



## PRESIDENT'S Message

By Edmund Lam, President

During my personal vacation in Asia, I had the opportunity to meet with some of the leaders from the ISACA Asia and Pacific Islanders Region. In addition to discussing how we run our chapters, we found out that IS auditors worldwide face many of the same issues. One topic we discussed was how to enhance the status of ISACA in the professional community, how to create a leadership succession plan, and how to provide more quality services to our members.

ISACA local chapters are professional organizations managed by volunteers, and like most organizations, we run into growing pains and lack of volunteers. In San Francisco, this issue becomes quite a bit more acute because of our vibrant economy and the increasing time demands on members' career. Our local ISACA chapter is more fortunate than most because of our successful student affiliates' organizations and our ability to retain new recruits from the two student organizations. It is the Board's hope that these students will eventually become our organization's leaders in the future.

As we move towards the final quarter of my tenure as president, the Board members have completed an evaluation of how the chapter can better serve our members. We have begun some preliminary work on one of our major upcoming events – the ISACA international CACS Conference coming to San Francisco in 2002. In addition to that we have to continue to provide on-going quality services to our members at a reasonable cost. San Francisco ISACA has entered the new electronic age by issuing the first

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## PRESIDENT'S MESSAGE— continued

electronic version of our newsletter. Through several unofficial surveys, most of our members who responded do not mind receiving our newsletter electronically as long as it is not invasive. As corporate sponsorships to any chapter are not as readily available, the issuance of an electronic version of the newsletter will save the chapter approximately ten thousand dollars annually and some trees, while we continue to retain our quality. The exact process of how to distribute this newsletter has not been finalized, however, we envision sending our members an email requesting they come to our ISACA-SF site to download an Adobe Acrobat readable version of the newsletter.

We are also experimenting with some new ideas in the delivery of educational seminars to the chapter. Rather than 12 monthly luncheon seminars, as we have done in the past, we are trying quarterly full-day seminars supplemented with some occasional luncheon seminars. We will be providing seminars that provide members both high quality substance and continuing education units. Our first full-day seminar was held on April 3<sup>rd</sup> on the subject of auditing UNIX and it was met with solid attendance and very positive reviews. On May 8<sup>th</sup>, we presented a full-day seminar combining the topics of Privacy with the auditing of Customer Relationship Management systems (CRMS). A recent review of our attendance shows that the number of members who made the mid-day seminars has been declining, and we would like to provide services that fit the largest number of members and still be financially feasible. Members can get more information from the Communication and Education Chairs section of this newsletter.

San Francisco State University has elected a new student chapter president, Shaleen Toor. San Jose State University is not far behind in forming their own student chapter. All of the SF State chapter's ex-presidents are now involved with the ISACA Board, including Jonathan Suryadi, who has just volunteered to work with our Membership Chair. Brian Alfaro from San Jose State University has also volunteered to support our Communications Chair. San Francisco State University has just graduated their first twenty or so Accounting and MIS students who have completed their last IT Audit Current Topics course, and most have secured employment. San Jose State University will be graduating their first eight students in the Spring Semester. In both instances, the curriculum is gaining popularity, and San Jose State University has recently secured a \$100,000 grant from Applied Materials and Cisco to set up a laboratory for this IT Audit curriculum. This will be a state-of-the-art laboratory where the professors and students can learn to set up, administer, and interface with Windows 2000, UNIX, Linux, Oracle, SQL, Apache, and e-commerce security.

As the president, I will continue to work diligently to better secure the future of this organization by bringing in new recruits, strengthening the organization, and providing better services to our members. Please contact me if I can be of any further assistance.

**THE SAN FRANCISCO CHAPTER OF THE INFORMATION SYSTEMS AUDIT  
AND CONTROL ASSOCIATION PRESENTS JULY SEMINAR:  
Economic Espionage, Counterintelligence and Cybercrime.**

<b>Date &amp; Time</b>	<b>Wednesday, July 18th, 2001</b> <b>11:30 am – 12:00 noon: Registration</b> <b>11:30 am - 12:30 pm: Lunch (first course is pre-set by 11:30 am for early arrival)</b> <b>12:30 pm - 2:00 pm: Presentation</b>
<b>Location</b>	<b>Palace Hotel (formerly the Sheraton Palace Hotel)</b> <b>2 New Montgomery Street, San Francisco, CA 94105 (415) 243-8062</b> <b>(in San Francisco's Financial District at the corner of Market and New Montgomery Streets)</b>
<b>Cost</b>	<b>\$35 Members, \$45 Non-member and \$10 Student</b> <b>1 Saverpass (for members), 1 Saverpass + \$10 (for non-members)</b>

**This Month's Topic    Economic Espionage, Counterintelligence and Cybercrime.**

Theft of proprietary information is a huge problem, and growing, both in government and private industry. Economic Espionage has a serious effect on our economy. What are the methods used to commit these crimes, and what can be done to prevent them?

The Awareness of National Security Issues and Response (ANSIR) Program is national in scope, and is the FBI's "public voice" for espionage, counterintelligence, cyber protection, infrastructure protection, and all national security issues. Two agents will present these issues as they relate to today's hot topics of economic espionage and theft of trade secrets. As you will learn, it is not the "hostile foreign governments" that present the greatest threat. Instead, it is the trusted insider that poses the most immediate danger.

ANSIR provides private and public sector executives with relevant information regarding United States national security issues. It also establishes a communication link between government and industry. Come hear the message and sign up for e-mail distribution of national threat and warning messages.

**Our Speakers:**

Special Agents Tom Purcell and Mary Marsh are coordinators for the FBI's Awareness of National Security Issues and Response (ANSIR) Program. Between them they have 50 years experience as FBI Agents. Tom is a 30 year veteran, and Mary recently celebrated her 20<sup>th</sup> anniversary.

Special Agent Tom Purcell joined the Federal Bureau of Investigation upon graduation from Loyola University Chicago School of Law in 1969. After a brief assignment in Portland, Oregon, he has enjoyed the remainder of his career in the San Francisco Bay Area. He has worked in each of the FBI's investigative programs, with an emphasis on National Security matters. He also serves as a legal advisor to the San Francisco FBI.

Special Agent Mary Marsh is a twenty-year veteran FBI Agent. She is a graduate of the U.C. Berkeley School of Business, and has extensive experience working on undercover operations and investigating White Collar Crime, as well as experience handling National Security matters.

Both Tom and Mary are currently assigned to the FBI's Palo Alto Resident Agency.

**How to Register        To register go to <http://www.sfisaca.org> or make your reservation at (510) 232-4264 x17 no later than 5:00 PM **Friday, July 13<sup>th</sup>** .**

**CPE Credits    Lunch 1.5 units**

## CISA Review Committee Report

### By Karina Daza, CISA Review Chair

#### Benefits of Becoming A Certified Information Systems Auditor (CISA)

Passing the examination opens many doors for individuals with various strengths. For some it may signify a chance to make more money for others a promotion or prestige, and for many of us, a sense of accomplishment for reaching a goal in our careers. Being recognized as a CISA brings with it a great number of professional and organizational benefits. Successful achievement demonstrates and attests to an individual's information systems audit expertise and indicates a desire to serve an organization with distinction. This expertise is extremely valuable given the changing nature of information technology and the need to employ certified professionals who are able to apply the most effective information systems audit, control and security practices, and who have an awareness of the unique requirements particular to information technology environments. Those who become CISAs join other recognized professionals worldwide who have earned this highly sought after professional designation. Although certification may not be mandatory for you at this time, a growing number of organizations are recommending that employees become certified.

The CISA designation assures employers that their staff is able to apply state-of-the-art information systems audit, security and control practices and techniques and that these skills are maintained. For these reasons, many employers require the achievement of the CISA designation as a strong factor for employment and/or advanced promotion.

#### San Francisco CISA Review Course

Spring is here and its time to think about passing the CISA examination. The examination is scheduled for Saturday, June 9, 2001. This year the exam will consist of a process area and six rather than five content areas that cover those tasks that would routinely be performed by a CISA. For more information on the CISA exam, please access the Chapter's Web site at: [www.sfisaca.org/cisa](http://www.sfisaca.org/cisa). The registration deadline has passed and many are preparing to pass the examination this summer.

As in years past, the San Francisco Chapter offered a complete review course for the 2001 CISA examination. This review course is designed to assist candidates in preparing for the CISA examination. The review sessions are taught by professional IS audit, control and security professionals and include lectures, classroom discussion, practice questions and exams. The review classes are held every Saturday from April 21, 2001 through June 2, 2001

On the first day of class, **Todd Weinman** from Lander International jump started the class with an introduction to the CISA examination and shared tips for passing the examination. Then **Justin Gibson** from PricewaterhouseCoopers taught the first and second content areas, IS Audit Process & Management and Planning, and Organization of IS, respectively. **Edmund Lam** will be teaching Technical Infrastructure and Operational Practices & Business Process Evaluation and Risk Management, **Sumit Kalra** from Charles Schwab will be teaching the Technical Infrastructure and Operational Practices content area, **Verna Thomas** from PricewaterhouseCoopers will cover Business Application System Development, Acquisition, Implementation, and Maintenance content area, and **Dianna McIntosh** from Ernst & Young will cover Disaster Recovery and Business Continuity content area.

#### Ernst & Young Sponsorship

As result of the generous sponsorship of Ernst & Young, the San Francisco Chapter was able to maintain and not raise the fees for the CISA Review Course. *Thank you Ernst & Young!*

#### CISA Coordination Committee

The CISA Coordination Committee is responsible for developing and coordinating the Chapter's annual CISA Review Course. The committee also coordinates the annual CISA luncheon established to honor Chapter members who pass the CISA Examination. If you are interested in being part of the Committee, please send me an e-mail: karina.daza@ey.com .

## Review of April UNIX Seminar

*By Meenakshi Lalla*

On April 3, 2001 the San Francisco chapter of ISACA held a full-day seminar on **Establishing Effective Audit Control Objectives for UNIX**. The seminar, held at the Sheraton-Palace Hotel in San Francisco was a great success. The seminar attracted IT Audit professionals as well as students pursuing IT Audit as a career from all over the Bay area. Each of them present at the seminar shared their knowledge and experience reflecting different aspects of IT Audit, which made it even more interesting and challenging for the audience as well as the speaker.

The speaker Mr. Rick Allen, CISSP, is a highly experienced systems and network security professional. Rick is a Manager with Deloitte & Touche LLP where he leads the Strategic Security Services (S3) team in the Enterprise Risk Services practice for Northern California. The S3 team supports the firm's consulting, audit and advisory clients with advanced security and technology solutions.

The seminar aimed at providing attendees with information and training on the auditing of Unix-based systems. Main highlights of the seminar: understanding default Unix systems control configurations, review of Unix commands for systems audit, designing Unix audit plan with activities.

The seminar was a great learning experience not only for the professionals but also for the students. The speaker had tremendous knowledge and expertise in this field. In spite of the wide range of experience and knowledge of those attending, Mr. Allen presented in a way which made it simple for all present to identify with the topic. The seminar ended up being highly interactive and a huge success.

**Meenakshi Lalla is a student in the IS Audit curriculum at San Francisco State University.**

### CALENDAR OF UPCOMING NON-SAN FRANCISCO CHAPTER EVENTS (For San Francisco Chapter Events view the Education Committee Report)

#### June

<b>International Conference 2001</b>	<b>10-13 June</b>	<b>Paris, France</b>
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#### August

<b>Network Security Conference</b>	<b>6-8 August</b>	<b>Las Vegas, Nevada</b>
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#### September

<b>Oceania CACS 2001</b>	<b>23-26 September</b>	<b>Canberra ACT</b>
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<b>Asia Pacific CACS</b>	<b>10-11 September 2001</b>	<b>Tokyo, Japan</b>
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## **Bank of America's Innovative New Audit Company** *by Todd Weinman*

It was not so many years ago that the Internal Audit profession was up in arms over the then new concept of outsourcing. Suddenly senior management in a corporation could decide not to have its own internal audit department perform all the audits; instead the company could assign the audit work to outside vendors. In some instances, entire departments were outsourced. Well now the concept has gone full circle. Imagine an internal audit department providing outside consulting services to other companies? That's right!

Those familiar with Bank of America's history as a California banking institution are familiar with that organization's history of innovation. It appears they are at it again, as the organization recently announced the formation of Banc of America Advisory Services, LLC. BAAS, LLC is a newly chartered subsidiary of Bank of America with the aim of providing consulting and advisory services in the areas of risk evaluation, risk management, and a variety of internal audit services similar to those offered by the Big 5 consulting firms.

BAAS provides a unique value proposition to Bank of America. Rick Beckman, Managing Director, not only sees the entity deriving revenue out of what is usually thought of as an expense only function, but also aiding in attracting, developing, and retaining highly skilled risk management resources. And that's not all. Beckman's perspective is that "We not only will focus on the revenue generation and skill enhancement opportunities offered by this venture, we value very highly the benefits derived from working with the Bank's vendors and alliance partners to assess and improve their operating environments. The return value for the Bank is that improvements made in our service provider operations will further enhance value by improving operational efficiency and the control systems of the overall processing environment."

The idea behind the concept is simple. In order to manage risk in an organization as large and as complex as Bank of America, the organization has developed tools, personnel and competencies that can be leveraged to provide outside consulting services. The newly formed organization will focus on helping clients to understand and proactively manage a variety of business risks to help maintain and gain competitive advantage in the marketplace. The group, which extends beyond Audit to encompass the entire Risk Evaluation area, will offer services to address such fundamental concerns as reducing risk, enhancing efficiency and productivity as well as establishing trust. The idea is that these companies will benefit from the best practices developed by Bank of America.

When asked how the concept has been received so far, Beckman indicated "our associates are invigorated by the unique new challenges, our recruits view the concept as a very big plus for their career development, our management views the whole value proposition as positive, and our regulators are encouraged by the potential value we may be able to add to our service partners. In addition, our clients will benefit from very competitive pricing for high quality products. Everyone wins!"

The scale of services offered by the new organization range from full outsourcing of an internal audit department for a smaller financial services institution, for example, to co-sourcing of specific reviews to help supplement skills sets that the client company may lack. The variety of services offered range from internal auditor resources (both technical and operational), risk management process consulting, IT and security reviews, compliance reviews, change management approaches, training and more. Also available are in-house developed tools, including Audit Automation Software, forensic software, and Computer-based Training Modules.

Hopes remain high for the newly formed organization. If initial marketing studies are accurate, revenues from the new organization could help offset a large piece of the overhead of the bank's risk evaluation and audit departments. Management also views the LLC as a potential marketing tool for new and existing employees. Because these consulting engagements are staffed with members of the bank's internal audit department, for example, it gives potential

## Bank of America's Innovative New Audit Company—Continued

employees who want a taste of consulting but not necessarily the full-time grind of Big 5 an interesting alternative. Conversely, because the employees of the LLC are also employees of the bank, they can work on internal projects as well as external consulting. Accordingly, management has more flexibility and does not have to be as acutely attuned to utilization statistics as in a strictly consulting environment. This should allow the LLC to price their projects very competitively.

This seems like one of the more interesting developments that I have seen in internal audit over the past decade. It will be interesting to watch how this unfolds over time. If successful, we may see other companies following suit which would even more dramatically alter the options available to a company to perform their internal audit and consulting work.

### *Bio Notes:*

*In addition to being on our Board of Directors and our 1<sup>st</sup> Vice President, Todd Weinman is the Director of Recruitment for the Western United States with Lander International, specializing in the recruitment of IS audit, financial/operational audit and information security professionals. Todd enjoys visiting audit, information security and consulting departments all over Northern California, and he is in contact on a daily basis with scores of directors, managers and staff level professional from around the region.*

*He is also a frequent speaker for ISACA, the IIA and for local universities. Todd is a graduate of UC Berkeley and worked in public accounting prior to joining Lander International.*

*Todd was honored as the CAPC 1999 Consultant of the Year for the state of California.*

## 2001-2002 SF ISACA OFFICER AND DIRECTOR NOMINEES

Very soon you will have the opportunity to vote for the 2001 - 2002 nominees for vacated Officer and Director positions on the Board of Directors for the San Francisco chapter of ISACA. You will receive your ballot in the mail.

Our nominating committee, consisting of current chapter President **Edmund Lam**, current Secretary and former chapter President **Bill Davidson**, and former chapter President and current Advisory Board member **Chuck Dormann** worked closely with current 1<sup>st</sup> Vice President **Todd Weinman** to deliver an outstanding slate of candidates that combines seasoned ISACA veteran leadership with new energy and enthusiasm. We are looking forward to an fabulous year.

### **President – Todd Weinman**

Todd is currently serving as 1<sup>st</sup> Vice President for the San Francisco ISACA Chapter, and has been an active volunteer with the chapter for several years including the most recent two years as Chair of the Education Committee. As Lander International's Regional Recruiting Director for the Western United States, Todd enjoys visiting audit, information security, and consulting departments throughout Northern California, and he is in daily contact with Directors, Managers and staff level professionals from around the region. Todd strives to extend the role of executive recruiter to be a true career counselor, and in June 1999 he was honored by the California Association of Personnel Consultants with its coveted "Consultant of the Year" award. Before entering the field of Executive Recruitment, Todd worked for several years for a local Big 5 public accounting firm. He is a graduate of UC Berkeley. He is also a professional classical musician, having spent four years performing with the Philharmonic Orchestra of Santiago, Chile and more recently performing with a number of Bay Area ensembles including the San Francisco Symphony.

Todd looks forward to the challenge of leading the chapter during a year in which we are hosting the CACS conference. In addition to hosting CACS, Todd's goals for the chapter will focus on outstanding execution in providing quality educational programming, communications and the CISA Review course. He will also seek to expand our base of volunteers to offer more members the rewarding experience of volunteering to support chapter activities.

### **1<sup>st</sup> Vice President – Justin Gibson**

This past year, Justin served as the Sponsorship Committee Chair and helped with the CISA Coordination Committee. He works as a Technology/Security Senior Consultant at PricewaterhouseCoopers, specializing in client server environments, including network and operating system security. He earned his Bachelors Degree in Economics with Minors in Accounting and Computer Science from UCLA, and he is a CPA, a CISA and a member of the Association of Certified Fraud Examiners. In the coming year, Justin will chair the Communications Committee and he looks forward to working with the Board to ensure that Chapter members receive high quality information in a consistent and timely manner.

### **2<sup>nd</sup> Vice President – Steven Hudoba**

Steven comes to the Chapter from Deloitte & Touche where he leads their Business Process Assurance group as a Senior Manager. Steven has eighteen years experience in information systems, including three as a systems programmer and fifteen as an IT Auditor. He has worked for the past thirteen years in various Big X public accounting firms. Steven is a graduate of the University of Minnesota and holds four degrees from there, including his MBA with an emphasis in Strategic Management. He is a CISA, CPA and CFE. Steven also brings over nine years previous experience with ISACA, including two years as President of the Minnesota Chapter, and numerous other positions there and in the Los Angeles Chapter. In his spare time, Steven dabbles in digital video editing on his PC at home.

## 2001-2002 SF ISACA OFFICER AND DIRECTOR NOMINEES— Continued

### **Secretary – Bill Davidson**

Bill is currently the Chapter's Secretary. He has served the Chapter in various capacities since 1983, including Director, Secretary, Treasurer, 2nd Vice President, and President (1988/89). He has also chaired the Chapter's Membership and Program Committees. Bill has been an information systems auditor since 1973, first with Fireman's Fund, and currently with Bay Area Rapid Transit. He is a CISA (having passed the first exam in 1981 with the third highest score) and also holds the CFE and CGFM certifications. Bill is a graduate of UC Berkeley and also earned an MBA at Northwestern University.

### **Treasurer – Christina Cheng**

Christina is currently the Treasurer for SF-ISACA and was a member in the Communications Committee in 1999. She is the Information Systems Audit Manager for Safeway, Inc. Christina has her BS degree in Business Administration from the University of California, Berkeley with concentrations in Accounting, Finance and Economic Analysis. She is a CISA and a CISSP. She also holds a certificate for Information Systems Management from the University of California Santa Cruz (UCSC) Extension. She is currently pursuing a certificate for Network Management from UCSC Extension. Christina is a soloist in Chinese Classical Dance. In the coming year, Christina hopes to serve another term as Treasurer and to also participate in the Communications Committee.

### **Director – Rick Beckman**

Rick is a Senior Vice President and Audit Director with Bank of America, with whom he has been employed since 1985. His current duties include providing IT audit services to the Consumer & Commercial portions of the bank. He also has business and IT audit responsibilities for the Interactive (Consumer On-Line) and Telephone Banking divisions of the bank, and serves as the Privacy Champion for the Consumer & Commercial Banking Audit Division. Mr. Beckman has served in various capacities with local IIA and ISACA chapters and has presented seminars focusing on Information Technology auditing. In addition, Mr. Beckman actively participates in the IIA's Quality Assurance program. Mr. Beckman received his B.B.A. degree in Accounting from the University of Wisconsin and is a CPA, CISA, and CIA.

### **Director – Sumit Kalra**

Sumit is currently a Director on the Chapter's Board. He has been active in the Chapter for the past 4 years, working in various roles (2nd Vice president, Assistant Webmaster, CISA committee chair, Academic Relations chair, CISA Review course instructor, and San Francisco State University Student Chapter President). He is currently working on the Charles Schwab Internal Audit Department's Technology Security Team. Prior to joining Charles Schwab, Sumit spent two years with the Deloitte & Touche strategic security consulting practice. Sumit's experience ranges from auditing the enterprise security function to general computer controls to participation on network penetration studies. As a Board member, Sumit will concentrate on enhancing the use of our website as a tool for communication to our members.

### **Director – Stuart White**

Stuart is a Senior IT Auditor with Visa International specializing in pre-implementation risk and control consulting for Visa's in-house system development projects. Prior to joining Visa, Stuart was a Manager at Deloitte & Touche with their Enterprise Risk Services (ERS) West Coast practice. Stuart has performed numerous consulting engagements involving risk assessments, business process reviews, general controls evaluations, and third party reviews (SAS 70s, WebTrusts, SysTrusts). Stuart has been an active member of the SF-ISACA chapter since 1999. Stuart holds a Bachelor's degree in Interdisciplinary Studies with a minor in Business Administration from the University of California at Berkeley.

## **Membership Report – New Members For: April, 2001** **By Hector Massa, Director - Membership Committee Chair**

The membership count for the San Francisco Chapter as of April 2, 2001, stands at 384 members. Please join me and the San Francisco ISACA Board of Directors in welcoming the following new chapter members:

**Sheldon C. Bachus**, Enfra-Tech

**Eliza L. Corpuz**, CGFM  
Providian Financial  
*Reinstated member*

**Steven J. Hudoba**, CISA, CPA, CFE  
Deloitte & Touche  
*Transfer from Minnesota Chapter*

**William E. Jarquin**, Visa International

**Simona Langmaier**, Deloitte & Touche

**Wai-Ling W. Wu**, Safeway Inc.

NOTE: Six members officially transferred out this month. They were: Blair Bautista, Raymond Hendren, Donald Lorete, Raymond Tang, Kristin Valente, and Carol Wright. There are 88 members who have not yet signed up for 2001 membership (20 less than last month). In May 2001, the number of unsigned members will be subtracted from 384, our current number of active members.

## **North America CACS 2002** **By Beverly Davis**

The San Francisco Chapter of ISACA is pleased to announce that we are the Partnering Chapter for the North America CACS 2002 conference. You are invited to tell your friends and colleagues that the 2002 CACS will be in San Francisco and we are rolling out red carpets. Success of CACS 2002 requires commitment, dedicated volunteers, and member involvement. The Chapter is recruiting volunteers to assist with the following activities:

- Sponsorship/Exhibits Sub-committee responsible for identifying and securing sponsorship support for the conference from local and geographic firms, businesses, publishers, and IS educational and product vendors. This sub-committee is also responsible for identifying and securing exhibitors for the conference.
- Special Events/Hospitality Sub-committee responsible for researching, evaluating and recommending to International Headquarters, social events and pre-post conference tours, which would be of special interest to delegates.
- Area Promotion/Publicity Sub-committee has many duties but is specifically responsible for identifying and recommending to International Headquarters ways in which the conference can be promoted both locally and nationally and often performs targeted mailings.
- Volunteer/Onsite Support Sub-committee responsible for providing volunteer support for the conference while it is being delivered. This sub-committee needs volunteers in three basic areas: Session monitors, On-site registration, and Support Services.

This year's committee is chaired by Beverly Davis and has the following members: Kathleen Arnold, Marcus Jung, Mark Valade, Edmund Lam, and Todd Weinman. If you are interested in becoming a Sub-committee volunteer contact Beverly Davis at 415-616-2766 or send e-mail to [davisb@fhlb.com](mailto:davisb@fhlb.com).

## **Academic Relations Committee Report**

### **By Eleanor Lee, Academic Relations Committee Chair**

The Academic Relations Committee is proud announce that the San Francisco State University (SFSU) IT Audit Track, established in 1998, continues to grow stronger each semester. Credit for this success can be attributed to the hard work, dedication, and support by **Professor Jamie Eng**, current and past SFSU ISACA Student Chapter presidents and officers, and the initial groundwork laid by **Chuck Dormann** and **Edmund Lam**. Additionally, I want to take this opportunity to thank ISACA board members **Sumit Kalra, Todd Weimann, Edmund Lam, Justin Gibson, Kathleen Arnold** for taking time out of their busy schedule speak to the students on a variety of subjects as well as assisting in the recruitment of talented students into the SFSU IT Audit Track program.

ISACA-SF board member, **Sumit Kalra**, attended the SFSU Beta Alpha Psi and Accounting Student Organization Fall 2000 Awards Banquet in November. Sumit presented a scholarship to Jonathan Suryadi for his hard work and dedication for the last two semesters as the SFSU ISACA Student Chapter president. This scholarship provides Mr. Suryadi free admission to the ISACA-San Francisco Chapter's CISA Review Course and to educational events for one year.

**Internships Needed.** The creation of an IT Audit Track at schools like San Francisco State and San Jose State are an important element in continuing to feed the profession with the future supply of staff and senior level IS auditors. Now that we have made progress in this area, we must do a better job of providing these students an entry point into the profession. Student internships are one excellent way to accomplish this.

Establishing a strong IT Audit Internship program is definitely a win-win solution for the students and companies. Companies benefit by getting a very inexpensive supply of staff level talent during a time when these people are scarce on the market place and when open requisitions for full time hires may be frozen. Many of the companies who have brought on interns are surprised by how quickly they catch on. It is also very common for interns to go to work for their intern companies on a full time basis upon completing their degree.

**The Academic Relations Committee would like your help to identify opportunities for student internships.** This effort will ensure that SFSU IT Audit Track program graduates are well prepared and ready to take full advantage of the great opportunities in the IT Audit profession. Thanks in advance for your help and support.

**If you would like more information about student internship programs, please contact Dr. Jamie Eng at [Jeng@SFSU.EDU](mailto:Jeng@SFSU.EDU) with internship information.**

## EDUCATION UPDATE AND CHAPTER OFFERINGS IN 2001

By Steven Hudoba and Todd Weinman

**Introducing our New Education Chair, Steven Hudoba.** Our chapter was very pleased to welcome a new addition to the Board of Directors earlier this year. Steven Hudoba, of Deloitte and Touche will not only be filling a vacant slot on the Board, he will also be filling the critical role of Education Chair. Steven is a seasoned ISACA veteran, having served in a variety of leadership positions on the Board of the Minnesota chapter for several years, including two years as president. His experience and leadership will be a welcome addition to our chapter.

**2001 education schedule takes shape with some notable changes.** In an effort to provide more value to our membership, we are experimenting with some different models for presenting our education programming. The most notable change is a de-emphasizing of monthly meetings and luncheons in favor of full-day educational seminars. Many of our members, particularly those who do not work in downtown San Francisco, have shared with us that the monthly meetings take too big a chunk out of their work-day, and that they would be more likely to attend to a full-day of training. We also recognize that there is a limit to what can be accomplished in a 2-3 hour seminar. The full-day seminars will allow for a more in-depth treatment of technical topics. They are also extremely well-priced!

This is an experiment, and we certainly have not abandoned the monthly meetings. We will likely end up with a schedule that encompasses a combination of monthly meetings with full-day seminars. In any event, *your feedback is always welcome*, and will help determine the future shape of our educational offerings. You may email your feedback to: shudoba@deloitte.com.

The following is a rough outline of our upcoming 2001 offerings:

**July: Summer Social Luncheon on July 18<sup>th</sup> (check our web site for specific date) Speaker from the FBI to cover Computer Crime, Computer Fraud and Related Legislation.**

**September: 2-3 day multi-track seminar, September 19 - 21, likely to include "Intro," "Technical" and "Management" tracks.**

**October: Joint IIA meeting, date and topic TBD.**

**November: Full day seminar, date and topic TBD.**

**December: Holiday Social Luncheon, date and topic TBD.**

## Volunteer Recognition

The running of a successful organization necessitates the involvement and contributions of many individuals. Over the next year our chapter leadership will be making a major push to increase our volunteer base. The following is a list of non-Board members who have made significant contributions over the past quarter.

**Chuck Dorman.** Chuck, a long time ISACA member, and former chapter president and currently a member of the chapter's advisory committee. He was a key participant on our nomination committee. This is the committee that creates the slate of candidates for election to the next term.

**Stuart White.** Stuart is a new volunteer to ISACA and he has been making valuable contributions to the education committee. Stuart is up for election to the Board of Directors next year and will serve on the education committee as an apprentice to the education chair with the idea of taking over that position the following year.

**Brian Alfaro.** We have been keeping Brian very busy in his role as one of our apprentice web masters as we have been making a number of changes to our web site [www.sfisaca.org](http://www.sfisaca.org). Brian is a student at San Jose State and will be graduating this year. In addition to his web site duties, Brian will be stepping up in to a key role on one of our committees this coming year.

**Meenakshi Lalla.** Menakshi assisted with registration at our March/April seminar. She is also one of the student helpers, along with **Sagar Sampat**, for our CISA Review course. Both Meenashki and Sagar are students in the IS Audit curriculum at San Francisco State.

**Kris Nusantara, Zhi Li (Vicky), Jonathan Suryadi, Chun Li (Carrie) and Benjamin Chao**, all students in the IS Audit curriculum at San Francisco State, volunteered in mass to help assemble our promotional items for **CACS 2002 in San Francisco**, which we will be handing out at our booth at this years CACS in Orlando. Jonathan has also been assisting on the membership committee.

**Thanks to all of you for your contributions to the chapter!**

### Volunteers Needed!!!

Ask not what ISACA can do for you,...

Our chapter is only as strong as our membership volunteer base. Sometimes people are reluctant to get involved because they feel they don't have the time. There are many opportunities to assist the chapter, however, that don't require a regular or substantial time commitment. In addition to the below specific listings, we are looking for "at large" volunteers for the CACS, education, communication and CISA review committees.

**Benefits of Volunteering:** Volunteering for the chapter is also a great way to network in the profession, to get visibility among your peers, to develop leadership and management skills you might not be getting an opportunity to acquire on your job. **It is also a lot of fun!**

Here are some specific positions that we are seeking to fill. However, we are always looking for "at large" volunteers to serve on our various committees as well. **To get involved**, contact **Todd Weinman**, 1<sup>ST</sup> Vice President, at **(510) 835-3053** or email to [todd\\_weinman@yahoo.com](mailto:todd_weinman@yahoo.com) .

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## Volunteers Needed!!!

### Ask not what ISACA can do for you,... - Continued

**Newsletter Proof Reader:** This person would serve under the communications chair and be involved with editing and proof reading any items to be printed in our newsletter. This individual would not be responsible for coordinating other aspects of newsletter production. Virtually all of this work can be done remotely, with documents transferred via email. The newsletter will be published quarterly, so most of the work for this position would occur over a week or two week time period per quarter. Someone interested in the position should possess very good written communication skills in English. Any experience with any kind of newsletter or a flair for writing is an added plus.

**Newsletter Production Coordinator:** This person will serve under the Communications Committee Chair be responsible for coordinating the newsletter production process. We will be reevaluating our entire newsletter production process over the next several weeks. This individual will most likely be responsible for liaising with an outsourced desktop publishing person. However, if anyone has strong desktop publishing skills that they are eager to use, this is something we would also consider. The ideal candidate would have strong organizational skills, coordination skills, an ability to work well and coordinate with others, and an ability to work well under deadlines. Most of the work would be condensed with in a two to three week time frame each quarter.

**Apprentice to the Secretary:** This individual would work closely with the Secretary over the next year with the idea of moving into the Secretary position on the Board of Directors the following year. The Secretary position with the chapter is primarily responsible for taking meeting minutes and maintaining our action items list. The ideal candidate for this position is someone who is an excellent note taker and someone who is very well organized. While attendance at the monthly board meetings is preferred, this person can also dial in remotely to the meetings they cannot attend in person. The time commitment for this position would probably be two - three hours per month, and it would be very steady over the course of the year.

**Apprentice to the CISA Review Chair:** This individual will be responsible for working closely with the CISA Review Chair (and other members of the CISA Review committee) over the next year to assist with the production of the CISA review class, with the idea of moving into the position of CISA Review Chair the following year. This individual could be involve with various tasks related to CISA review, including arranging facilities, contacting and disseminating information to our instructors, acquiring and disseminating appropriate materials to students, etc. The time commitment for this position is light during most of the year and then increasing in intensity from March through June.

**Apprentice to the Academic Relations Chair:** This individual would work with the Academic Relations Chair during the course of next year with the idea of moving into the Academic Relations Chair position the following year. The academic relations committee is primarily responsible for acting as a liaison with our local universities that either have IS audit curriculums or are interested in developing them. Activities might consist of arranging for speakers to come out to speak to students on the subjects of ISACA, career development and the IS audit profession, as well as providing support for the student chapter of ISACA at San Francisco State. The time commitment for this position is fairly light and very flexible. The ideal person should have good communication skills, be fairly extroverted and comfortable speaking to small groups of students, and someone who is comfortable in an academic environment.

**Apprentice to the Treasurer:** This individual would work closely with the Treasurer during the course of the next year with the idea of moving into the Academic Relations Chair during the course of the next year. The Treasurer is primarily responsible with maintaining the chapter's books and finances. Aside from participation in monthly Board meetings, most of the work is done remotely. Time commitment is probably two to four hours per month, slightly more during the budget process.

# Is the Sky Really Falling? Making Sense of Changing Conditions in the Job Market

by Todd Weinman

The sky is falling, the sky is falling! Well, at least that is what one is led to believe by reading the papers and listening to the news lately. It's as if years of remarkable economic returns have made many in the media forget that it is normal for the economy to go through up and down cycles.

Nowhere has that situation been more extreme than in Northern California, where some of our newspapers seem to give the impression that we are sliding into the next Great Depression. Certainly, a recent headline suggesting that 80% of all Dot.coms will fail by the end of the year at best adds grist to the mill and at worst borders on irresponsible journalism. That kind of sensationalist journalism, combined with a sluggish stock market and a tenuous energy situation have instilled a sense of grave concern for many. Is the sky really falling as some have predicted? And whether it is or not, how are these changing conditions impacting the job market for IS auditors?

Certainly, the deteriorating economic situation has had some negative impact on the job market for IS auditors. There is clearly less hiring going on now than a year ago. We have also witnessed a case of Dot.com backwash as some former IS auditors who had fled to now-failed Not.coms are returning to the profession. That said, there is still good reason for optimism.

For starters, while we have witnessed tens of thousands of individuals being laid off around the Bay Area, particularly in the technology sector, there have been **virtually no economy-related layoffs of IS auditors in Northern California**. Similarly, while many companies around the region have frozen hiring, there are a number of instances where companies have exempted their IS audit requisitions from a company-wide hiring freeze. Especially in companies which have built an Audit Department with a strong reputation for adding value, hiring of IS auditors continues despite a "company-wide hiring freeze." You won't find these positions advertised in the paper or on the Internet, or in some cases, even on the company web site. It would be bad publicity for a company that is laying off some of its employees to be actively trying to fill other open requisitions. Hiring in the strongest audit department continues, discretely, through internal referrals and the assistance of a trusted search professional.

At the staff and senior levels, demand for quality IS auditors still significantly exceeds supply. Even in instances where companies have "frozen" hiring, they are really taking a cautious wait-and-see approach to staffing rather than the elimination of positions in the audit area. What better time for a company to have a strong audit department in place than during an economic downturn, when cost savings and efficiency are more important than ever? And when company loyalty may be on the decline?

Another reason for optimism is that all signs indicate that demand for Staff and Senior level IS Auditors will continue to exceed supply for at least the next several years. It would take a truly profound economic downturn to start to bring supply and demand of IS auditors into a state of equilibrium.

However, while things are not as bad as they might appear in the media, the job market for IS auditors is definitely experiencing some changes. If this continues, what we are probably looking at is something resembling a much more typical job market than what we have seen the past several years. The adjustment will be hardest for young professionals who have yet to experience a job market where companies don't launch an all out bidding war for their services. Those who have come to think that 20% - 30% bumps in compensation when making a job change is the norm might be in for a bit of a surprise. In addition, it has not been uncommon over the past 3 years for someone to have a choice of 4 or 5 attractive openings when making a career change. Although there will certainly still be quality jobs to consider, the quantity will diminish. Candidates will not have the ability to "shop" as they have in the past, and instead will find themselves evaluating each opportunity as it arises rather than a field of openings in comparison to one another.

## Is the Sky Really Falling? - Continued

### Who will be most impacted by a hiring slowdown?

- **Manager and Director Level candidates.** While hiring still appears brisk at the individual contributor level, hiring at the manager and director level has experienced a significant slowdown. If this trend continues, we could end up seeing a backlog of quality manager and director candidates ready to make a move should the right position become available.
- **IS auditors who lack strong technical skills in current technologies.** Yes, companies are still actively seeking IS auditors at the individual contributor level, but they are able to be more particular in what they are seeking. A candidate with solid skills in UNIX, NT, networking protocols and Internet security will still garner solid interest under current market conditions. Those who possess generalist skills or lack technical depth will find fewer potential suitors.
- **Candidates needing sponsorship.** Companies who have grown more open to consider hiring candidates who need VISA sponsorship over the past several years are now becoming more reluctant to do so with a slowing economy. This is ironic given the new legislation that has simplified the hiring certain VISA candidates.
- **Those needing relocation.** Similarly, as companies begin to see more local candidates, they will be more reluctant to relocate candidates, unless those candidates have exceptional skills that are difficult to find in the home market. Five to six years ago, many Bay Area companies would not even fly a candidate in for an interview, let alone provide assistance for relocation. While we are still quite a ways from that situation, a softer market will definitely result in a tighter fist on relocation dollars.
- **Those trying to transition out of IS audit while at the same time changing companies.** It has always been easiest to transition out of IS audit within one's own companies. Recent history, however, has shown a number of IS auditors who have transitioned out of IS audit while moving to a new company. This was especially prevalent among the Big 5 firms who were literally raided by the Dot.coms, who readily gobbled up their IS audit resources into a variety of different positions including project manager, business analyst, technical sales support and more. Not only is hiring for those types of positions more negatively impacted by a soft economy, but IS auditors seeking those roles will be competing with thousands of pink slip casualties with actual experience in those specific areas.

### How to adjust to the changing market conditions:

- **Plan more time for a career search.** In the past I have heard the formula that executives should plan for one month of job search for each year they had spent in the profession. We certainly have not experienced this over the past several years where a skilled candidate could garner five or six offers within the span of a week or two. What we are probably looking at now is something between those two extremes. Most definitely, candidates at the manager or director level should plan for a more extended career search as that "ideal" position just might not be out there when you want to make a move. For those at the executive level, this certainly would not be a bad time to build a nest egg if one does not already have one. Over the past several years, manager and director level candidates have had the luxury of making a positive career move at their leisure; now that same career minded professional may have to move when the opportunity strikes. Moreover, while it was true before, *this writer still adamantly recommends against leaving one job before having found another.*
- **Develop key skill sets.** As hiring companies begin to see more candidates for their openings, they are able to be more particular for what they are seeking. A staff or senior level IT auditor with strong skills in UNIX, NT, networking, Internet security, etc. will still be able to garner multiple offers under current market conditions, while IS auditors with generalist skills who lack depth in any particular area may have difficulty getting interviews. More than ever, this is the time to invest in yourself by taking additional coursework on the evenings or weekends. The Bay Area offers a cornucopia of opportunity for technical training, much of it inexpensively priced, *not to mention many extremely well-priced ISACA offerings.*

## Is the Sky Really Falling? - Continued

*Make sure you are focused on adding-value.* Increased competition in the job market raises the stakes for what one needs to bring to the table. This is the time to take a personal inventory to assess whether you are adding value to your company. If you were to interview today, could you talk definitively about your *accomplishments* over the past year? How have you helped your clients? What are the tangible positive results of your recommendations that have been implemented? What kind of reference would you get from your audit clients? If reading these questions makes you feel anxious now, imagine how it would feel when you are sitting in an interview with a job on the line?

In summary, I believe that the economic downturn we are experiencing has been exaggerated by the media. At the same time, the slowdown is certainly making its effects know, particularly in the technology-driven Northern California market. Fortunately, IS Audit is well insulated from the massive job cuts being experienced by many technical professionals. However, now is not the time to take a *laissez-faire* career attitude. Although demand remains strong for Staff and Senior level IT Audit talent, this is only true for those who have kept their skills current. For Managers and Directors, those who have built strong reputations as change agents and valuable contributors will still have options available, though they will be fewer and further between. The best audit departments will continue to hire, despite corporate-wide “hiring freezes.” Opportunities to move out of audit within one’s current organization will still exist but to a lesser degree, while the ability to move into a non-audit job with a different company will be much more difficult than it has been over the past several years. It is still a great time to be a good IS auditor, but the current economy has increased the importance of savvy career planning.

### *Bio Notes:*

*In addition to being on our Board of Directors and our 1<sup>st</sup> Vice President, Todd Weinman is the Director of Recruitment for the Western United States with Lander International, specializing in the recruitment of IS audit, financial/operational audit and information security professionals. Todd enjoys visiting audit, information security and consulting departments all over Northern California, and he is in contact on a daily basis with scores of directors, managers and staff level professional from around the region.*

*He is also a frequent speaker for ISACA, the IIA and for local universities. Todd is a graduate of UC Berkeley and worked in public accounting prior to joining Lander International.*

*Todd was honored as the CAPC 1999 Consultant of the Year for the state of California.*

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