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## Letter from the Editor

To our Readers:

Welcome to the second issue of the Internal Audit Observer!

Relevante is please to offer the public a one-stop resource for internal audit information and updates through its Internal Audit Observer newsletter. We hope that this publication becomes a central source of news, events and information related to the world of internal audit.

This issue's main topic is Fraud. Get an inside look from an FBI Agent who investigated fraud at a bank due to lackadaisical internal controls in "How Does the FBI Do It?" In the article, "A Nation with its Eyes on You" the U.S. Justice Department's five year report on the President's Corporate Fraud Task Force increases our concern over current corporate culture. A lesson on fraud; how to identify it and how to prevent it within your organization is discussed in "Fraud – Important Role for Internal Auditors".

Be sure to check out the "Newsletter Spotlight" for a listing of current events, announcements and articles from various sources around the Web.

I'd like to extend my thanks to the Internal Audit Observer's managing editors, Paula Ludlam and Patrick Culloty for their terrific work in making this publication possible!

We hope the Internal Audit Observer becomes your first stop for internal audit news and a well-used resource for those involved with internal audit. As always, we appreciate feedback and comments. Please feel free to contact me at [bweinstock@relevante.com](mailto:bweinstock@relevante.com).

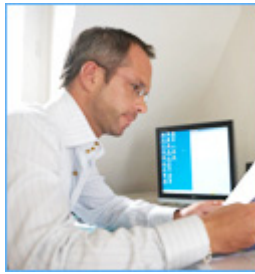
Best regards,



**Brandon S. Weinstock, CPA**

## A NATION WITH ITS EYES ON YOU

"Where have you gone Joe DiMaggio?"...cries the 70's pop song longing for a return to goodness and innocence. Recent involvement of prominent athletes in dog fighting scandals, Tour de France doping issues or mayhem at anything but "gentlemen's clubs," reinforces the issue of cultural deterioration.



[More>>](#)

## Fraud – Important Role for Internal Auditors

Fraud is one of the most prominent topics in the business and financial community. Fraud certainly grabs headlines on a par with the price of oil, alternative energy sources and your local sports teams. The subject is far more serious than in times past, with a proliferation of consequences to investors, executives, company brands and personal reputations.



[More>>](#)

## How does the FBI do it?

Not every Internal Auditor has retired law enforcement at his disposal, but it can be a nice luxury if you do. Especially when an article is due and you have no topic. As we all know, fraud can be complicated to say the least. All those hours of CPE are nice and no doubt helpful, but a vacation can sometimes be eye opening, if law enforcement is willing to talk. It may cost you a cigar.



[More>>](#)

## News Letter Spotlight

### Update Of Accounting Rules In The News

#### Interpretation No. 48 (FIN 48) – Accounting for Uncertainty in Income Taxes

Accounting for uncertainty in income taxes recognized in your financial statements in accordance with FASB Statement 109, Accounting for Income Taxes (FASB 109) is clarified in FIN 48.



[More>>](#)

## Internal Audit Reference Links

[AICPA](#)

[AICPA Auditing Standards link](#)

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[Basel II: Bank for International Settlements -  
Revised international capital framework](#)

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Capital Accord, Basel I Initiatives, and Other  
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[The PCI Security Standards Council](#)

[Payment Card Industry - Data Security  
Standard](#)

[HIPAA - US Dept of Health & Human  
Services](#)

[HIPAA.ORG](#)

[Audit Best Practices - Wayne State University](#)

[Audit Best Practices - AICPA - Best Practices  
for Audit Efficiency](#)

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**2007 Internal Audit Symposium**

**Location** : Horsham, PA  
**Date** : November 8-9, 2007  
**Time** : 8:00 a.m. – 3:00 p.m.  
**CPE** : 6 Hours – Accounting & Audit

**Day 1: Internal Audit Symposium – No Charge**

- Topic #1:** Auditing Backdrop: Standards & Environment
- Topic #2:** Pulse of Large Enterprise Internal Audit
- Topic #3:** Corporate Fraud: Framework for Deterrence & Detection
- Topic #4:** Advanced Analytics for Fraud Detection
- Topic #5:** Auditing Fair Value Accounting
- Topic #6:** IT Auditing: Using GAIT Methodology and Principles to Ease Section 404 Work

**Day 2: ACL Certified Training – Fee Required**

Will provide audit and financial managers with the necessary background to successfully implement, manage, and assess the deployment of ACL in their organizations.

- How ACL Supports Your Strategic Objectives
- Data Analysis Review
- ACL software Capabilities
- Data Access Issues
- Evaluation and Implementation



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