President's Message

As the uncertainty swirls around us, there one thing that remains certain is - you guessed it...uncertainty. Between the federal government shutting down, ongoing sequestration, the Fed going back and forth on recovery and interest rates, Affordable Healthcare, and the list goes on and on. And whatever your politics - and this is certainly no political forum - there is no denying that there is a quagmire amongst leadership in our nation’s capital. And in a world fraught with uncertainty, the greatest necessity is leadership.

In audit departments across the Puget Sound we are blessed with strong leaders. Some are well-versed and some are newer at the leadership game and it's been my privilege for the past two years to get to know a number of them. What I can tell you that
despite the differences in styles and approaches and personalities, one thing is true across the spectrum of these leaders - their ability to manage through uncertainty.

From what I've seen over the years, that's one trait that's bred into us as internal auditors - the ability to stay nimble and react, while at the same time developing the vision that it takes to plan proactively where an audit plan and an audit department will go in the future. As technology has evolved and the markets have challenged corollary theories and re-written the rules of engagement, the need for our profession to gain excellence in this area has never been more important.

An article in June's Harvard Business Review breaks down the need for companies to rapidly adapt through the stages of competitive advantage when operating in "high-velocity industries". In today's marketplace it seems that too many companies are attempting to re-define their industries as "high-velocity". Fashion changes with the seasons, we need new cell phones every other month, and we expect our pro sports teams to go from cellar-dweller to champion in a single year.

In the midst of all of this, here we are as internal auditors, juxtaposing this "high-velocity" change with the steadfast consistency and professional skepticism needed to help keep our organizations in check. And while we leverage our fundamental conservatism and ability interpret our exposure to today's risk, we must also exercise foresight to help ensure that our companies have adequately prepared for not only the types of crises that have so unfortunately become the norm in today's headlines but also the new world crises, the scopes of which have yet to be defined. Wow - stated that way we sure do have a challenging role! Who said internal audit was boring?

And it's for that reason that I encourage all of us to examine our contributions to the profession, and to the Chapter. It's been said that the best way to ensure that you won't repeat history is to study and understand it. As auditors, understanding the history and root causes behind the crises we face in our organizations - large and small - and applying what we learn to drive improvements is the core of what we do.

Corey Saunders,
President

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Ethics in the Industry

Newsletter Submissions

If you have a newsletter item that you would like to contribute please email your newsletter information to Robert Thieling at thieling_r@ghc.org. We welcome any interesting value added articles, links or events that may be of interest to our members.

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Becoming a More Efficient Internal Audit Function
The IIA's CIA Learning System
COSO's Updated Framework: Global Applicability
Easy Steps to Continuous Auditing
Creating Value Through Integrated Reporting

Quick Poll
How prepared is your organization for a crisis?

- 7% - We have no plan; we are unprepared.
- 13% - We have done very little to prepare for a crisis.
- 33% - We have made some preparations, but there is a lot we haven't done.
- 30% - We have done a lot of work and covered most of our bases.
- 13% - We are as prepared as any organization can be.
- 5% - I don’t know!

See the full article associated with this poll titled Prepared for a crisis? in the April 2013 issue of Tone at the Top.

Practice News

- Are the various department's responsible for risk management aligned in your organization? If not, the IIA's position paper on The Three Lines of Defense in Effective Risk Management and Control may help.

- Salaries of internal auditors appear to be leveling off after several years of continued increases according to the 2013 Internal Audit Compensation Study. Those with specialized skills (i.e. IT; Fraud) are making more than their counterparts with general financial and operational backgrounds.
- 70% of U.S. Companies neglect third-party risk according to a recent poll by Navex Global.

- Investors say Risk Management should be the top priority of board's.

Do you have a job opportunity?

If you have a job opportunity that you would like us to post in a future newsletter please send the relevant information to Nancy Pasternack at npasternack@kpmg.com