MEMBER UPDATE

Dear Members,

Canadian Board members and chapter leaders met in Winnipeg last fall and developed a vision, mission, and goals to guide IIA–Canada for the next three to five years. The goals they developed are:

**Goal A.** IIA–Canada will be an optimal Institute focusing on unique Canadian issues.

**Goal B.** IIA–Canada will be the authoritative voice for internal auditing in Canada and will raise the profession’s profile to key stakeholders.

**Goal C.** IIA–Canada will be the Institute of choice for Canadians for learning and development in internal auditing, and governance, risk, and control.

**Goal D.** IIA global, national, and chapter leaders will work as a unified community to bring the best value to members.

**Goal E.** IIA–Canada will be financially sustainable with an appropriate funding model to carry out strategic initiatives.

The full strategic plan is on IIA–Canada’s website.

Strategies have been identified under each goal and have been reviewed and prioritized, with volunteer and staff leaders assigned to develop work plans and the teams necessary to accomplish the key initiatives. Several new task forces have been launched and are actively working to deliver key objectives. We will keep you informed of strategic initiatives as we move forward.

Sincerely,

Sheila A. Smigarowski

Sheila A. Smigarowski, CIA, CRMA
Chairman of the Board

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**HIGH PRIORITIES FOR 2014**

- A Canadian Content Task Force (CTF) has been established to adapt IIA courses to the Canadian context. The first four courses for adaptation have been identified.
- A detailed advocacy strategy has been developed and an Advocacy Task Force established to assist in building relationships and partnerships with target stakeholders. Key focus areas for 2014 will include corporate directors, and the federal government.
- Advocacy leaders are working on a research paper, “Unlocking the Power of Internal Audit in the Public Sector.”
- The national conference is scheduled for Ottawa, October 5-8, and the host committee along with the Canadian Conference Advisory Committee have been busy compiling an outstanding lineup of speakers. Registration is now open.
- The national education strategy is being finalized and two seminar weeks will be held in 2014 in Toronto and Edmonton.
CHAPTER NEWS

WINNIPEG – BE OUR FIRST SCHOLAR!

The IIA–Winnipeg Chapter supports students interested in pursuing a career in internal auditing and cares about the education and development they receive prior to entering the workforce. We are pleased to support students through IIA–Winnipeg Chapter’s Scholarship Program.

ELIGIBILITY

- Only available to post-secondary students, enrolled in a Bachelor of Commerce, Business Administration, or equivalent program.
- Students must demonstrate interest in pursuing a career in internal auditing.

SCHOLARSHIP AMOUNTS

The Scholarship Committee will award a maximum of two $500 scholarships.

Application Deadline: March 31, 2014.

Full details of the application and selection process are posted on IIA–Winnipeg Chapter website.

HALIFAX – HOST CHAPTER RELATIONS COMMITTEE MEETINGS

Halifax is the setting for the next CRC meeting in June as well as the follow-up session to the strategy meetings that were held in Winnipeg with chapter leaders, the Canadian Board, and North American Board representatives.

AROUND THE IIA

A FUZZY LINE?

Internal auditors have an obligation to report on illegal activities, dangerous flaws, and defects in a product or service. But at what point do they have an obligation to speak out for what’s right for society and the greater good — even if it flies in the face of profitability and shareholder value? In his recent blog post, Richard Chambers explores the moral and ethical boundaries of being a corporate conscience.

Check it out at: http://www.theiia.org/blogs/chambers/
The theme of the 7th Annual National Conference of the IIA–Canada is Rising to New Challenges. As the premier learning and networking event dedicated to internal audit, risk, control and governance, this event draws speakers from the forefront of our profession.

IIA–Canada National Conference October 5-8

Exceptional key note speakers, panelists and thought leaders as well as respected audit leaders from private and public sectors will present:

- Strategically positioning the IA Function
- Enhancing Internal Audit Effectiveness
- Information Management / Technology
- A Fresh Look at Value, Ethics, and Fraud
- Auditing in the Public Sector
- The Modern Auditor: Leader and Agent of Change

Click here for detailed program.

REGISTER BY MAY 31ST TO BENEFIT FROM OUR EARLY BIRD SPECIALS.

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<tr>
<th>Member Rates</th>
<th>Early Bird (Ends May 31)</th>
<th>Regular Rate</th>
<th>Late Rate (Starts Sept. 1)</th>
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<tbody>
<tr>
<td>IIA–Canada National Conference</td>
<td>$1,200</td>
<td>$1,300</td>
<td>$1,400</td>
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<td>Oct. 5—8</td>
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Audit Leader Event (ALE)
(for CAEs & Audit Committee Members)
Oct. 5
11:30 a.m.—4:30 p.m.

Audit Committee Package
(ALE & 1st Day of Conference)
Oct. 5—6

CIA Exam 3 Part Preparation Course
Oct. 5
11:30 a.m.—4:30 p.m.

Junior Auditor Training
Oct. 8
1:00 p.m.—5:00 p.m.

5% discount for groups of 5 or more
While corporate and public reputations take decades to build, it takes but one control breakdown, scandal, or other unanticipated incident to destroy them. At this dynamic event, experts in reputation management and leadership development will complement an esteemed panel comprising a deputy minister, chief executive officer, and audit committee members from the public and private sectors. Insight and advice will be shared, helping both CAEs and audit committees to better protect their organizations’ reputations through professional practice, personal courage, and strategic positioning. Click here for full program.

Jaime Watt
Leader in reputational and crisis management, and a member of the CBC’s The National Insider Panel.

Vince Molinaro
Managing Director of Knightsbridge and author of New York Times’ Best Seller, The Leadership Contract

SPECIAL AUDIT COMMITTEE PACKAGE
ALE + DAY 1 OF CONFERENCE
SUNDAY, OCT. 5 & MONDAY, OCT. 6

For the first time in its history, the IIA‒Canada National Conference is focusing a major part of its programming on this important community, providing Audit Committees with a view on the issues facing chief audit executives and the organizations they serve.

THE PACKAGE INCLUDES:

- Registration for the Audit Leader Event on Sunday, Oct. 5. This year’s topic will be “Reputational Management: Internal Audit on the Front Lines.”
- Registration for Day 1 of the conference (Monday, Oct. 6), which will bring together an exceptional slate of speakers and panelists addressing issues of leadership and oversight.

Click here for full program.

CIA EXAM PREPARATION COURSE

This CIA exam preparation course will include a high level introduction and overview of the topics covered on the new 3-part CIA exam. The course will reinforce your CIA knowledge, clarify exam topics, and build exam-day confidence. Taught by an IIA CIA-certified instructor, each attendee will have the opportunity to work through practice exam questions, learn test taking tips, and will receive The IIA’s CIA Learning System™, version 4.0. Materials include self-study printed books, e-book, 2-years of online software access and a slide book for each part. Course topics will include:

- Part 1 - Internal Audit Basics
- Part 2 - Internal Audit Practice
- Part 3 - Internal Audit Knowledge Elements

* Price includes Version 4.0 of The IIA’s CIA Learning System.
* You must pre-register for this workshop.
Additional self-study time outside of the classroom will be necessary to prepare for the exam.

JUNIOR AUDITOR TRAINING PROGRAM

WEDNESDAY, OCT. 8

In keeping with IIA–Canada’s priority of supporting and advancing the professional foundations of working level auditors, post-workshop training will be offered for junior auditors working toward certification, or simply looking for additional core training.

TRAINING TOPICS COMING SOON! Click here for an alert when training is posted

Watch the www.iiacanadanationalconference.com website for more information.
Internal Audit Needs Leaders and Future Leaders Need Internal Audit

The positive news is that leadership and boards want internal audit to evaluate strategic risk exposure and provide assurance over risk management effectiveness. The challenge is staffing internal audit functions with high performing future leaders who have the capabilities and communication skills to deliver on this.

I believe the easiest way to attract high performing leaders into internal audit is to have a chief audit executive (CAE) who can build a progressive and trusted function that delivers value, while continuously developing its people.

When I was asked to join the internal audit team at a U.S. Fortune 500 company 11 years ago, I was given an offer I could not refuse. The new CAE shared his vision of building not only a risk-based audit function, but also one that is respected as a trusted strategic advisor to leadership. He then told me I would independently lead projects all over the world, work closely with senior leadership, have access to all critical business information, and best of all, I could influence positive change. It almost seemed too good to be true.

After I relocated from Calgary to Minneapolis to take this position, I quickly learned that the historical perception of the internal audit function was not always positive. Many high performing finance analysts had no interest in a rotation into the internal audit function. To make matters worse, the Sarbanes-Oxley legislation had just passed and the compliance workload made it even harder to market internal auditing as a sexy role. I still believed internal audit had the potential to accelerate the development of future leaders. I personally saw this negative perception as a worthy challenge to overcome.

So the journey began with recruiting one future high performing future leader at a time. Eventually the majority of our internal audit staff was a team of high performing finance, accounting, and IT analysts. The CAE and the audit management team realized high performers also have high expectations. I believe we exceeded their expectations with a well-thought-out audit strategy and plan, a comprehensive continuous risk assessment methodology, challenging audits and advisories, and a never-ending focus on delivering value. We also developed a continuous training and development plan for the team. Eventually the leadership saw internal audit as an engine to develop future leaders. I was very proud of what the team achieved.

This was not unique to just the U.S. business I worked for. Through my involvement with The IIA in Minneapolis, I interacted with the internal audit leaders of many Fortune 500 companies and learned that internal audit was becoming a development engine for future leaders in many companies in the U.S. I often wondered if internal audit in Canada was seeing the same trend.

In 2012, my family and I decided to return to Canada to be closer to family and be back in our great country. When considering a new role in a new industry, I realized that internal audit is not only a great place to build a strong foundation in a business, it is also a great place to learn a new industry. I accepted a role as the CAE for a utility in Calgary, Alberta, named AltaLink. This company builds and manages the electrical transmission for 85 percent of the population of Alberta.
In the last year, I have learned that the utility industry in Canada has experienced a dramatic increase in regulation, cost scrutiny, cyber security needs, third-party construction contracts, and government review. All of these trends are areas where internal audit has the potential to proactively influence positive change. Optimizing the effectiveness and efficiency of controls provides the foundation for not only risk management, but also intelligent risk taking.

Over the next 10 to 20 years, we will see a significant turnover in corporate leaders and board members in Canada and the U.S., driven by baby boomers retiring. When these leaders look to who will replace them, they will surely look for people they trust. They want experienced leaders who not only understand the business but also have very strong governance and risk management skills. The young up-and-coming future leaders in Canada must realize that not all roles offer the same opportunity for development as what you can experience in internal audit. Also, not all roles give you exposure to leadership and board members. I am confident that those with extensive governance and risk management skills will be in great demand.

The most seasoned board members today always have a top 10 list of risks and key performance indicators to focus on. They do not like to overcomplicate things and they appreciate it when chief audit executives respect what they see as important and provide them the assurance and insight they require. This instills confidence that the business is being governed effectively and the corporate strategy will not be materially impacted by risk. The most progressive CAEs are continuously assessing risk and putting themselves in the shoes of the CEO, CFO, and the board. CAEs need to simply ask themselves “what would I want to know if I was in one of their roles?” because maybe the CAE or one of the high performing internal audit team members will move into these senior roles in the future.

Internal audit needs strong leadership to meet future expectations, and high potential future leaders need internal audit to accelerate their development and network to open doors to bigger and better opportunities.

In October 2014, IIA–Canada will host its National Conference in Ottawa. At this conference, there will be an Audit Leadership Event dedicated to attract CAEs, risk management leaders, and audit committee members. This will be a perfect opportunity for our nation’s leaders to see the value that The IIA and internal audit is providing. It will also give them a chance to meet many up and coming future leaders.

May is International Internal Audit Awareness Month

To build awareness of internal auditing all around the world, May is designated as International Internal Audit Awareness Month. We invite you to celebrate and promote the profession throughout the month.

Download the updated toolkit for ideas for individuals and chapters to join in the fun.
Canadian Facilitators

In November 2013, IIA–Canada held a course to teach 19 senior auditors facilitation and instruction techniques. Successful students are able to facilitate courses in both the U.S. and Canada. The purpose is to grow our base of Canadian facilitators and Toronto Seminar Week is proof of success. This will be our first Seminar Week facilitated by Canadian instructors exclusively!

eLearning Series

IIA–Canada launched our eLearning series by holding two sold-out sessions of a Canadian-developed course, Introduction to Internal Auditing. This course is in the process of being translated and will be held in French in May. Several additional English sessions will be held throughout 2014. Two other eLearning courses will be held in the spring of 2014:

- March 25–28, Statistical Sampling for Internal Auditors
- May 27–28, Data Analysis for Internal Auditors

Enrollment is limited for eLearning courses, and registrants find that they are very interactive. The technology allows for break-outs into small groups, group discussion, group participation at the whiteboard, and all the elements you normally find in a face-to-face setting.

Educational opportunities

TORONTO SEMINAR WEEK

Join us at the downtown Hilton in Toronto, June 17–20 for an exciting line-up of courses featuring something for every level of auditor. Network with peers and enjoy Toronto’s finest sights. An all-Canadian facilitator lineup awaits. Two of the seven courses available will have been updated and “Canadianized” by IIA–Canada’s Canadian Content Task Force. Take advantage of this new course content. Courses include:

- Analyzing and Improving Business Processes
- Auditor-in-Charge Tools and Techniques
- Beginning Auditor Tools and Techniques
- COSO: Update and Hands-on Session
- Creative Problem-Solving Techniques for Auditors
- Operational Auditing: Influencing Positive Change
- Risk-Based Auditing: A Value-Add Proposition

Registration information available on the IIA–Canada website.

FREE-TO-MEMBERS WEBINAR SERIES

Since September 2013, IIA–Canada has held a free monthly webinar on topics of keen interest to auditors, with speakers who are leaders in the industry. They have become so well-known and subscribed that registration now frequently exceeds 1,000 per event. At least two webinars per year are held in French, in collaboration with the Quebec and Montreal Chapters.

FREE TO MEMBER WEBINARS

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<tr>
<td>March 31, 2014</td>
<td>Trucs et Techniques d’entrevue (in French)</td>
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<tr>
<td>April 8, 2014</td>
<td>Cybersecurity: How Should Internal Audit Be Addressing This Increasing Risk (sponsored by KPMG)</td>
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<tr>
<td>May 13, 2014</td>
<td>Ethics and Anti-Corruption / Bribery Programs – Internal Audit’s Role</td>
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<tr>
<td>June 10, 2014</td>
<td>Delivering the Value in “Value for Money” Audits</td>
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New! Look for webinar audio links, presentations, and documents in the Members section of our website (login is required).
IIA–Canada & The Directors College: A Natural Partnership

*The Directors College Interview with Brian Brown, CIA, CMA, C.Dir., CFE*

March 2014

What is IIA–Canada's relationship with The Directors College?

The Directors College is Canada’s University Accredited Chartered Director Development Program. The Directors College Chartered Director Program delivers an accredited corporate director development program that leads to a university designation Chartered Director (C.Dir.). It is a five-module residential program designed to create an environment for innovative and independent thinking. The Directors College also offers specialized learning opportunities including the Audit Committee Certified program.

Since 2004, IIA–Canada has been providing faculty and content for one module in the Chartered Director program focusing on internal audit, its relationship with the Board, and the Board’s role in successful internal audit activities. Since then, additional internal audit-related content has been added into both the Chartered Director and the Audit Committee Certified programs.

In 2008, the relationship was formalized by both parties entering into a sponsorship agreement. The agreement, which was renewed in 2013, documents IIA–Canada’s commitment to providing faculty and content, inclusion of the IIA–Canada logo on all Directors College materials, commitment to promote each other’s educational programs, and proposes future joint initiatives of various kinds. The current agreement also provides a 10 percent discount to IIA members for any Directors College program. In addition, the commitment to support each other’s programs has been escalated.

The strong, sustained relationship with The Directors College has been a tremendous advocacy success for IIA–Canada. As the College’s participants mostly consist of internal audit’s key clients, the education and exposure provided to them continues to enhance the profile of our profession, and the key role that boards can play in our success.

In 2012 and 2013, two IIA leaders completed the Chartered Directors program and attained the designation C.Dir.: Archie Thomas (Toronto) and me. We have both served as IIA’s faculty members for The Directors College since 2004.

Do you think the knowledge and skills of Board members have changed since you began teaching for The Directors College 10 years ago?

Absolutely. We find that the knowledge of internal audit, in particular, has increased significantly since 2004. Now, virtually everyone in each class is familiar with internal auditing and is comfortable with our role in assisting them with the governance responsibilities. The Directors College faculty stress throughout the program the importance of the direct reporting relationship of the chief audit executive to the Board (or Audit Committee). This message is eagerly accepted by the participants, so long as we deliver the services they desire/require.
At this point in your career, what made you decide to take a course in director education?

Leading internal audit functions for the past 21 years for five organizations provided considerable opportunity to work with Boards and audit committees. In the beginning, I was curious about their role and perspective. In the second half of the 90s, I was able to assist our Board in enhancing its governance practices concurrent with the evolution in governance at the time. That period piqued my interest in how organizations, profit and non-profit, should be properly governed. Continuing through the 2000s, the post-Enron era gave rise to a plethora of thought leadership and governance training. By that time, I had become involved with The IIA at the Canadian, North American, and Global levels which put me in the limelight of the internal audit profession’s rise in profile along with the rise in awareness of good governance.

As one of the leaders of our profession in Canada, I had the opportunity to engage with business, government, and regulatory leadership across Canada and learn firsthand the governance challenges, as well as the opportunities (particularly for internal audit) that were arising. As a result, my interest in governance became a passion leading to a desire to become a governance professional. Having spent much of my career working with Boards, it is a natural career evolution to serve on corporate boards of directors.