

The Houston Chapter Of The Institute of Internal Auditors

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President's Message

President's Message

November, 2008

Important Announcement: IIA Releases Revised Standards

September 30, 2008

In anticipation of the full release of the new IPPF in January 2009, IIA Global Headquarters is pleased to provide the revised International Standards for the Professional Practice of Internal Auditing (Standards). The [Standards](#) are now available for download in a variety of translations, including The IIA's three key languages — English, Spanish, and French. Review of this early release will ensure that you are fully familiar with the Standards before the complete IPPF rollout.



Quality – Professionalism does not occur overnight ... it takes time.

Professionalism is a process that evolves from dedication, high-road ethics, professional growth, and hard work. Integral to this process - and the essence of excellence in the business environment - is quality. To meet the unique needs and corporate culture of your organization, quality needs to evolve and permeate throughout your organization's structure. From the mailroom to the boardroom, quality helps ensure customer satisfaction, investor confidence, effective management, efficient administration, and sound corporate performance. Learn more and download best practices from the IIA. <http://www.theiia.org/guidance/quality/>

IIA Seminar Opportunities

The IIA has many educational opportunities, including our multi-day public [seminars](#). These courses are designed to be highly interactive and skill set focused to deliver valuable tools and knowledge to our attendees.

University of Houston – Get to know the staff at UH – Internships

More than 25 companies have shown interest in recruiting UH Audit Students. On October 23rd more than 15 companies gathered at the University of Houston to learn more on what types of Internships are offered by the new Audit Risk Track. The below agenda was discussed.

Note: A Spring QA session will be scheduled soon.

Agenda

- Welcome
- Introduction of Guests
- Introduction of Staff
- Internal Audit Program
- Offerings for 2008-2009
- New Courses
- Internal Audit/Risk Track Courses and Internal Audit Certificate
- Future Courses
- Student Recruiting Efforts for 2008-2009
- AAB Awards Banquet (Thursday, April 16th)
- Questions?
- Adjourn
- Tour (for any one who is interested)

The Houston Chapter Of The Institute of Internal Auditors

President's Message, continued from page 2
November, 2008

We continue to seek guest speakers for each of class. For further information please contact our VP of Education, Troy Hart troy.hart@ey.com. To learn more click on the link below.

<http://www.bauer.uh.edu/degrees-programs/ppa/program/track.asp#RiskTrack>

Note: The PPA – Audit Risk Track site is being updated with our chapter suggestions.

Suggested Articles

New Tips for Testing Fair Value amid Turmoil

The international standard-setter for auditors gives guidance on reviewing mark-to-market assumptions. October 7, 2008

http://www.cfo.com/article.cfm/12373569/c_2984378/?f=archives

Guide 3: Continuous Auditing: Implications for Assurance, Monitoring, and Risk Assessment

Organizations are continually exposed to significant errors, frauds or inefficiencies that can lead to financial loss and increased levels of risk. An evolving regulatory environment, increased globalization of businesses, market pressure to improve operations, and rapidly changing business conditions are creating the need for more timely and ongoing assurance that controls are working effectively and risk is being mitigated. These demands have put increased pressure on chief audit executives (CAEs) and their staff.

<http://www.theiia.org/guidance/technology/gtag/gtag3/>

Please email me if you have any suggestions or comments on how to service our membership better.

Thank you,

Santos Monroy

Luncheon - 11/3/2008

Speaker: Danny M. Goldberg, CPA, CIA, CISA, CCSA

The SOFT Approach to Auditing

(Luncheon Topic)

Decreasing SOX Scope & Adding Value-Audit Documentation Best Practices

(BONUS free CPE topic, post luncheon)

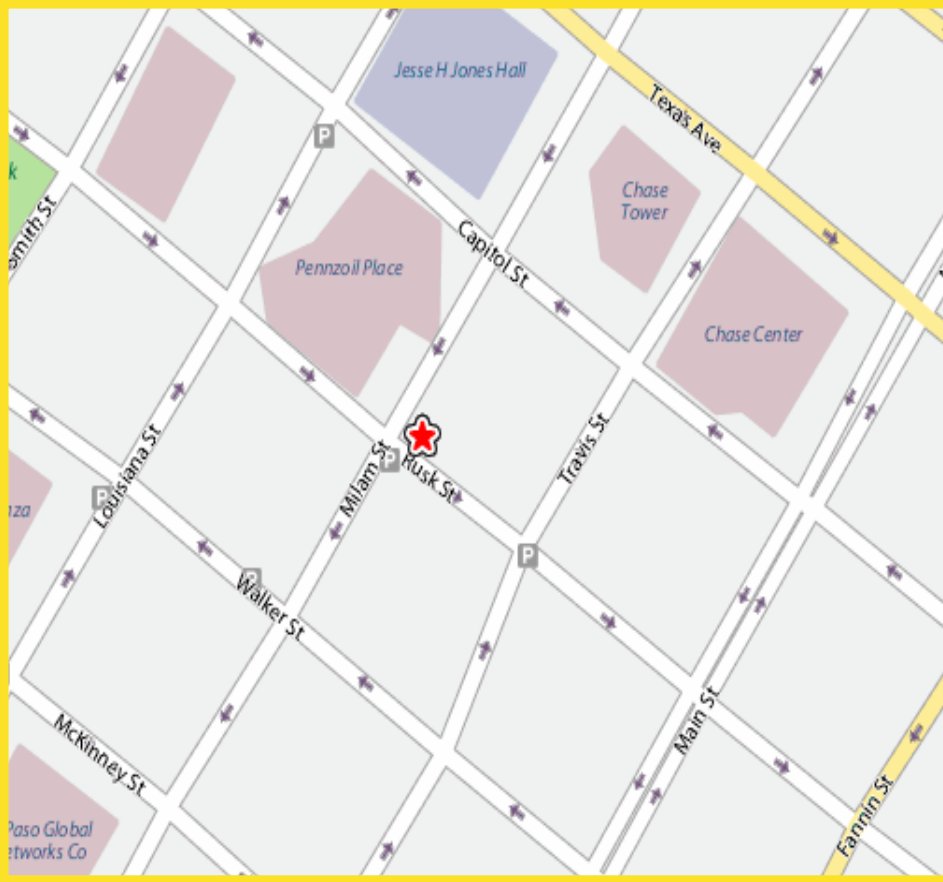
Abstract:

Mr. Goldberg's article, "The SOFT Approach to Auditing" appeared in the August 2007 issue of the Internal Auditor and discusses the positive affects AS 5 can have on internal auditors. In addition to this luncheon topic, Mr. Goldberg will present a free post-luncheon CPE credit topic: "Decreasing SOX Scope and Adding Value—Best Practices for Audit Documentation."

Bio:

Danny M. Goldberg, CPA, CIA, CISA, CCSA is currently the Director of SOX Compliance at Dr. Pepper Snapple Group. Mr. Goldberg started the internal audit department at Tyler and also assisted in the establishment of the SOX compliance department at Tenet Healthcare. Danny began his career at Arthur Anderson and is a graduate (BS – Accounting, 1997, MS – Finance, 1998) of Texas A&M University. Mr. Goldberg serves on the board of directors of a non-profit organization and is a member of the American Institute of Certified Public Accountants, the IIA, Information Systems Audit and Control Association and the Texas Society of CPA's. .

Luncheon Directions & Information



Day of Meeting

Registration Opens at 11:30am
Speaker Begins at 12:00 noon

Meeting Location

The Houston Club
811 Rusk
713-225-1661

Pricing:

Pre-Registered Member of IIA:
\$30.00
Pre-Registered Non-Member:
\$35.00
Walk-In Member/Non-Member:
\$35.00
Valet Parking:
\$7.00

Registration & Cancellation Deadlines

Register On-Line at www.Houstoniia.Org (no emails please)

Registration & Cancellation Deadline is **Midnight** the Wednesday before the luncheon.

Cancel via E-mail: Lara.Chalmers@coair.com

Welcome to Our New Members!!!

We would like to extend a warm welcome to our new members! If you see these people at the monthly luncheon, please be sure to introduce yourself!

Joshua Adebayo
Armando Bermudez - CITGO Petroleum Corporation
Kris Branam - Sterling Bank
Steve Brock - Solomon Edwards Group LLC
Douglas Bugner - Shell Oil Company
Mary Carpenter - University of Houston System
Jennifer Chamberlain
Gomez Ezewu
Samuel Fadipe - Prolink Business Holdings, LLC
Yasir Farooqi - Weatherford International Inc
Michele Forward - Sterling Bank
Rose-Mary Ifeagwu - Shell Oil Company
Catherine Isaac - Weatherford International Inc
Kathleen Janos - AIG Retirement Services
Deforester Jones - Shell Oil Company
Amber Lakhani - Sterling Bank
Christine Lally - Protiviti Inc
Narmina Mammadova - Protiviti Inc
Beverly McFarlin - City of Houston
Zoe Nagle - Service Corporation International
Michael Newman - University of Houston
Allison Nguyen - Calpine Corporation
Patricia Pavlick - Flotek Industries Inc
Heather Pence - Marathon Oil Company
Jonathan Rios - Weatherford International Inc
Shubham Sachdev - Weatherford International Inc
Maria Salmones - Shell Oil Company
Natalie Shannon - Calpine Corporation
James Smith - Shell Oil Company
Warunyu Suwathee - McNeese State University
Ricardo Vergara - Stanford Financial Group
Julia Vigneault - Deloitte & Touche
Sara Vojta - Protiviti Inc
Mark Weinmeister - Shell Oil Company
Randy Williams - Shell Oil Company

Membership Survey: BE HEARD!

Please be sure you have completed the online survey of our Houston IIA membership. Your 2008-2009 Leadership Team needs your input into the needs and desires of the Houston membership. The survey provides us with input as we make educational and strategic decisions for the chapter. We appreciate the time you take to complete the survey and if you register at the end of the survey, your name will be included in a drawing at the November chapter meeting for 1 of 3 \$50 American Express gift cards. The survey closes October 31, 2008 and will take you less than 5 minutes to complete. The survey located at:

https://survey.deloitte.com/wsb.dll/112/annual_chapter_survey.htm



| Technology for Business Assurance

YOU ARE INVITED to a breakfast workshop **Using audit technology to create value in your organization**

- Strategic Use of Audit Technology
- 7 Practical Steps for Sustainable Audit Analytics

Eligible for 2 CPE credits
November 13, 2008
8:30 – 11:00 am
Houston, Texas

Visit www.acl.com/news/events.aspx for details.

» Email events@acl.com to register today!

acl.com

Chapter Achievement Points (CAP)

Hello Chapter Members,

As of October 10th, we're at 431 CAP points. That's an improvement of 169 CAP points since September (when we had 262). The big CAP points coming this month are the CIA Review Courses, which should push our numbers up nicely. Keep those points coming! We need 1560 CAP points for gold (we're 28% there).

Our goal for Gold Status is 1560 CAP points so we have lots of work to do. The chairperson for this program keeps track of the credits the Houston Chapter earns for the CAP. This program has been established on the premise that the basic mission of the chapter is to serve its members first and then the internal audit profession. It is sponsored by the International IIA to encourage local chapters to be active both for the benefit of the chapter members and of the local community.

Points are tracked to see if a chapter earns Bronze, Silver or Gold. Once a chapter has earned Gold for 10 years, they reach the Platinum level in the program. We have 10 successful years as Gold, so we are now officially Platinum!

What Can I Do? First keep participating in all of the educational events we provide – from the luncheons to the seminars to the roundtable discussions. You can also help by letting us know when you speak about the profession to others outside of your company (without receiving a fee). Send Paul an email (Paul.Pettit@Protiviti.com) with the date of the speech, the topic, the audience, and the length of the speech. You can also help by letting us know if you have articles published anywhere. Send Paul an email with the article name, the date of publication, and the publication name.

What Else Can I Do? Want to get more involved? Contact Chapter President Santos to see other opportunities for involvement.

Thanks for your help,

Santos Monroy
Chapter President, '08-09
smonroy@sirsol.com



Call for Volunteers!!



***Calling all golfers, wannabe golfers, golf spectators
and IIA Houston members who desire to volunteer
their time to help!***

*Volunteers are needed to assist with the planning and conducting of the
2009 IIA Houston Chapter Golf Tournament. If you are interested in helping,
please contact Randy Fernandez at:*

randy.fernandez@adamsharris.com

The Houston Chapter Of The Institute of Internal Auditors

SPOTLIGHT ON: Randy Fernandez

Randy Fernandez is a member of the IIA Houston Chapter and currently serves as Practice Director with Adams Harris, Inc.

Q: Where do you currently work?

A: "Adams Harris, Inc., a professional services firm serving clients in four areas: Internal Audit, Accounting/Finance, Technology and Tax. Since we've only been on the scene since 2006, let me tell you briefly about Adams Harris. Our name may be new, but we have deep roots in the internal audit world. Our co-founder, Mike Harris, started Jefferson Wells in the mid 90s. After sitting out a five year non-compete following the sale of the company, he and Rob Dennison brought the old school approach back to market with Adams Harris."

Q: What is your position and what are your job responsibilities?

A: "Practice Director. My role with our clients is to provide sound consulting advice and affordable solutions and resources to assist in meeting their goals. This includes co-sourcing, special project assistance, risk assessments, training, project leadership, audit planning and, of course, SOX. We also perform external quality assessments."

Q: What do you like most about your job?

A: "I like interacting with clients as well as prospective clients and get a lot of satisfaction when we help solve problems for them. I also enjoy recruiting experienced professionals - which is a good thing because we're growing like crazy!"

Q: How long have you been a member of the Houston Chapter IIA?

A: "I joined the Chapter in 1992 when I took a job as a Chief Audit Executive. Since I had not worked in internal audit prior to that, I figured that joining the IIA would be a great way to learn best practices from others. To get the most of my membership, I immediately volunteered to serve on committees and eventually went through the officer ranks. It was (and continues to be) a very fulfilling experience and I highly recommend that others get actively involved with the IIA as I did"

Q: What do you get most out of the luncheons?

A: "I enjoy interacting with great friends I've made over the years in the Chapter. The continuous learning and CPE credits are also great!"

Q: What other topics/speakers would you like to see at the luncheons?

A: "The usual topics that many people mention - fraud, forensics, ERM, governance, continuous auditing. I'd love to have Frank Abagnale (author and subject of "Catch Me if You Can") back in. I think it's been several years since he spoke here. I would also like to bring back the Internal Audit Directors' roundtables. That was a great forum for sharing ideas and experiences."

Q: If you had an opportunity to change or add something to the Internal Audit/Controls profession, what would it be?

A: "I'd like to see more internal audit departments increasing their emphasis on value added activities, being more of an internal consultant to management and focusing on alignment of strategy with performance. Also, and closely related to this, I believe, more audit shops would serve as management training grounds through effective rotational programs - including recruitment of audit staff from other areas of the organization."

Q: What has been the biggest challenge that you have faced in your profession?

A: "Wow, that's a tough one! I suppose the most recent challenges I've faced - helping get the Houston office of Adams Harris off the ground. When we started, it was just me and our MD, Tracy Tyler. We had no employees, no clients, no sales people, no tools, templates, etc. Now, a little more than two years later, we have about 40 employees, nearly 50 clients and a terrific Audit Manual chock full of methodologies, templates, programs and such."

Q: How were you able to overcome that challenge?

A: "Hard work, a positive attitude and surrounding myself with awesome, knowledgeable, hard working people."

Q: What are the key components that you feel are most critical to be successful in this profession?

A: "The 'soft' skills are ultra-important. We, as auditors, need to have the communication and interpersonal skills necessary to make our audit clients comfortable that we are truly there to help and we are not just agitators who wander into the battlefield and stab the wounded! I think technical skills are equally important, but auditors who cannot effectively interact with and communicate with all constituents will not be able to do an effective job. It helps also to have a good strong work ethic and good old common sense. Also, I think we can enjoy our greatest career success in the internal audit profession by helping as many other people as possible to be as successful as possible."

Q: Where do you see the Internal Audit/Controls profession in the next 10 years?

A: "I see internal auditors being utilized more as business consultants, helping their organizations increase profitability through improving systems and processes and enhancing both efficiencies and effectiveness."

Q: When your working days are done, what would you like to do?

A: "Play a lot of golf! Also, I would love to play poker professionally. I could play poker three or four days a week and play golf three or four days and be happy as a clam! I also plan to be involved in community service in some form or fashion - probably helping disadvantaged kids, who I have a soft spot for."

Taking the Harder Right—A Reality Based Seminar on Ethics and Fraud

Seminar Overview

Come learn from a retired FBI agent and two ex-convicts about the realities of white-collar crimes. **Taking the Harder Right** helps individuals and businesses see the consequences of how unforeseen choices may lead people to take the easier wrong. This seminar offers real-life advice to prevent and detect white-collar crimes in early stages. You will also have an opportunity to network with peers from Silicon Valley

Taking the Harder Right is powerful and a unique way to educate business professionals who were raised with moral and ethical values. It is easy to be moral and ethical when there are no pressures or circumstances to compel one to make difficult choices. This seminar will focus on a theme used at West Point to always strive to “take the harder right instead of the easier wrong” and will provide ways for individuals to cope with the pressures of life that can cloud judgment. A retired FBI Special Agent who is a lawyer and trained in teaching ethics leads Taking the Harder Right. Two ex-convicts will participate as presenters, riveting the audience as they tell their stories. These “felons” are your roommate, neighbor, congregant, colleague, relative, but at some point in their career they took the “easier wrong” and altered the course of their lives forever.

This event answers questions such as:

- How can I make a difference in creating an ethical environment?
- What are the consequences of unethical behavior?
- What factors lead to unethical or even illegal actions?
- Why corporate internal controls are critical?
- What types of internal controls are necessary in deterring deviant behavior?
- How does Sarbanes-Oxley affect me?

Speaker Bios

Oliver G. Halle: Mr. Halle spent 28 years with the FBI as a special agent before retiring in August 2003. He was trained and certified by the FBI as a legal advisor and ethics instructor. His career included working organized crime in New York City and public corruption investigations for 17 years in the Atlanta division. He is a graduate of Elon College, The University of North Carolina School of Law (Juris Doctor) and New York University School of Law (Master of Laws). Oliver was a commissioned naval officer and served on the cruiser USS SPRINGFIELD. He was also an officer-in-charge of a Swift Boat in Vietnam and was awarded the Bronze Star with Combat V for meritorious action. Mr. Halle was awarded the New York City Police Department Honor Legion, one of the highest honored medals given by NYPD, for his role in the FBI/NYPD investigation and prosecution of the Columbo organized crime family.

Diann Cattani: Ms. Cattani left behind a 6 week old son and 2 young daughters to serve an 18 month federal prison sentence. She had a meritorious career as business manager, consultant/facilitator for a successful family owned boutique Human Resources consulting firm. However, she embezzled over \$400,000 from the very people who treated her as a “family” and left a trail of victims and destruction in the wake of her crime.

Ms. Cattani grew up in a conservative, religious, family oriented home where a strong sense of morals and deep values were instilled through daily example. Ms. Cattani attended Brigham Young University, where she received an athletic scholarship and BA in Business Management and Psychology.

Josh Kenyon: Mr. Kenyon served as the Chief of Staff to the commission chairman of the largest county in Georgia. He developed a professional relationship with Oliver Halle when Mr. Kenyon reported an attempted bribery on him. This case was successfully prosecuted, and Mr. Kenyon continued to provide helpful information to the FBI. Several years later the tables turned. Mr. Kenyon found himself as a defendant in a bribery scheme and was ultimately convicted. His story is riveting and compelling with a powerful surprise that he and Mr. Halle will reveal during their presentations. Mr. Kenyon received his JD degree from Pepperdine University School of Law and his BA, cum laude, from Southern Methodist University with a triple major in Spanish, History, and Ibero-American Studies. In 1988, he was named the first alternate from the State of Rhode Island in the national Harry S Truman Scholarship Program for students intending to pursue a career in public service.

COURSE PRICING:

Members: \$100 Non-members: \$125

(Lunch will not be provided)

November 20, 2008

December Luncheon Meeting *TOY DRIVE*

Help our local underprivileged families and children this holiday season—for every toy you bring to the December luncheon meeting, you'll receive one extra raffle ticket to the drawing for that day!!



Peace on Earth, Good Will Toward Men

Upcoming Speakers

A quick roundup of our upcoming speakers. More information is available on our website
www.Houstoniia.org

Date	Speaker	Topic
November 3rd (an extra free CPE credit seminar will be offered after lunch from 1:30-3:00PM)	Danny M. Goldberg, CPA, CIA, CISA, CCSA Director of SOX Compliance at Dr. Pepper Snapple Group	Luncheon: The SOFT Audit or The Integrated SOFT Audit Audit Interview Skills 1:30-3PM: Decreasing SOX Scope and Adding Value—Best Practices for Audit Documentation
December 1	Sgt. Quinn, Major Offenders Division of HPD	TBD
January 5	TBD	TBD
February 2	Patty Miller IIA Chairman of the Board	TBD
March 2	Michelle Blaine and Beatriz Maney	Foreign Corrupt Practices Act

Job Opportunities

Internal Audit Opportunities in Houston

Pyland Consulting LLC provides full-time and project professionals primarily for large companies based in Texas.

The top request from our Houston-based clients is for qualified auditors to fill openings in their Internal Audit and Internal Control Departments. On an ongoing basis, we normally have at least 30 full-time positions we are working to fill. Our current openings for financial and information technology auditors are as follows:

Industry:	Energy, Technology, Manufacturing, Construction, Services & Utilities	
Location:	Houston, Texas	
Travel:	10% to 60%	
Bonus:	Most positions have a base salary plus incentive compensation	
Positions:	Staff Auditors	Base Salary \$50,000 to \$70,000
	Senior Auditors	Base Salary \$65,000 to \$85,000
	Lead / Managers	Base Salary \$80,000 to \$115,000

The following are the most requested qualifications by our clients:

- Four-year degree in Accounting, MBA is a plus
- Public accounting experience, Big 4 is a plus
- Large public company internal audit experience
- Sarbanes-Oxley experience
- Strong communication skills
- CPA, CIA or CISA

If you are ready to improve your current situation or just want to check your value in the Houston market, we would like to review your resume and talk to you about current opportunities. Your resume will not be presented to one of our clients without your permission.

Please submit your resume to: **Jack Roberts, Director of Recruiting**, at jwrob1@sbcglobal.net. Also, please mention Houston IIA in the subject of your email.

Job Opportunities

Senior Internal Auditor

Boots & Coots International Well Control, Inc. provides a suite of integrated pressure control and related services to onshore and offshore oil and gas exploration and development companies primarily in North America, South America, North Africa, west Africa, and the Middle East. Boots & Coots is in search for a talented senior internal auditor to assist the Director of Internal Audit in establishing an in-house Internal Audit Function. This position will have high visibility and exposure to Boots & Coots operational and executive management.

Responsibilities:

This position will be responsible for all facets of the internal audit function, with primary responsibility for performing financial, operational and compliance audits and Sarbanes Oxley compliance work. This position will be based in Houston, Texas and reports to the Director of Internal Audit.

- Design, develop, direct, participate in assignments for developing/performing risk control assessments, financial audits, operational audits, SOX compliance work, process reviews and other management requested projects.
 - Assist the Director of Internal Audit in the preparation of the project's scope, performance of field work, monitoring engagement progress, maintaining quality of work, preparing audit reports and communicating findings to Management.
 - Assist Director of Internal Auditing in preparing annual audit plan, preparation of Audit Committee presentations, establishment of internal auditing policies and procedures.
- Foster collaborative relationships across all lines of management and external auditors.

Qualifications/Experience:

Education and Experience Required

4-7 years auditing/accounting experience.
CPA, CIA, or CISA a plus.
SOX experience a plus.
Ability to travel up to 30%.

Bachelors in Accounting. MBA a plus.
Public accounting experience is a plus.
Internal Auditing experience a plus
Bilingual a plus (Spanish and French)

Additional Knowledge and Abilities

- Demonstrated leadership competencies that include: self-motivation, results orientation, vision, strategic and abstract thinking, analytical, process and governance skills.
- Strong interpersonal skills.
- Ability to prioritize and coordinate team efforts and change team focus as new information becomes available or as priorities change.
- Ability to perform all facets of auditing.
- Ability to work independently and in teams.
- Excellent written and verbal communication skills, ability to handle confidential and sensitive matters. Ability to deal with all levels within the organization.
- Ability to think strategically and assist the organization and management in identifying operational efficiencies. Strong proficiency in basic PC applications (Excel, Word, PowerPoint).

Benefits include:

- Competitive compensation
- Matching 401-K Retirement Plan
- Medical, Vision, Dental, & Life Insurance

Please send resume and Cover letter to:
Email: sgarcia@boots-coots.com