Sustainable Improvements in Business Processes One Day Workshop



## Overview

Hear the concepts that MBA candidates at prestigious universities like The Kellogg School at Northwestern learn. This workshop is a teaching tool for all managers regardless of their industry or functional area. It educates them on the concepts and tools needed by managers in leadership positions to make process changes in the areas for which they have accountability.

## Objectives

- Learn a methodology of process improvement and tools to execute it
- Compare/Contrast popular performance improvement movements (6 Sigma, ISO, Baldrige)
- Discuss critical process improvement tools and their practical application on audits
- Learn the concept of process mapping and how to apply it
- Gain knowledge on the delicate balance between risk management and best practice efficiencies
- Glean insights into performance measurement principles and project management guidelines.
- Learn how to create action plans to communicate process improvement ideas to process owners
- Understand the components of effective change management for process improvements
- Construct a process to quantify the tangible ROI on process improvements
- Discuss the 17 principles to Excellent Business Processes
- Read real-world case study examples

## Resources

The text Champions of Change: The Managers Guide to Creating Sustainable Improvements in Business Process is a recommended resource. The book has hundreds of examples and a handful of in depth case studies. All attendees receive a detailed slide deck, case study examples, action plan templates, links to process improvement websites, and examples of process risks and controls.

## About the Facilitator

Jeffrey A. Berk is Vice President for a learning analytics technology company. Berk worked for Andersen spearheading the development of tools to measure business processes.

Berk teaches a graduate school course on process improvement at Loyola University in Chicago and at Northwestern's Kellogg School in Evanston Illinois.

He has participated in performance improvement projects internationally. He has spoken on these topics and has been quoted and published in numerous periodicals. He is the author of Champions of Change: The Managers Guide to Creating Sustainable Improvements in Business Process.

Berk, a CPA, is a former auditor. He has an MBA from the University of Chicago and undergraduate degrees from Kansas.

## Contact Us

Contact Jeffrey Berk to learn more.  
Phone: 1-312-307-5716  
Email: [jeffreyberk@yahoo.com](mailto:jeffreyberk@yahoo.com)

**Jeffrey A. Berk**  
**Author, Consultant, Adjunct Professor, Trainer**

Jeffrey A. Berk is an adjunct professor, consultant, and trainer on business process audit tools and techniques leveraging his work on how internal auditors can be change agents and valued consultants for business units.

Jeffrey also serves as Vice President of Products and Strategy for KnowledgeAdvisors, a learning analytics technology company. In his current role, Berk works with clients to implement the organization's proprietary analytics software Metrics that Matter™ that helps organizations measure and value their learning investments.

Berk also worked for nine years with Andersen. While with Andersen he was the Manager of Benchmarking Services. In that role, Berk wrote the Andersen Benchmarking Methodology. He also spearheaded the development of quantitative and qualitative benchmarking tools to measure the effectiveness of client business processes. Before his role as Manager of Benchmarking Services Berk was a senior auditor for several years working on financial audits and business process reviews in a variety of industries around the world.

Berk also teaches a graduate school course on performance improvement at

Loyola University in Chicago and at Northwestern's Kellogg School in Evanston Illinois. He designed and developed the course curriculum. It repeatedly ranks in the top quartile of classes offered at these schools.

He has taught the Champions of Change workshop at IIA General Audit Management Conferences and was selected amongst a distinguished group of IIA presenters to teach the workshop at the IIA ALL STAR Conference which features the best IIA sessions and speakers as well as hot topics.

He has participated in numerous performance improvement projects in the U.S., Europe and Australia. He has spoken on these topics and has been quoted and published in periodicals such as *Workforce Magazine*, *Fortune*, *IndustryWeek*, *The CPA Journal*, and *CLO Magazine*. Berk is the author of the book Champions of Change: The Managers Guide to Creating Sustainable Business Process Improvements.

Berk is a CPA and recipient of the Certified Public Accountant's Gold Key Award. He has an MBA from the University of Chicago and degrees in business and accounting from the University of Kansas.

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