



NEW YORK REPORTS

GOLD AWARD CHAPTER

DECEMBER 2005



Dear Colleagues:

Welcome to the December issue of our monthly newsletter. Yes, that's right, it's December already! Thanksgiving has past and before you know it we'll be writing 2006 on our audit reports. It doesn't seem like that long ago when we were all worrying about Y2K (*six years ago!*). With the year-end holidays approaching, and the realization that time really does go by pretty fast, it's a good opportunity to take stock of the important things in life and be thankful. On behalf of the New York Chapter, I wish everyone a happy and healthy holiday season and New Year.

Now, onto our recent November events and details of some of our upcoming events:

- On November 18th, Chuck Mignosa conducted a workshop focused on using business process analysis during audits. The workshop was very well-attended and positive feedback was received on the presentation and content.
- Also on the 18th, we were honored to have the IIA's Chairman of the Board, Thomas J. Warga, conduct a luncheon presentation titled "Keeping Our Promise", which addressed the expanding role of internal audit and the importance of getting back to basics such as independence, objective assurance, and fraud prevention. This was a sort of homecoming for the Chairman, who served at the NY Chapter level for many years and is a past NY Chapter President. Prior to the luncheon presentation, Mr. Warga participated in a ceremony where the Chapter presented certifications (e.g., Certified Internal Auditor) to newly certified members.
- On December 16th, we are holding our final workshop and luncheon presentation of 2005. This is your last chance for the calendar year to earn IIA NY Chapter CPE credits! Our workshop instructor, Joanne Feierman, is presenting a session titled, Sharpening Your Report Writing Skills. Our luncheon speaker, John McKeever, who is a long-time friend of our Chapter, will speak about fraud prevention. Both topics sound interesting and are certainly relevant to today's internal auditors.

Attendees at the full-day session will earn 7 CPE credits.

Please note that the end of the calendar year is not the end of the Chapter year....we have more great programs and expert speakers starting with our January 13th, 2006 workshop/luncheon and monthly thereafter. Also, be sure to mark you calendars for our multi-track Annual Audit Seminar slated for March 24th, 2006. Please visit our website (www.nyiaa.org) for more information about the Chapter's programs.

I look forward to seeing you at a future program. Until then, Happy Auditing!

Luca A. Pagoto, President
IIA New York Chapter

During the holiday season, let us all take a moment to remember our armed forces and their families.



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Editor's Corner

This month's newsletter features pictures from the November 18th luncheon award ceremony for new CIA, CCSA and CFA and CGAP. The pictures allow us a glimpse of pride the recipient feels in reaching this important milestone in his and her career as each accepts the President's congratulations. I know each of us can empathize with the work and dedication it took to achieve this distinction and applaud their efforts.

The featured speaker, Thomas Warga, Institute of Internal Auditors Chairman of the Board and a past president of the New York Chapter of the Institute of Internal Auditors (NYIIA), spoke eloquently on the role of the IIA and the challenges facing us in the future. I hope every member of the NYIIA accepts his and the IIA's challenge to continue to learn and progress through sharing.

I wish each of you Happy Holidays and a healthy and Happy New Year.

Michelle Duke, CPA
Newsletter Chair

PROPOSED CHANGE TO STANDARD 1312: EXTERNAL ASSESSMENTS

The Internal Auditing Standards Board (IASB) has approved a refinement to External Assessment Standard 1312 for exposure. The refinement to the standard articulates the qualifications and independence of the reviewer or review team and raises the issue that the need for more frequent reviews should be considered. The proposed and current wording of the standard is provided below. Implementation is scheduled for Jan. 1, 2007. Comments regarding the proposed change will be accepted until Jan. 31, 2006, and should be forwarded to standards@theiia.org.

PROPOSED NEW VERSION TO STANDARD 1312: EXTERNAL ASSESSMENTS

External assessments should be conducted at least once every five years by a qualified, independent reviewer or review team from outside the organization. The potential need for more frequent external assessments as well as the qualifications and independence of the external reviewer or review team, including any potential conflict of interest, should be discussed by the CAE with the Board. Such discussions should also consider the size, complexity and industry of the organization in relation to the experience of the reviewer or review team.

PRIOR VERSION OF STANDARD 1312: EXTERNAL ASSESSMENTS

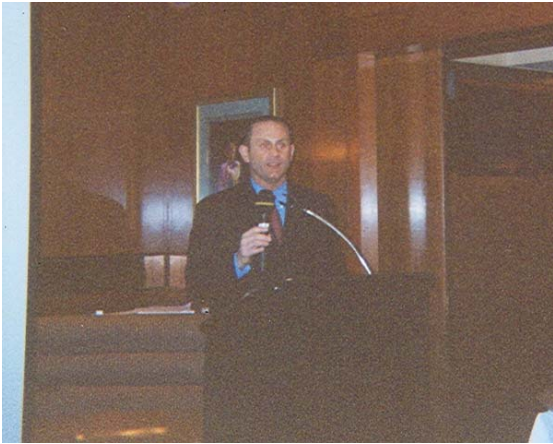
External assessments, such as quality assurance reviews, should be conducted at least once every five years by a qualified, independent reviewer or review team from outside the organization.

Anti-Money Laundering Rules for Insurance Companies

The Financial Crimes Enforcement Network (FinCEN) finalized its ruling requiring US insurance companies to establish anti-money laundering programs and file suspicious activity reports. Under the rules insurance companies must:

- Assign a compliance officer to effectively implement the program.
- Design and establish a program that takes into consideration the company's risks from money laundering, terrorist financing and other financial crimes.
- Provide training to personnel with responsibilities under the program.
- Independently test the program.

NYIIA Workshop/Luncheon - December 16, 2005



Luca Pagoto, President, NYIIA

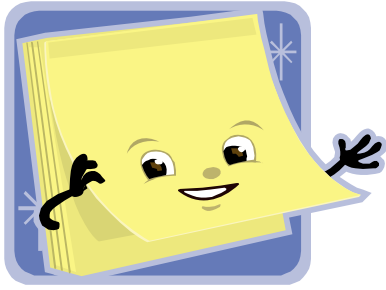


Thomas Warga, IIA Chairman

Luca Pagoto (Far Left), Carol McFarlane (Center), Thomas Warga (Far right), and the new CIA, CCSA and CFA and CGAP recipients.



Luca Pagoto (Podium), Carol McFarlane (Center), and Thomas Warga (Right).



Breaking New Ground!

SAVE THE DATE

Friday, March 24, 2006

The 2006 Institute of Internal Auditors New York Chapter's 33rd Annual Audit Seminar is approaching and we welcome your participation.

Next year's event will begin with a panel discussion relating to Corporate Governance followed by multi-track sessions.

Tracks include Financial Reporting/SOX 404, Operational Auditing and Information Technology.

In addition, two 1/2 hour segments will be dedicated specifically to vendors, providing participants an opportunity to visit exhibits.

Specifics are as follows:

EVENT:

Institute of Internal Auditors (IIA)
New York Chapter
33rd Annual Audit Seminar-**Breaking New Ground!**

DATE:

Friday, March 24, 2006

TIME:

Seminar - 8:00am - 4:30pm
Cocktail hour - 4:30pm - 5:30pm

VENUE:

Madison Square Garden
The Club Restaurant
4 Pennsylvania Plaza, New York, NY

SEMINAR & LUNCHEON OVERVIEW

FRIDAY, JANUARY 13, 2006

Workshop

Topic: Sharpening Your Report Writing Skills

Speaker: Joel Kramer

Never before have the demands on the internal audit profession been so great. Sarbanes-Oxley be you a complier or not, enlightened Audit Committees, Executive management with operating control deficiencies are all impacting the internal audit profession. Unfortunately our resources are not growing in line with the responsibilities. This whole day interactive seminar will concentrate on what we can do to improve the utilization of our resources and make us world class in these challenging days.

Seminar Outline

- Attributes of World Class Internal Audit Departments
- How Sarbanes-Oxley has changed the Audit Process
- The Need to be Risk Based
- A more Effective and Efficient Audit Process
- Utilizing Project Management Skills
- Including Fraud in the Audit process
- Best Practices for the Internal Audit Profession

Luncheon

Topic: Strategy For Managing An Organization's Key Control

Speaker: Michael R. Fiore and Joel Kramer

The focus of this program will be on the management of key controls by companies in SOX Year 2 given their Year 1 experiences. The presentation will encompass considerations from the Information Technology General Controls and Financial Process controls perspectives, and deal with the critical elements of risk assessment, key control identification, and potential opportunities for key controls optimization within the requirements of PCAOB Auditing Standard No. 2.

SPEAKER BIOS

Joel Kramer

Joel F. Kramer is Managing Director of the Internal Audit Division of MIS Training Institute. Mr. Kramer joined MIS in 1982, and introduced its highly acclaimed Internal Audit curriculum. In addition, his Audit Managers and Directors Symposium, SuperStrategies Conference, and Corporate Governance Summit are presented to a loyal following of attendees in both the U.S. and Europe.

Prior to joining MIS, Mr. Kramer was Director of Internal Audit for Instrumentation Laboratory, Inc. Mr. Kramer also held the position of Internal Audit Manager for the Gillette Company, and he spent five years with Coopers & Lybrand.

Mr. Kramer is a recognized speaker at international, national, and regional audit conferences. He has addressed many Institute of Internal Audit Chapters, and has conducted on-site training programs for major organizations throughout North and South America and Europe.

A former Regis College faculty member, Mr. Kramer has written several articles on productivity and project management for The Internal Auditor and Internal Auditing Magazine, and has developed three highly successful videos, Day One in Internal Auditing, Modern Audit Tools and Techniques, and Project Management. He is a past member of the Board of Governors of the Greater Boston Chapter of the IIA, and currently serves on the Advisory Board of the Louisiana State University Center for Internal Auditing.



Michael R. Fiore, CISA, CQA

Michael has 28 years of experience in financial/technical systems audit as well as regulatory and compliance audits. He specializes in Security, Internal Control, Data Analysis, ERP Financials Application, Sarbanes Oxley 404 and Business Continuity Reviews. Additionally, he has developed technical audit programs and managed Data Center audits of IBM, UNIX, Oracle, NT and Remote Access data networking. He also has designed and implemented an industry specialization program for Senior Managers that provided a better defined career path as well as subject matter expertise to the Core Assurance Audit Teams within their specific industry.



IIA/NY Chapter 2005-2006
Seminars
at
Madison Square Garden

November 18, 2005

Chuck Mignosa

“Using Business Process Analysis in Your Audits”

December 16, 2005

Joanne Feierman

“Sharpening Your Report Writing Skills”

January 13, 2006

Joel Kramer

“Attributes Of World Class Audit Departments and Best Practices”

February 17, 2006

Rich Lanza

“Best Practices in Audit Technology Implementations”

March 24, 2006

Annual Audit Seminar

April 7, 2006

Nick Barone

“Enterprise Fraud Risk Assessments”

May 5, 2006

Barbara Davision

“Continuous Auditing”

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

You're Invited to our Garden Party

Institute of Internal Auditors - NY Chapter

Luncheons

**at
Madison Square Garden**

November 18, 2005

Thomas J. Warga

IIA Chairman of the Board,

New York Life Insurance Company

"Keeping Our Promise"

December 16, 2005

John McKeever

"Get It Before It Gets You....."

Fraud Prevention Made Easy

January 13, 2006

Warren Hersh

"A Strategy for Managing an Organization's

Key Controls"

February 17, 2006

Julie Connors, Partner

Deloitte & Touche LLP

"How To Assess And Audit Extended

Enterprise Risk"

March 24, 2006

Annual Audit Seminar

April 7, 2006

John Langione, Partner

Ernst & Young

"Fraud Awareness for Internal Auditors"

May 5, 2006

- Awards Presentation

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