

# The Houston Chapter Of The Institute of Internal Auditors

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## President's Message

### President's Message

#### The IIA Responds to the Global Financial Crisis

November 10, 2008

As the internal audit profession's guiding body, The Institute of Internal Auditors (IIA) is responding to the global financial crisis with important information for executive management, board of directors, and audit committees.

The growing need for management and oversight accountability is in the spotlight today. But those at the top cannot effectively demonstrate accountability without the input, support, and buy-in of many throughout the organization. Maintaining an ethical corporate environment and ensuring strong internal controls are a shared responsibility of all. To meet this challenge, there must be an enterprise-wide diligence toward the highest level of ethical and proficient operations, fostered by the tone at the top.

Clearly, many organizations are exemplary in modeling integrity, innovation, ethics, and accountability. Ideally, we all would aspire to emulate that model. However, in the prospect of unprecedented growth and profit, others have turned a blind eye to evidence of eroding corporate values. The Institute of Internal Auditors (IIA) is committed to fostering best business practices in all sectors, and encourages organizations to pause and consider the basics of corporate accountability and governance. One invaluable internal resource that can and should play a meaningful role is the internal audit activity.

IIA President David Richards, CIA, challenges those at the top to empower their internal auditors and heed their warnings and recommendations. View the three-minute video message at <http://www.theiia.org/guidance/global-financial-crisis/multimedia/>. The IIA also has created a special Web portal - "A World in Crisis" - for a broad range of articles, resources, and perspectives on how internal auditing can be a part of the solution to the crisis. Visit the portal at <http://www.theiia.org/guidance/global-financial-crisis/>

To comment on this video or share your perspectives on the global financial crisis, e-mail [PR@theiia.org](mailto:PR@theiia.org).

#### Board Proposes New Auditing Standards Related to the Auditor's Assessment of and Responses to Risk

Washington, DC, October 21, 2008 – The Public Company Accounting Oversight Board voted today to propose for public comment a suite of seven new auditing standards related to the auditor's assessment of and responses to risk and related conforming amendments. The proposed standards would supersede the Board's interim auditing standards related to audit risk and materiality, audit planning and supervision, consideration of internal control in an audit of financial statements, audit evidence, and performing tests of accounts and disclosures before year end. [http://pcaob.org/News\\_and\\_Events/News/2008/10-21.aspx](http://pcaob.org/News_and_Events/News/2008/10-21.aspx)

#### Wrinkles in the IFRS Roadmap

The SEC wants some of the largest U.S. companies to adopt international rules early, but limitations and uncertainty in its plan could diminish those hopes. [http://www.cfo.com/article.cfm/12625999/c\\_2984378/?f=archives](http://www.cfo.com/article.cfm/12625999/c_2984378/?f=archives)

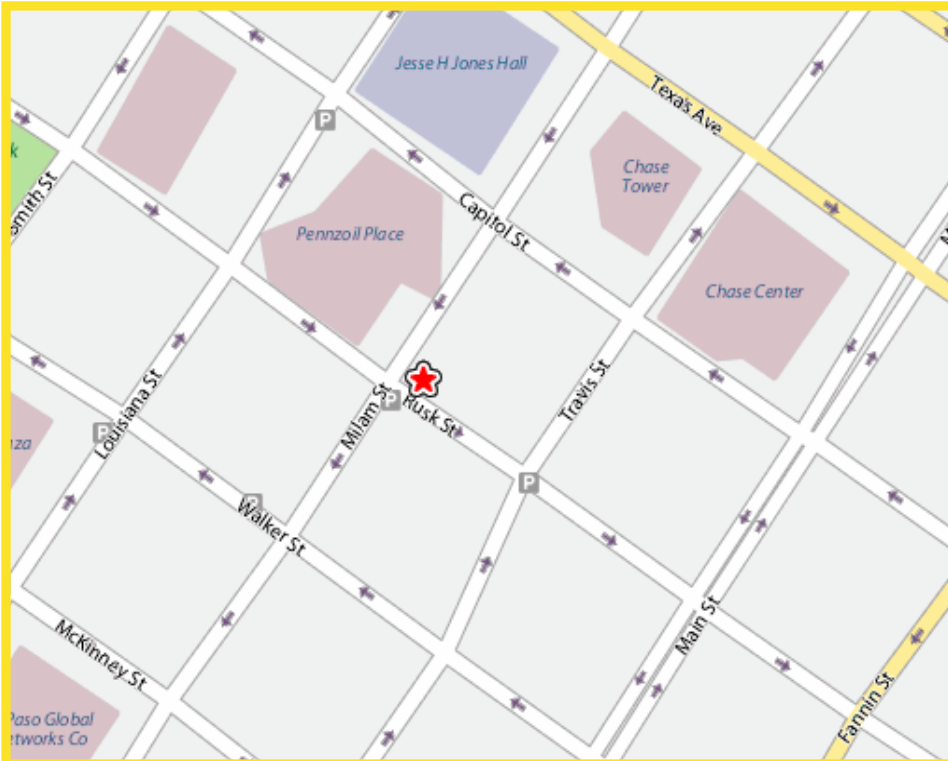
Please email me if you have any suggestions or comments on how to service our membership better.

Thank you,

Santos Monroy  
Houston IIA Chapter President  
Mobile (832) 465 – 2432  
[smonroy@sirsol.com](mailto:smonroy@sirsol.com)



## 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

**HoustonIA.ORG**  
THE HOUSTON CHAPTER OF THE INSTITUTE OF INTERNAL AUDITORS

Dear Member,

Our next monthly luncheon will be held on Monday the 1st of December. The deadline to pre-register at the discount rate is midnight on Wednesday the 26th of November. We wanted to let you know in advance since most of you will be taking off for the holidays.

Speaker: Major Offenders Division of HPD  
Topic: Investigating White Collar Crime

Click here to register: [http://www.houstoniia.org/index.php?option=com\\_events&task=view\\_detail&agid=48&year=2008&month=12&day=01&Itemid=84#](http://www.houstoniia.org/index.php?option=com_events&task=view_detail&agid=48&year=2008&month=12&day=01&Itemid=84#)

Don't forget, you need to first login in order to receive the member rate.

Please remember to donate to our TOY DRIVE. For every toy you bring you'll receive one extra raffle ticket for the door prize.

Thank you.

## 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!*

Gregory Bartay - Pearland ISD  
Vidya Byrishetty - KPMG LLP Southwest Region  
Veronica Calvillo - Litton Loan Servicing LP  
Krisit Cayce - Reliant Energy Inc  
Hao Dang  
Kelley Dupuis - Enbridge Energy Partners  
Ling Feng - GulfMark Offshore, Inc.  
Neil Gilchrist - Lyondell Basell Industries  
Luciana Gomes - KBR  
Lauren Habbaz - KPMG LLP Southwest Region  
Olukemi Harris - ExxonMobil Corporation  
Sarah Jennings - KBR  
Karen Longoria - Protiviti Inc  
Nathan Lopez - KBR  
Richard Mitchell - Helix Energy Solutions Group Inc  
Mary Moore - Reliant Energy Inc  
Jeffrey Nesheim - Harris County Auditors Office  
Lee Pham - Ion Geophysical Corporation  
Daniel Pritchett - Exterran  
Charles Puffe - Halliburton  
Saqib Sufi - Gulshan Enterprises Inc.  
Anne Thompson - Swift Energy Company  
Tonisha Thompson - Houston Independent School District  
Brenda Tiefenbrun - Deloitte & Touche Houston  
Samantha Toms - Lyondell Basell Industries  
Nagiah Zaidi - KBR

## December Luncheon Speakers

### WHITE COLLAR CRIME: INVESTIGATION VIEWPOINTS

Sgts Frank Quinn and Pete Schneider will join us for our December luncheon. They both have over 30 years experience with HPD.

Sergeant Schneider has been assigned to the Major Offenders Division for the past 20 years and is currently assigned to the FBI Property Crimes Task Force. Sgt. Quinn has worked with the Major Offenders Division for the last 11 years runs the Major Offender Career Criminal Squad, which is an undercover squad consisting of one sergeant and eight officers. They will share some of the insights that they have gained investigating white collar crime.



## "BRAVO," New CIA's and CCSA!!!

*The members listed below are newly Certified Internal Auditors or obtained Certification in Control Self -Assessment, having passed the exams during the July through September, 2008 period. Be sure to congratulate them!*

The following members are new CIAs:

Amanda Kirkham  
Nathan Quinn  
Connie Khawaja  
Jolly Jose  
Marigold Banes  
Charles Chapa  
Shahin Sarangi  
Kimberly Middleton  
Lindsay Jennings  
Mark Ganucheau  
Adegoke Okunade  
Kirk Shepherd  
Elizabeth Joji  
Cody Putnam  
Scott Thomsen  
Jenny Liu  
Gaylon Cunningham  
Michelle Lachney  
Rodolfo Laurel  
Tracey Hill  
Katrina Hendrix  
Fernando Otero

...and we have a new CCSA:

Patricia Fernandez

## Chapter Achievement Points (CAP)

Hello Chapter Members,

As of November 10th, we're at 532 CAP points. That's an improvement of 101 CAP points since October (when we had 431). We had several members make presentations on the topic of Internal Audit, which accounted for 18 CAP points in October. We also received big CAP points for the Fraud Seminar, but it was held after our deadline for submitting the CAP report. Keep those points coming! We need 1560 CAP points for gold (we're 34% 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](mailto: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 President Santos to see other opportunities for involvement.

Chapter

Thanks for your help,

Santos Monroy  
Chapter President, '08-09  
[smonroy@sirsol.com](mailto:smonroy@sirsol.com)



## New "Risk Perception" Survey



The Houston Chapter of the Institute of Internal Auditors is inviting you to participate in a survey that would be conducted for our research project on Risk Perception.

It will take approximately 10 minutes to complete the survey. The deadline for responding to the survey is December 20, 2008. The survey is at:

<http://www.questionpro.com/akira/TakeSurvey?id=1086798>



Everyone who completes the survey and submits their email address at the end of the survey will be placed in a drawing for one of five, \$25 gift certificates.

The winner will be announced at the January 2009 IIA Meeting. You do not have to be present to win.

*Your survey responses will be strictly confidential and data from this research will be reported only in the aggregate. If you have questions at any time about the survey or the procedures, you may contact the research committee at [research@houstoniia.org](mailto:research@houstoniia.org).*

Congratulations - IIA Survey Gift Card Winners!



Mohammad Asif – Goodman Manufacturing

Nathan Kim – Methodist Hospital

Sara Vojta - Protiviti

Congrats to the three of you for being our winners in the drawing for the three \$50 American Express Gift Cards!!!

You three were part of 250 people who participated in the IIA Houston Chapter 2008 Survey of our membership. Your names were randomly drawn during our IIA November luncheon. We appreciate you participating in the survey and are pleased to award these cards to you.

If you haven't already, please provide Dan Ramey ([dramey@pkftexas.com](mailto:dramey@pkftexas.com)) with your mailing address and your gift cards will be on the way!

# The Houston Chapter Of The Institute of Internal Auditors

## SPOTLIGHT ON: Paul Cluff

**Paul Cluff is a member of the IIA Houston Chapter and currently serves as Senior Manager of Internal Controls at BMC Software, Inc.**

*Q: Where do you currently work?*

A: I am currently working in the Assurance Department at BMC Software, Inc.

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

A: I am currently the Senior Manager of Internal Controls.

*Q: What do you like most about your job?*

A: I enjoy working with entity personnel to identify areas for improvement as well as assist with the improvement of business processes.

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

A: I have been a member of the IIA for seven years.

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

A: The topics presented by the speakers are what I get most out of the luncheons.

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

A: My current topics of interest are Fraud and IFRS. I would also like to see a topic on the Integration of Internal Audit and Internal Controls instead of the consideration of them as separate functions.

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

A: I would like to see more consulting versus auditing in this profession. My biggest change or addition to the profession, however, would be to create an overall database for the capturing of Operational and SOX aspects of Internal Audit/Internal Controls. Currently, with the SOX databases, things considered operational and not key for SOX are deleted. I believe some of these items, if not all, for operational are equally as important as SOX. I proposed that we create a shared database to house all operations and business processes and simply identify those that are considered key.

*Q: What has been the biggest challenge that you have faced in your profession and how were you able to overcome that challenge?*

A: My biggest challenge has always been work/life balance. With a family of 8, balancing work hours and traveling for my profession is sometimes hard to come by. I would also say that another challenge is staying above politics. I am a firm believer that the gain of merit is on the basis of work performance alone and that is what I strive to do.

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

A: In order to be successful, you must work hard, deliver a great end product, and have integrity. I often encourage persons to "Create work for yourself" as a way showing that you will go above and beyond to obtain an end result. In other words, being proactive and innovation are also the keys to success in this profession.

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

A: Eventually, I see SOX becoming a key player in the critical decision making for business processes at the beginning stages. Therefore, there will be a more critical review of Internal Audit vs. Internal Controls. Controls are in place to improve processes and thus should become a part of the everyday job responsibilities and tasks in order to reach the goals of an organization.

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

A: I am looking forward to simply "Taking off my SOX!" I mean socks, of course. I plan to relax with my family, exercise, continue to play sports, and coach my kids. I will also continue to carry my hat as DJ Pablo, which is one of my other hobbies.

## 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**

**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](http://www.Houstoniia.org)

<b>Date</b>	<b>Speaker</b>	<b>Topic</b>
<b>December 1</b>	Sgt. Quinn, Major Offenders Division of HPD	TBD
<b>January 12</b>	Santos Monroy, IIA Houston Chapter President	Continuous Auditing
<b>February 2</b>	Patty Miller IIA Chairman of the Board	TBD
<b>March 2</b>	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](mailto:jwrob1@sbcglobal.net).**

Also, please mention Houston IIA in the subject of your email.

## Job Opportunities



### **Audit Manager/Senior Manager – 2 positions**

Targa Resources, Inc. (Targa) is a leading provider of midstream natural gas and NGL services in the United States. We own and operate approximately 12,090 miles of natural gas and NGL pipelines, with natural gas gathering systems covering approximately 14,400 square miles and 21 natural gas processing plants located primarily in the Permian Basin, Texas, New Mexico and Louisiana regions. Targa is currently seeking an Audit Manager/Senior Manager for the Corporate Office, Houston, TX. (There are two positions available.)

### **Job Duties / Responsibilities:**

Reporting to the SENIOR DIRECTOR – FINANCIAL PROJECTS AND CONTROLS. – The position will evaluate financial data, internal controls, department procedures, and compliance with regulatory rules and company policies. The outcomes of these evaluations will be communicated through written and verbal reports. The manager is responsible for performing specific audit steps; preparing audit workpapers and evaluating the work of others at the request of the Sr Director.

Specific duties for this Position include:

- **OVERALL** - Execute audits, the results of which will help the business manage strategic risks, improve or develop efficient and effective business processes, identify and communicate best practices, foster appropriate control levels for business and financial risks, and develop detailed audit programs to monitor internal controls and provide reports, as required, by various regulatory bodies.
- **PLANNING** – Assist in performing internal risk assessments. Develop and execute audit plans and perform duties necessary to achieve the internal audit objectives and scope.
- **COMPLIANCE CORP STANDARDS** - Evaluate organizational departments periodically to determine if they are performing in compliance with management's policies, procedures, goals and objectives
- **INTERNAL CONTROLS** - Evaluate the organization's system of internal control to ensure that it is functioning as planned and that it is updated as necessary to meet changes in operating conditions.
- **REGULATORY COMPLIANCE** - Review existing, as well as new, projects, services and procedures to ensure compliance with regulatory authority. Suggest policy and procedure changes or review as appropriate.
- **ASSET SAFEGUARDS** - Verify the existence of company assets and ensure that proper safeguards are maintained to protect them from losses of any kind.
- **FINANCIAL ANALYSIS** - Review the reliability and integrity of financial information and the means used to identify, measure, classify and report such information.
- **REMEDIES FOLLOW UP** - Review and record plans and actions taken by management to correct conditions reported by audit findings.
- **AUDIT WORKPAPERS** - Prepare and maintain audit files by documenting the audit procedures used and each of the audit reports completed, including reports completed by those under supervision.
- **FRAUD INVESTIGATIONS** – Assist management with the appropriate response to reported irregularities by utilizing professional judgment and the appropriate tools and techniques.
- **INDUSTRY TRENDS/BENCHMARKING/BEST PRACTICES** – Advise Sr Director - Financial Projects and Controls on environmental factors, industry directions and external benchmarking best practices.

-continued on page following-

## Job Opportunities

### Targa Resources, continued

- EXTERNAL CONSULTING RESOURCES – Assist in managing the relationships of all external consulting resources that are engaged to assist in the performance of all internal control and auditing activities.
- OTHER DUTIES - as assigned by the Sr Director and determined on own initiative.

#### Minimum Essential Qualifications:

- Bachelors in Accounting or Finance
- CPA, CIA or MBA
- 7+ years business experience, including auditing and/or consulting experience – preferably within midstream oil and gas
- 5+ years internal audit experience preparing executive summaries, audit reports, audit programs and audit observations
- Experience auditing contractors and vendors
- SOX experience - Knowledge of SOX 404, SOX 302
- Must possess and demonstrate knowledge in the following: financial skills, analytical skills, operations research, process improvement, reporting research results and managing processes
- Excellent written and verbal communication skills
- Excellent computer skills to include Microsoft Office Suite
- Ability to travel (up to 20%)

#### Preferred Qualifications:

- Public accounting audit experience
- Certified Fraud Examiner and actual fraud audit experience
- Peoplesoft and other IT systems audit experience
- Gas plant/pipeline audit or accounting experience

**Targa offers a very competitive compensation and benefits package.**

**If you are interested and qualified and would like to submit your resume, please send your resume to [recruiting@targaresources.com](mailto:recruiting@targaresources.com) . Please include on the subject line: Audit Manager/Senior Manager / 2008-D059**  
**Targa Resources, Inc. is an Equal Opportunity Employer**

**We thank all respondents for their interest in Targa. However, only those selected for an interview will be contacted.**

**No Phone calls please. Placement agencies or recruiters need not respond.**

## Job Opportunities

**Date Posted: November 4, 2008**

**Position: Assistant Controller, Internal Control & Compliance**

**Reference: Exploration & Production Company**

**Salary: \$150,000+**

Our Client is an independent, midcap, oil and gas company engaged in the activities of acquiring, developing, exploring and producing oil and gas properties primarily in the United States. With over 750 employees, the company provides a cordial and profession work environment.

### **SCOPE AND RESPONSIBILITIES:**

**The Assistant Controller, Internal Control & Compliance is the top internal control and compliance job** and is responsible for planning, organizing and supervising the operation of the internal audit department. The internal audit team currently consists of 3 professionals.

Responsibilities include ensuring the Company remains in compliance with the Sarbanes-Oxley Act of 2002 and staying abreast of any new developments in the area of corporate compliance as well as internal audits of management, operations and financial controls and compliance with company procedures and policies.

Auditing projects include reviews of production, exploration, general and administrative contracts, on-site construction projects, marketing, and other departments, subsidiaries and divisions. Other types of audits managed and performed include EDP audits, joint venture audits of outside operated properties, security, fraud, environmental and vendor audits.

The Assistant Controller, Internal Control & Compliance also identifies and appraises high risk areas of audit interest and assigns specific tasks and goals to internal audit staff as well as external auditors to ensure overall, company-wide, effective internal audit efforts and controls.

This role is also responsible for properly managing both internal and external auditors and their resources so that the audit work they perform conforms to the Standards for the Professional Practice of Internal Auditing.

### **EXPERIENCE REQUIRED:**

The ideal candidate will have a minimum of progressive responsibility in internal audit and accounting. She/he will have a proven record of effectively implementing the following types of audits: financial, operational, management, environmental, fraud, and systems.

The successful candidate will have a minimum of 2-3 years of supervisory responsibility within an internal audit department and experience guiding junior staff through business issues and career development. Work experience in an **exploration & production company**, other energy sector companies, or an accounting firm is preferred.

### **EDUCATION:**

Bachelor's degree in Accounting with CPA or CIA certificate supplemented by continued knowledge of the accounting and auditing profession.

### **COMPENSATION:**

Compensation will include an attractive base salary, benefits and participation in both short- and long-term bonus programs.

**Applicants must be legally authorized to work in the United States on a permanent basis without visa sponsorship**

**(U.S. citizen, U.S. Permanent Resident).**

**Please send resume and cover letter to:**

**Toby Haberkorn**

[thaberkorn@dhrinternational.com](mailto:thaberkorn@dhrinternational.com)