

# Session Descriptions

## **GS 1 “When Culture is the Culprit”**

**Richard Chambers**, *President and CEO of The IIA*

Internal auditors face many extraordinary challenges in serving their organizations. Bringing a systemic and disciplined approach to enhancing risk management, controls, and governance is challenging enough in organizations with a strong tone at the top and healthy enterprise cultures. However, when the culture is toxic, the work of internal audit becomes much more complex. Richard will explore the attributes of strong organizational cultures, the role of internal audit in fostering a healthy ethical climate, internal audit’s role in assessing culture, and the dilemmas facing internal audit in unhealthy cultures.

## **CS1-1 “Women in Internal Auditing: Perspectives from the Field”**

**Dr. Margaret Christ**, *Associate Professor of Accounting, and the Deloitte Faculty Fellow in the Terry College of Business, University of Georgia*

The IIA’s 2015 Common Body of Knowledge (CBOK) Practitioner Survey reveals that women make up a larger portion of the internal audit professionals around the world; however, women face considerable challenges in navigating their internal audit career. In this session we’ll discuss findings from the CBOK study on the role of women in internal audit, including the challenges female auditors face and the strengths they bring to the profession. Our discussion will include observations and career advice gathered from interviews with successful female internal auditors from around the world. This session will provide interesting insights for all internal auditors to enhance a diverse internal audit department. Key findings from the CBOK study to be discussed include:

- 30% of CAEs from public companies are female;
- Globally, there are significant gender gaps;
- Women generally self-assess their core internal audit competencies lower than men;
- Female internal auditors are generally younger than their male counterparts; and
- Women bring key skills which can strengthen an internal audit department.

## **CS1-2 “Beyond Segregation of Duties: The Increasing Burden of Proof”**

**Vijan Patel**, *Associate Director, Protiviti*

Recent PCAOB inspections have put pressure to dramatically increase focus on access controls and mitigating controls to contain fraud and manipulation risk. This in turn has raised the bar for companies to evidence the presence of proper segmentation of job duties, system roles, and precise detective controls. Under this higher level of scrutiny, real world considerations such as small sites, job backups, trusted super users, and the complexity of

security privileges is forcing an increase in time and expense evaluating the residual risk and negotiating conclusions. In this session, participants will learn:

- New approaches companies are taking to rationalize segregation of duties risks;
- Methods to automate risk monitoring; and
- Tactics to quantify true abuse of access.

### **CS1-3 “Social Engineering: Tales from a Non-Traditional IT Audit”**

**Paul Douglas**, *Associate Director, Postlethwaite & Netterville*

**Kim Hagara**, *UTMB Health, Vice President for Audit Services*

The speakers will share a valuable non-traditional IT audit conducted by the University of Texas Medical Branch (UTMB) Internal Audit department. They will discuss how UTMB conducted a series of social engineering techniques and assessments to understand risks related to employees, and negligent insiders. The results of this non-traditional IT audit proved to be very valuable in not only understanding susceptibility to cyber-attacks but also provided a new perspective as to the effectiveness of general IT controls and physical security controls. This presentation will cover the following areas:

- The value of having Internal Audit orchestrate a penetration test;
- Understanding negligent human threat vectors and vulnerabilities with employees;
- Tips and techniques for how Internal Audit can approach Social Engineering; and
- Internal Audit as a trusted advisor for cybersecurity initiatives.

### **CS1-4 “Transforming a Team – Going from Worst to First”**

**Liz Meyers**, *CEO, Focus on Risk Enterprises, LLC*

Liz shares her experience of transforming her team from one of the worst in the department and company to one of the best based on surveys and feedback from staff, peers and executives. In this presentation, she will share how to:

- Identify the issues that are encumbering your team;
- Implement solutions to those issues;
- Engage your team to be high performers; and
- Prepare for constant challenges faced by leaders building an exceptional team.

### **CS1-5 “Unconscious Bias in the Workplace: How Hidden Biases May Affect Your Decisions”**

**Katrina Hendrix**, *Internal Audit Management*

What is unconscious bias and why does it exist? We all have hidden biases, so it is important to identify yours and learn what it means. We will do some interactive activities so you can begin to identify these in yourself. This session will explain:

- Types of biases and real life examples as well as studies on hidden bias;
- How our hidden biases can affect our decision making (hiring and promotion decisions, who we ask to do special projects, who we put on teams, how we treat people in the office including auditees); and
- What we can do to prevent our biases from affecting our business decisions - awareness (individual and company), education and create structures.

## **CS2-1 “Compliance Transformation”**

**Chris McDonald**, *Managing Director, KPMG LLP*

**Lucie Wuescher**, *Managing Director, KPMG LLP*

Constant change may be the new normal, but it brings with it the challenge of reassessing and retooling the compliance environment. Boards of Directors are asking:

- How do we know we are complying with all the rules and regulations?
- How do we ensure we have a consistent compliance culture and framework across our enterprise?
- How can we better integrate compliance across our people, processes and technology in all Three Lines of Defense?
- How effective are our internal systems in holistically supervising our business compliance efforts?

For some organizations, compliance transformation will describe the continual evolution and alignment of existing activities with their internal risk profile and tolerance, culture, strategic and financial objectives, and business, operating, and functional and human capital models. For others, it may represent a step-change, with markedly different “before” and “after” states. The presenters will use real examples to show how Internal Audit can play an important role in transforming these compliance efforts.

## **CS2-2 “Diamond in the Rough: Maximizing Synergies of Global Governance and Investigation”**

**Dawn Williford**, *Partner, BDO Risk Advisory Services*

**Jesse Daves**, *Consulting Managing Director, BDO Global Forensics*

This story has it all: Diamond necklaces, excessive entertainment, mislabeled products and an unsuspecting home office. Through a real-life case study of a sparkling example of process and control failures, Dawn and Jesse will share how they worked with a global manufacturer that was determined to get to the truth and make the changes necessary to save the business. Cultural differences and unethical behavior created a toxic environment that had ripple effects throughout the entire global organization.

The speakers will discuss their real-life approach to uncovering systematic failures and corruption, and lessons learned that can help auditors identify these issues at their own

organizations, get to the root of the problem, shine a light on how far it can go, and implement new organizational changes and controls to move from illicit diamond gifts to a diamond standard in governance. Participants will:

- Better understand risk factors of conducting business globally, specifically as it relates to doing business in developing countries;
- Gain an appreciation for cultural issues and lack of home office oversight that contributed to control failures, business practices that did not align with the board and management's expectations, and a sharp decline in product quality, all of which led to a deterioration in market share and customer base; and
- Know how to recognize triggers in their organization and audit techniques to uncover the depth and breadth of these issues; and
- Learn about leadership, processes and controls changes that can be used to correct behavior and drive towards a healthy organization that is aligned with the values, laws and expectations of the home office.

### **CS2-3 “Working with What You Have: Transitioning SharePoint into an Audit Management System”**

**Wendy Lewis Armstrong**, *Director of Internal Audit, Noble Energy*

Finding the right tool to monitor, track, and store audit work papers can be a hassle. Marketing teams from the major software competitors proudly display their shiny bells and whistles that in some cases offer far more functionality than what you need at a hefty price point. This session will share how Wendy led her audit team to adapt their processes to use SharePoint for many aspects of audit management. The key is to know and find ways to leverage existing systems within your company.

### **CS2-4 “Assessing How Your Organization’s Culture Affects Risks and Controls”**

**Doug Anderson**, *Managing Director of CAE Solutions, The IIA*

It is increasingly obvious that culture, HOW an organization gets things done, is a critical (if not THE critical) factor in the effectiveness of risk management and internal control. This session will focus primarily on methods that can be used to assess culture and what to do with the results. Specifically, this session will provide:

- Brief overview of the nature of culture and its impact on organizations;
- Different approaches to assessing culture;
- Pros and cons of different techniques; and
- How to interpret the results on an assessment and the impact on internal audit.

### **CS2-5 “Evaluating Your BCP: Beyond Checklists and Walkthroughs”**

**Troy Harris**, *Senior Director of Risk Advisory Services, RSM US LLP*

Even with a documented Business Continuity Plan (BCP) and regular testing of your recovery capabilities, how can you be sure your organization is truly prepared to effectively respond to unforeseen events? This session examines the entire BCP process to identify critical aspects of a recovery plan that directly impact its effectiveness. The recovery planning concepts reviewed during the session will allow you to differentiate between a recovery plan that will merely satisfy a checklist from one that will truly allow your organization to survive a disaster. Upon completion of this session, participants will understand how to evaluate their organization's entire BCP program – so that they can identify enhancements that should be implemented before a disaster strikes.

## **GS2 2 “The Politics of Internal Auditing”**

**Patty Miller**, *Founder, PKMiller Risk Consulting, LLC*

Organizations are, by definition, political. They are composed of people who have different individual goals and objectives, different value systems, different approaches to accomplishing their objectives, and different motivating reward systems. When it comes to internal auditing and the reality that internal audit results may reflect badly on some individuals, the potential for political pressure on CAEs is great. This luncheon presentation will discuss how CAEs can manage political pressure, strengthen the culture, improve the governance structure, and build support for internal auditing. This session will help participants:

- Identify where and in what forms political pressure shows up;
- Design a plan to manage political pressure; and
- Focus on key aspects to strengthen the culture and build support.

## **CS3-1 “Money Balling Internal Audit”**

**Monica Agostinelli**, *CAE, Waste Management*

Learn how Waste Management, North America's largest waste service provider, leverages analytics to gain valuable insights into managing risk. As the expectation to do more with less continues to trend out, the old play book of focusing on compliance, data sampling and backward looking reports is losing value as stakeholder expectations evolve. This is not a debate on institutional knowledge vs. analytics but rather examples of how institutional knowledge + analytics produce a better outcome. By using statistical modeling, root cause analysis, and visual analytics, the Waste Management Internal Audit department has provided new insights that will lead to greater efficiency and effectiveness.

## **CS3-2 “Implementing COSO's New Fraud Risk Management Guidelines”**

**Ryan Hubbs**, *Senior Manager, EY*

**Vincent Walden**, *Partner, EY*

In 2013, the Committee of Sponsoring Organizations (COSO) updated the ERM Internal Controls Framework and enhanced a provision for organizations to do more to manage fraud risk. Principle 8 of COSO's updated framework lays out the expectation that organizations consider the potential for fraud in assessing risks to the achievement of organizational objectives. However, Principle 8 lacks guidance leaving many organizations to develop their own approaches for managing the risk of fraud. To close this gap, COSO issued the Fraud Risk Management Guidelines in late 2016 to provide clear guidance and expectations on how fraud risk should be approached, managed, monitored and mitigated. These new guidelines are more than mere suggestions, as external auditors can use them to assess an organization's consideration of Principle 8. For the first time, organizations have a clear mandate to have a robust and well-functioning fraud risk management program. This interactive session will explain:

- The major components of the new fraud guidelines and why they exist;
- How the new guidelines will affect COSO ERM and non-COSO ERM organizations;
- The expected role of data analytics in preventing and detecting fraud; and
- Approaches to assessing and enhancing current anti-fraud activities, controls and initiatives as part of a fraud risk management program.

### **CS3-3 “Choosing the Right Cybersecurity Risk Management Approach”**

**Dan Waggoner**, *Director, Grant Thornton LLP*

The presenter will highlight approaches taken by security departments to address threats. He will discuss the risks with taking a “Whack the Mole” approach versus using a more effective methodology. He will share examples and leading practices to help understand what to look for when assessing different approaches, how to tell them apart and how to handle potential residual risks. Participants will learn about the four different ways companies address security:

- Whack the mole – how do you know if this is your approach, why this model is not ideal;
- Ad hock – some of the whack the mole approach but items are purchased with the future in mind, but why this is less than ideal;
- Following a ‘standard’ – most common, easiest to audit, but again why this is less than ideal; and
- Mature security practice – what you want to see and what it looks like.

### **CS3-4 “Quality Assurance and Improvement Program – More than Just Compliance with the Standards”**

**Ashley Threton**, *Audit Services Director, ConocoPhillips*

This session will provide both Internal and External assessment perspectives on the components of an effective Quality Assurance and Improvement Program (QAIP), including engagement supervision, workpaper reviews, customer surveys, and external assessments.

There will be specific focus on the external quality assessment (EQA) component of the QAIP which addresses the entire external assessment exercise, including the following:

- Benefits of an EQA and how to maximize value from the process;
- Request for proposal and selection of the EQA provider;
- Effective planning and execution of the EQA;
- EQA reporting; and
- General success factors and considerations.

### **CS3-5 “Powerful Audit Reports Make an Impact”**

**Mysti Smith**, *Director of Internal Audit, NRG Energy Inc.*

All of your hard audit work pays off when your message is delivered the right way. Having your audience in mind is key to creating a successful report. Audit report writing requires different skills and experience compared to creating workpaper evidence. Your report should effectively focus more on findings rather than what the procedures performed, while achieving the right balance in being concise and providing relevant details. This session will discuss the following keys to developing effective audit reports:

- The devil is in the details;
- Visuals are great but need to be more than a pretty picture;
- Your report is the house you are building, and it must stand alone;
- Be open to all resources and willing to lean on the people around you; and
- Learn from each report and carry it forward.

### **GS 3 “Lone Survivor: A Tribute to Courage, Honor and Patriotism”**

**Marcus Luttrell**, *Author of New York Times Bestseller, Lone Survivor, retired Navy SEAL, and Co-Founder of the Lone Survivor Foundation*