Does your organization use a rotation program to staff their audit shop? What are the organizational ramifications for such a program? Who benefits from rotating audit staff members and why? To highlight a growing trend in internal audit, The IIA’s December issue of Internal Auditor analyzed the pros and cons of a rotational staffing model by examining rotational audit groups such as Home Depot and General Electric (GE).

According to the article, nearly three-quarters of Fortune 500 companies rotate their auditors to some extent and one in eight is fully rotational. The trend is undeniable but what are the benefits of rotating employees through the audit department? The primary and most obvious objective of a rotational audit program is to develop future leaders who are polished, control conscious and business savvy. Today’s organizations are looking for the “cream of the crop” to fuel their rotation programs and, consequently, their companies. Furthermore, as noted by Anita Helpert, Home Depot director of global IT audit, “this kind of program brings in fresh ideas and fresh perspectives from the business.” Once onboard, recruits will periodically rotate to a new area of the business to gain exposure to the company as a whole, often learning to audit on the job. Once completing their rotations, most programs offer auditors the option to continue rotating in audit or accept a position in the business within the company. However, this fast track to senior management does not come easily, as noted by Brian Worrell, CAE at GE. Worrell conceded that “auditors do have to make personal sacrifices for such significant career acceleration,” and added “that’s why it’s not for everyone.”

While many companies are moving towards a rotational model, CAEs must remain conscious of the risks involved with such a program. Jeff Gibbs, V.P. of internal audit at Biogen Idec, pointed out that it is difficult for organizations to retain auditors long enough to get a reasonable return for the investment of their training. Furthermore, Gibbs warned that this type of audit shop could lose sight of the governance role it serves in the organization. A rotational audit staff presents challenges to not only the organization but also the audit shop itself. The article notes that rotation programs can foster a divide within the audit shop between rotating auditors and “career auditors” who may feel slighted by the notion that rotating auditors are in training for senior management roles.

What do you think the about the benefits and risks of a rotational audit staff? The Monthly Reporter wants to hear about your thoughts and experiences with such a program. Select responses will be published in the subsequent issues of the Monthly Reporter. Please send responses to Newsletter@DetroitIia.org. Click here for the complete article in the December edition of Internal Auditor.
Dear Colleagues,

I hope all of you enjoyed time with your families and friends during the Thanksgiving holiday. It is always nice to take some time for ourselves and recharge our batteries. I also would like to convey how thankful I am to be part of this great chapter and for all of you, our members, who continue to make our chapter a success on every level.

It is inspiring that despite the economic conditions, our chapter continues to sustain members and our monthly meetings are well attended. At our events, I enjoy our conversations and the enthusiasm you have all demonstrated when offering suggestions for improvement. It is wonderful to see how passionate everyone is about our success. Our chapter also is home to some of the most dedicated volunteers which is routinely demonstrated during meetings, events, seminars and within the community. Our recent collaboration with the Junior Achievement Program was no exception. We were able to compile two teams of volunteers to assist young members of our community with navigating their way through the finer points of budgeting…a valuable life skill. Thanks to all who participated for representing our Chapter so well.

Our December meeting which was facilitated with ISACA was a tremendous success. Despite the weather, we had great attendance. Our pre-dinner speakers Ken Askelson and John Vadalabene explored various information technology fraud risks and scenarios and highlighted key elements that should be address in performing a fraud risk assessment. They also expanded our understanding of data analysis strategies that can be used by internal auditors to detect fraud. After dinner, we all listened intently to Sajay Rai who educated us on the benefits and pitfalls of social networks and requisite governance mechanisms that can be employed to mitigate risks. His presentation was informative as well as an eye-opening experience.

During these challenging times, IIA members who are unemployed due to the current economic environment and are actively seeking employment may apply to The IIA Bridge Membership Program. The program allows a one-time, one-year complimentary individual membership and online access to the Internal Auditor Magazine. You can contact International for the application. During these most challenging times, we can appreciate even greater the value of our IIA membership as we enjoy low cost alternatives to obtaining CPE credits via our monthly meetings and the Annual Spring Conference.

The 12th Annual Spring Conference is co-sponsored with the ISACA Detroit Chapter and scheduled for March 7 – 9. The program tracks are rich with relevant topics at a very affordable price and can be viewed on our website at [www.detroitia.org](http://www.detroitia.org).

In closing, I wish all of you the very best this Holiday Season. I look forward to seeing you all in the New Year at the January chapter meeting which will be held jointly with the IMA. Happy Holidays Detroit Chapter!

Sincerely,

Tanya M. Cooper, CPA, CIA
President, Detroit Chapter IIA

ATTENTION MEMBERS!

The Membership Committee is asking all Detroit members to notify the Chapter of changes or career milestones they want recognized such as contact information changes, professional certification achievements, CAP contributions, and other career milestones. A Membership Update Form is available on the Detroit Chapter’s website at the following address: [http://www.detroitia.org/Member_Update.htm](http://www.detroitia.org/Member_Update.htm)

Please fill in your updated information and click submit. The form only needs to be submitted when changes occur and will be made available at monthly Detroit Chapter meetings.

It is also important to update your profile with IIA Global. This can be done by logging on at [www.theiia.org](http://www.theiia.org) and clicking Update Your Profile.
CHAPTER EVENTS

UPCOMING IIA EVENTS:

- **Houston Seminars**
  February 15-18, 2011
  Houston, TX
- **Orlando Seminars**
  Feb. 28 - Mar. 3, 2011
  Orlando, FL
- **2011 General Audit Management Conference**
  March 14 - 16, 2011
  Las Vegas, NV
- **Las Vegas Seminars**
  March 21 - 24, 2011
  Las Vegas, NV
- **2011 Gaming Conference**
  April 4 - 6, 2011
  Las Vegas, NV

WEB-BASED TRAINING:

- **Establishing Accountability and Transparency Through Performance Auditing**
  December 9, 2010
- **Enterprise Risk Management (ERM): An Introduction**
  December 13, 15 and 17, 2010
- **Operational Auditing: Advanced**
  December 13, 15 and 17, 2010
- **Optimizing Value From Your Organization’s Business Relationships: Trust, but Verify**
  December 16, 2010

For event and registration details, click the links above or visit [http://www.theiia.org/iia-training/](http://www.theiia.org/iia-training/) for all IIA sponsored training events.

DECEMBER DETROIT CHAPTER MEETING
DECEMBER 14, 2010 - 4:00 PM TO 7:30 PM

Session attendees gained an understanding of Internal Auditors role in fraud risk assessments as prescribed by The IIA. The presenters explored various IT fraud risks and scenarios, and discuss key elements that should be addressed during a fraud risk assessment. An IT risk assessment tool was shared which was used by Internal Auditors to assist their organization in completing a comprehensive risk assessment. In addition, the session sought to expand your understanding of data analysis strategies used by internal auditors to detect fraud and provide attendees with an idea of how GM uses data analytics within the Audit Services group.

John Vadadabene, CIA, CISA, CLP, PMP, is currently Manager of the Data Analysis Group within General Motors Audit Services and is currently working to promote the use of data analytics as a competitive advantage for GM. He has over 10 years with GM and has held a variety of positions ranging from Systems Development Manager to Business Audit Manager. John also has over 15 years of experience in the areas of Accounting, Information Technology, Internal Audit, and Consulting within the Department of Defense, public accounting firms, and Fortune 500 companies. John served on the Detroit Chapter IIA Board of Governors from 2005 – 2007.

Sajay Rai has more than 30 years of experience in information technology, specializing in IT strategy, ERP, information security, business continuity, privacy, IT audit and information risk. Mr. Rai is the Founder and CEO of Securely Yours LLC, which is focused on delivering innovative solutions through delivery channels like Software-as-a-Service, Managed Services and traditional IT consulting.

Ken Askelson, CPA, CITP, CIA, recently retired after a successful career with JCPenney. During his career, he held various positions of increased responsibilities, most recently in charge of IT audit activities and staff responsible for auditing and monitoring IT infrastructure and the Company’s privacy programs. Professionally, he serves on the Advanced Technology Committee for the Institute of Internal Auditors (IIA). Ken served on several committees for the American Institute of Certified Public Accountants (AICPA).

JANUARY DETROIT CHAPTER MEETING
JANUARY 11, 2010 - 4:00 PM TO 7:30 PM

The January meeting will take place at the VistaTech Center at Schoolcraft College in Livonia, MI. Directions to the Conference Center can be found [here](http://www.theiia.org/iia-training/) and at the [Chapter Website](http://www.theiia.org/iia-training/). To register, please click the following link [October Chapter Meeting Registration](http://www.theiia.org/iia-training/) or for group registration, please contact the Chapter Administrator at 1-866-895-1851 or at [ChapterAdmin@detroitiia.org](mailto:ChapterAdmin@detroitiia.org).

Scot R. Lund, President and CEO of Genesis Turnaround, will provide an understanding of Turnaround Management and how to approach it effectively. The presentation will also provide information and real-life examples of financial and other challenges that companies face. Duane Marshall will lead a discussion on the Entrepreneurial Operating System ™ or EOS, which is a comprehensive system that strengthens the 6 Key Components of your business. Attendees will walk away focused, clear on priorities and issues, healthier as a leadership team, and using tools that help them gain more traction. Don’t let the company run you - get a grip on your business.

*Cost for Chapter Meetings: $45 Members¹; $45 Non-Members; $20 Retirees & $10 Students. ¹Members who register before January 6, 2010, can take advantage of a reduced price of $35.

An Annual Calendar of Chapter Events can be viewed at the following link: [http://www.detroitiia.org/Events.htm](http://www.detroitiia.org/Events.htm)
MEMBER RECOGNITION

The Detroit Chapter IIA would like to welcome the following new members:

- Michael N. Alamat
- Ramziddin Berdiev
- Jooyun Cha
- Brittany Colwell
- Theresa Couch
- Erin Crandall
- Brenda Denlinger
- Jay Denton
- Chaitree Doshi
- Andrew Eliason
- Endia Evans
- Kristin Fournier
- Jeffrey Genna
- Chad Heiden
- Christina Hoover
- Nick Huggins
- Joshua Ivan
- Paul Jones
- Mohammad Khan
- Kari L’Esperance
- Hyun Lee
- Yan Lei
- David LePage
- Gerta Ligori
- Amanda Lisk
- William Long
- LindseyLuckey
- Gentian Mataraj
- Angela Montgomery
- Eric Napier
- Leslie Nasri
- Anika Powers-Echols
- Jessica Robledo
- Barbara Ross
- Vince Schira
- Rebecca Slack
- Gregg Summers
- Mary Tye
- Amy Weiler
- Jason Wilburn
- Ji Li Yet
- Megan Zgela

The Detroit Chapter IIA would like to congratulate the following members on their recent certification:

**Certified Internal Auditors (CIAs):**
- Elizabeth Baron
- Jacqueline Chen
- Renee Dorry
- Jun Liu
- Jennifer Turner

**Certification in Control Self-Assessment (CCSA):**
- Jacqueline Chen
- Asel Solovyeva

Help the Chapter Earn CAP Points!

Please let us know by sending information regarding your recent internal auditing articles, speaking engagements, summer interns, or any other CAP activities to CAP Committee Chair Marty Wood. Marty can be reached at martin.wood@flintgrp.com or at 734-233-7849.
EDITORIAL

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Andy Rosick, CIA
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Central Region, District 2 Rep.
Duane Borkowski, MBA, CIA

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ChapterAdmin@detroitiia.org

ANNOUNCEMENTS

SAVE THE DATES
Watch for these Events Throughout the Chapter Year

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<th>Date</th>
<th>Event</th>
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<tr>
<td>1/11/11</td>
<td>Chapter Meeting w/ IMA: Financial &amp; Control Opportunities in the Company Turnaround Process</td>
<td>VistaTech Center</td>
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<td>2/08/11</td>
<td>Chapter Meeting: Continuous Auditing SAP Auditing</td>
<td>VistaTech Center</td>
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<td>3/7 - 3/9/11</td>
<td>Annual Spring Conference</td>
<td>U of M Dearborn</td>
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<tr>
<td>4/12/11</td>
<td>Chapter Meeting: Quality Assurance Review QAR Tips - Panel Discussion</td>
<td>VistaTech Center</td>
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<tr>
<td>5/10/11</td>
<td>Chapter Meeting: Ethics</td>
<td>VistaTech Center</td>
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IIA - ISACA ANNUAL SPRING CONFERENCE
Monday - Wednesday, March 7-9, 2011

At our February 2011 chapter meeting, a drawing will be held for free attendance at the IIA / ISACA Spring Conference. In order to enter the drawing, you simply need to attend our monthly chapter member meetings. Each time you attend a meeting from September 2010 through February 2011 you will automatically be entered in the drawing. That means that if you attend all meetings from September through February, you will be entered in the drawing a total of six times. The courses for this year’s conference have already been determined and are listed below. Good luck and see you at the chapter meetings! Watch your e-mail for news about the 2011 spring conference.

<table>
<thead>
<tr>
<th>Track</th>
<th>Course Name</th>
<th>Days</th>
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<td>A-1</td>
<td>Cloud Computing - Critical Security and Control Issues</td>
<td>Monday</td>
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<td>A-2</td>
<td>Auditing and Securing Cloud-Based Services</td>
<td>Tues.-Weds.</td>
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<td>B-1</td>
<td>Managing Audits as a Project</td>
<td>Monday</td>
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<td>B-2</td>
<td>IT Controls Required to Enforce Data Privacy and Prevent Fraud</td>
<td>Tues.-Weds.</td>
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<tr>
<td>C-1</td>
<td>Network Vulnerability Assessment: Step-by-Step Approach</td>
<td>Monday</td>
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<tr>
<td>C-2</td>
<td>Audit &amp; Security of SQL Server 2008</td>
<td>Tues.-Weds.</td>
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<tr>
<td>D-1</td>
<td>Essential Presentation Skills</td>
<td>Monday</td>
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<tr>
<td>D-2</td>
<td>Evaluating IT Security Management</td>
<td>Tues.-Weds.</td>
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<td>E</td>
<td>Fraud</td>
<td>Mon.-Weds.</td>
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<td>F</td>
<td>ACL Techniques (Intermediate to Advanced)</td>
<td>Mon.-Weds.</td>
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<td>G</td>
<td>Internal Audit University</td>
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<td>H</td>
<td>IFRS Boot Camp</td>
<td>Mon.-Weds.</td>
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<tr>
<td>I</td>
<td>Continuous Auditing: Making the Change</td>
<td>Mon.-Weds.</td>
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January Chapter Meeting Dinner Menu:
Chef’s Choice
MEETING MINUTES

Tuesday, November 9, 2010

As noted in Chapter President Cooper’s letter on Page 2, the annual shared meeting with the Detroit Chapters of the IIA and ISACA was a resounding success with excellent representation by both groups. The meeting, held at the University of Michigan Dearborn Fairlane Center, featured insightful presentations on International Financial Reporting Standards (IFRS) from Bartho van Otterdyk - Jefferson Wells International Finance Operations Director, and William Pichan - Resources Global Professionals Senior Director of Client Service.

Bill Pichan began the evening with an introduction of the convergence to IFRS. Bill explained that while complete adoption of IFRS is likely many years away, U.S. companies are gearing for the near term convergence of FASB and IASB, which is currently scheduled for completion in 2011. Bill discussed several key topics being currently addressed for the convergence including lease accounting, revenue recognition, financial instruments and fair value measurement. As expected with such a complex and drastic change, Bill noted that there are significant challenges and delays associated with the convergence effort, amidst continuous updates from the SEC, IASB and FASB.

After dinner, Bartho van Otterdyk provided “lessons learned” based on his experiences with IFRS implementation. Bartho stressed that companies looking to implement IFRS must be prepared for a major project involving every aspect of the organization. He noted convergence to IFRS is not only a task for the accounting and financial reporting departments but requires significant involvement from IT and other company disciplines to be successful. Furthermore, he emphasized that senior management must take ownership and provide support for the project to be accepted by the entire organization.
This joyous month of December, The Monthly Reporter had the privilege of learning about Nikhil Kothari, CA, CPA, CISA and the greatest benefits he has experienced from IIA membership. Nikhil is currently the lead member of the National Association of Insurance Commissioners Model Audit Rule (NAIC MAR) team at Blue Cross Blue Shield (BCBS) of Michigan, which he describes as the Sarbanes-Oxley for insurers. He has a vast array of audit, internal control, and finance experience. Additionally, he has served on the Board of Governors of the Detroit Chapter of ISACA and remains active with local charitable organizations. Read on to learn more about this unique and driven chapter member:

Monthly Reporter (MR): How long have you been a member of the IIA and what prompted you to join?
Nikhil Kothari (NK): I've been an IIA member ever since I arrived from Canada 12 years ago. At that time, I was employed by a company that encouraged participation and training opportunities offered by the local Detroit Chapter of the IIA. I have been a regular attendee and interested in chapter activities ever since.

MR: What do you view as the greatest benefits of IIA membership?
NK: I find a lot of camaraderie and enjoyable networking opportunities at the chapter meetings. These networking opportunities and personal connections allowed me to quickly move to the next opportunity during the economic downturns. For example, Suzanne McCormick (previous chapter administrator) was of tremendous help when two of my previous employers were forced to do large-scale headcount reductions during the early 2000’s recession. Also, there have been people I met years ago who left great impressions. For example, Michelle Samuels (current General Auditor at BCBSM) was a speaker at an IIA meeting. An informal chat with her at the IIA event influenced my decision to join BCBSM five years later!

I find the Detroit chapter to be very active, diverse, and timely. The chapter events, seminars and conferences provide excellent opportunities to refresh my knowledge and learn the latest professional trends in a cost-effective and convenient manner. Additionally, the national organization offers very useful publications, research materials and webinars to the members and I regularly make use of them.

MR: What do you enjoy most about the audit function?
NK: I enjoy the exposure to the whole company that audit provides as well as the opportunity to use the breadth and depth of the big picture to assist others in operating more efficiently.

MR: What are your hobbies in your spare time?
NK: In my spare time, I help my wife with her business, help oversee a local charitable organization as a trustee and treasurer, enjoy intellectually stimulating readings, network and socialize, travel and seek new experiences when possible.

Look Who’s Hiring!
Detroit Chapter Website Job Posting Board

The Detroit Chapter IIA is now listing open, audit-related positions in the surrounding Metro Detroit area on the Job Posting Board section of the Chapter Website. Bookmark the website for exciting new positions!

The Chapter is currently developing a process and pricing structure to accept posting applications from businesses looking to post their open positions on our website and in the newsletter. Once the process has been approved, it will be communicated on the Chapter Website and in the newsletter. Stay tuned for more information!