President’s Message

The Vancouver Island Chapter held its first AGM on April 17, 2008. A new slate of directors was elected at that meeting. We have new directors and many returning directors. I personally want to thank everyone who agreed to be nominated. The Chapter will only be successful by having active volunteers. If you have any questions or comments, or want to help out, please contact any of our board members. Their contact information is at the end of the newsletter.

At the AGM, we honored Greg Smith who was awarded his CIA and CFSA. The CFSA is a specialty certification designed for internal auditing within the banking, insurance, and securities industries. Congratulations Greg!!

I want to thank all the board members from our first year. It was their hard work made our first year a success. The chapter hosted:

• 1 District workshop;
• 5 luncheons with topics ranging from latest trends in Internal Auditing to Fraud;
• 1 full day workshop on Report writing and Interview Skills; and
• 1 two day workshop on Basic Audit Skills

These events were well attended and we received positive feedback on the speakers.

This year we plan to host more luncheons and workshop. In addition, we plan to host:

• a 2.5 day conference on government performance auditing in October 1-3, 2008.
• a 2 day fraud conference in November 12-13, 2008.

The Vancouver Island Chapter is here to SERVE you!!
To do that we need to hear from you on:

• speaking topics you are interested in;
• your training needs; and
• great speakers that you have heard elsewhere that you think the local chapter should bring in.

Have a great summer.

Stephen Ward, CA*CIA
President
Vancouver Island Chapter of the IIA

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The annual western Canada district IIA meeting was held on June 14th, in Calgary. Steve Ward, Teeravit Chintawongvanich, and Tom Peerless represented the Vancouver Island Chapter.

At the meeting were representatives from all western Canadian IIA chapters: Winnipeg, Saskatchewan, Edmonton, Calgary, and Vancouver. Also in attendance were the IIA regional representative and the Canadian IIA representative. The meeting had a full agenda, including an excellent section on membership. Here are the highlights:

The next IIA Canadian Conferences will be:
• 2008: October in Calgary (West) please see http://www.theiia.org/iia-training/conferences/ca for more details
• 2009: September in Quebec (East)

Academic Relations
• Calgary Chapter has a contact with the business school (U of C) and goes speaking to raise awareness of profession. The chapter provides 3 scholarships.

Programs
• It was discussed that benefits can be gained through collaboration with other professional associations and Accounting/Financial Bodies i.e. CA, CGA, CMA, FMI. IIA Vancouver Island will look into partnering closer with these groups.

Membership
• We discussed ways to increase and retain membership through personalized letters and follow up on new members.

Certification – Computer Based Testing
• There have been some incidents with the computer based testing sites. If members have difficulties with the testing facilities, please contact the board if you encounter difficulties.

Have a great summer!

Tom Peerless, BA, MBA, CMA
Vice President
Vancouver Island Chapter of the IIA
Good news for IIA members who will be writing IIA exams in the future. You do not have to travel to Vancouver to take your IIA exams anymore! The IIA exams can now be written in Victoria. Pearson Vue has a test site in Victoria for the IIA’s new Computer Based Testing.

The Pearson Vue test site is located at:
The Academy of Learning
2780 Millstream Road (Millstream near Goldstream Avenue across from the Langford RCMP Station)
Suite 206
Victoria BC
V9B 3S6
Phone: 250-391-6020

You can register for the exam online through www.pearsonvue.com or calling the Academy of Learning.

We currently have 72 active members, overall up from last year (67 members).

Certified Internal Auditor: 22 members
Certified Government Auditing Professional: 1 member
Certified Financial Services Auditor (and CIA): 1 member

Membership is predominately government (64% in BC Government, 15% Crown Corporations and government-funded Authorities) with 14 % in private industry, self-employed or retired.

Our notices are sent to an additional 55 individuals who have learned of our events through the CMA, ISACA, and the Alliance of Professional Associations. I encourage anyone who is not a member to join. In addition to receiving the Internal Auditor Magazine, you will save on training fees (e.g., at our upcoming training events Government Performance Auditing Oct 1-3, Fraud Conference in Nov) and have access to other online resources and training opportunities.

Membership fees are:
Government (not part of a group) $65 US
Educational (educators) $65 US
Student (enrolled in degree program) $30 US
General $130 US
Government Group $750 US
(plus $10 US per staff member)
Standard Group Savings if you have four or more staff

In response to the specialized needs of its members, The Institute offers several special membership sections. The sections are open to all IIA members and dues are in addition to IIA membership: Gaming Audit Group ($40 US), Chief Audit Executives Group ($100 US), and Financial Services Auditor Group ($40 US).
Professional Development Programs

Government Performance Auditing

How to Add Value to Government Performance

October 1-3, 2008 (2.5 Days)
Victoria, BC

Registration Coming Soon

2008 IIA Fraud Conference

gain perspectives and learn from our 10 subject matter experts

November 12-13, 2008
Victoria, BC

Full Details in August
Interview with Patricia Roberts

By Teeravit Chintawongvanich

Patricia Roberts, CMA, CIA, CFE
Manager of Financial Services

TC: Could you give me a brief overview of the District of North Saanich and your internal audit shop?

PR: Through a Mayor, Council and staff of 57, the District of North Saanich (DNS), is a local government that governs, regulates and provides services for the benefit and protection of over 12,000 citizens.

Services provided are broad and range from fire protection, roads, water, sanitary and storm sewers to heritage, parks and recreation. Regulatory functions range from land use planning and permitting to business and commercial vehicle licensing. Total budgeted revenues for 2008 are over $17.9 million. Capital assets managed are more than $61.2 million.

In 2005, my position as Manager of Financial Services was established and included in its mandate the District’s internal audit program. This is in addition to managing the Financial Services Department of 5 and the District’s financial administration systems, policy and procedures.

With operational priorities and limited budget resources, a formal internal audit program has not yet commenced. Instead, risk is assessed and materiality considered in the annual departmental planning process to identify where scarce resources need to be directed. At this point, these services have been of an advisory and value added nature especially, where benefit can be derived by more than one department.

TC: Is there any internal audit consortium or peer group at the municipal level on the island or in BC?

PR: As far as I know, there isn’t a formal consortium or peer group at this time. Very few internal audit shops exist in local government in BC.

As a result of conducting research recently to determine how internal audit shops in other local governments in BC were functioning and how they were successful in getting support from Council and staff, I was able to identify only 5 local governments out of 188 in BC at this time that had an internal audit function.

From discussions, I determined that it is generally recognized that a business improvement and advisory focus is critical to the success and survival of the internal audit function. Being that it is also recognized that the policing function is an essential component to the job, risk assessment is essential to allocate the scarce internal audit resources available. Depending upon the complexity, time required and level of expertise needed for the job, it may be necessary to contract out for fraud investigative or other internal audit or review services during the course of the year.

It’s Your Space!!

If you have experience or information you think it is useful, fun, interesting, informative or inspiring, share it with us.

Email to
gsmith@pragroup.ca
Interview with Patricia Roberts (Con’t)

**TC:** What are some of the other challenges facing the implementation of internal audit in local government?

**PR:** With the requirement to implement the Public Sector Accounting Board guidelines for local government and now, PSAB 3150 requiring local governments in Canada to account and amortize tangible capital assets which includes infrastructure such as roads, water and sewer systems for the first time, most local governments have been focused on completing that project while conducting normal operations.

With the retirement of “baby boomers” having a significant impact throughout local government, energy is also being focused on recruitment and training with financial officers often being hired on without prior local government experience.

As a result, the Government Financial Officers’ Association of BC and the Ministry of Community Services recognized an immediate need to offer a training program for local government finance officers so they hit the ground running. As Secretary-Treasurer and member of the Education Committee for GFOA BC, I drafted the curriculum that has formed the basis for an intensive 4 ½ day program known as “Boot Camp”. There has been such demand, that we will be offering the 3rd session in 12 months in August, 2008.

As these immediate needs must be addressed for the local governments which range from one person on staff to several thousands, in many cases, Councils and finance staff may not have had the background to understand the internal audit function and the benefits that can be derived. As a result, we have incorporated an audit component into the FO Boot Camp.

**TC:** What are some of the most memorable moments in your internal audit career?

**PR:** There are so many but let me give you a few:
- Wearing a trench coat and literally, going undercover for a “sting” in a court registry.
- Auditing “stores” in a correctional centre and coming across an inventory of belts of 54” in length which were for a particular “guard” nicknamed “Tiny”.
- Auditing in a multitude of “exhibit” rooms in one of the court registries in Vancouver including one that was filled with confiscated drugs and jewelry and finding that for some reason, the audit team would be in “fits of laughter” during a serious time. This was then traced it down to the mixture of powders in the air in one of the vaults where the auditors had spent a fair amount of time having to count and handle a number of the exhibits.
- Being tossed a beaver’s tail and asked “if I would like it for dinner” by the Forest Ranger while conducting an audit in northern BC.
- Having to eat “Spam” every day as there was no meat to buy that was smaller than a frozen side of beef and there were no restaurants to eat in while auditing the Government Agency in Stewart, BC many years ago. Needless, to say, I completed the three week audit in 1 and ½ weeks and was out of there.
- Flying for two hours in a “goose” float plane where, as the plane accelerated, water started to come through the floor boards and the only washroom facility was a bucket on the floor at the back with a half curtain over top.
- Finally, arriving back at work after a 3 week audit and finding that the office had moved and no one had let me know. Yes, I did find them…
Interview with Patricia Roberts (Con’t)

TC: What are some of the most exciting moments in your internal auditing career?

PR: The first one would be when I received the news that I was the successful candidate for the position of internal auditor with the Internal Audit Branch, Office of the Comptroller General for BC. This was way back in 1977. I was only the second female to be hired on in that office and for the first two years, neither my colleague nor I were permitted to travel out of town with any of the male auditors.

The second most exciting moment was when I was hired as Director of Internal Audit, a new position established with the Ministry of Attorney General which at that time employed more than 4,300 FTE’s. My job was to not only establish and manage the internal audit function and branch but was to bring about the establishment of the Audit Committee including the drafting of its Terms of Reference.

TC: What are your current challenges at the moment?

PR: Getting the resources at the level needed to fulfill the mandate of the department and my position. Currently, an Audit and Finance Committee has not been established as is the case with the majority of BC local governments. It will also be important to ensure that there is an adequate independence in the reporting relationship of the internal audit function.

TC: What is your vision for your internal audit shop?

PR: To be seen as a “business improvement” function with the ultimate goal of ensuring existing systems and those under development will provide value as well as safeguard the assets of taxpayers and other stakeholders of the District.

TC: Being that resources are scarce especially for the smaller to medium sized municipalities how do you see internal audit ever becoming a reality for local government across BC?

PR: I think we need to continue to educate key people in local government as to what internal audit is and the benefits it can bring to municipalities of all sizes. As well, we need to address how to go about getting the necessary approvals and funding to set up an internal audit function. Where a municipality is smaller, an option to be considered is cost sharing for the service with another one or more other municipalities.

“…It will also be important to ensure that there is an adequate independence in the reporting relationship of the internal audit function.”

TC: Any last words to our members or anyone interested in internal audit?

PR: Yes. I have found that some of my most enjoyable and rewarding work has been in the field of internal audit. It truly is one of the best ways to gain a rapid overall understanding of the key aspects of an organization. This, along with the research, analytical and communication skills that are developed are transferable anywhere. It can be lots of fun too!!

Lastly, I would like to add that I am so very impressed with our dynamic Board of Directors that have brought about the new Vancouver Island Chapter as well as the educational and networking opportunities that have been both valuable and most enjoyable over the past year. A big "THANK YOU" to you all!
Photo Corner

Canadian Western District Meeting
Hyatt Calgary, June 14, 2008

Above: IIA Canadian Western District Meeting Hosted by Calgary Chapter on June 14, 2008.

Participants: Calgary Chapter - Karen Shillingford, Maggie Kiel, Brinda Pyndiah, and Joe Karaan; Edmonton Chapter – Kathleen Gora and Sundeep Kakar; Saskatchewan Chapter – Dailene Kells and Terry Novecosky; Vancouver Chapter – Jeremy Picco, Raimonda De Zen and Cindy Kailley-Smith; Vancouver Island Chapter – Stephen Ward, Tom Peerless and Teeravit Chintawongvanich; Winnipeg Chapter – Kevin Milne; IIA Canada – Luc Lavoie; IIA HQ – Sarah Albright; District Representative – Sheila Smigarowski; District Advisor – Ken Bolstad; Co-Chair Canada Conference 2008 – Tara Tobler; and Chapter of the Future Task Force Representative – Robert Kuling.
## Chapter Contacts

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