President’s Message

“Good work is seldom done by accident. It is done by people who care.” This anonymous quote is reflective of the work that we do at the Vancouver Island Chapter.

My experience with the Board over the past five years has been wonderful, both working through challenges and having fun. As a chapter member, I always appreciate the dedication of each Board member for their personal commitment and time to all chapter activities. This year we will continue adding benefits to our members.

IIA Certification Support Program
We are offering a significant discount on the IIA’s CIA Learning System if you purchase the full set or parts through our chapter. The savings can be over $200 for the full set. Alternatively, as a chapter member, you can get a 20% discount on Gleim’s CIA exam prep products. In addition, the chapter will provide a financial support to candidates who personally fund their exam costs and successfully earn any IIA Certification. More details in IIA Certification Section.

Professional Development Program
I hope those of you who attended the Champions of Change Workshop on August 31 enjoyed and took something away from the event to assist your organization in process improvement and change management. On Friday September 14, we will have Tony Hui, Manager of Internal Audit Division of Vancouver City to share the audit case study on 2011 Stanley Cup Riot and how his internal audit shop added values through its services. Please see PD Programs Section for all events planned this year and more to come in 2013.

Have you thought about risks associated with your spreadsheets? Our board member, Nijjy Potikanon, shares her thoughts and experience on “spreadsheet controls” in this issue.

Lastly, I hope I will have an opportunity to see you in one of our events this year. If you have any comments or suggestions about our chapter activities, I would love to listen to.

Teeravit Chintawongvanich, CIA
Let’s revisit some horror stories from the use of spreadsheets in the past...

NASA misstated $644 million due, in part, to a misinterpretation of guidance and errors in the ad-hoc process of exporting information from system to spreadsheets.

Kodak restated income downward by $11 million due to too many zeroes added to employees’ accrued severance. The Jamaican banking system collapsed due to poor archiving of key spreadsheets.

The former CFO of ProQuest Co falsified financial records by hiding information in invisible cells by using white fonts on a white background.

Fidelity’s Magellan fund, for a long time the world’s single largest mutual fund, had a $2.6 billion error caused by an accountant who omitted the negative sign when transcribing the net loss to a spreadsheet, turning a $1.3 billion loss into a $1.3 billion gain.

These are just a handful of what hit the news, yet many more have perhaps gone undetected. Besides the direct financial loss, spreadsheets also introduce the risks of data integrity, confidentiality and, ultimately, business continuity. So how can we as auditors help ensure that our organizations have sufficiently safeguarded their spreadsheets?

There is no one-size-fits-all approach when it comes to spreadsheet risk management and controls. An audit of selected individual spreadsheets could simply be planned and executed, but it may yield very little value due to the nature of spreadsheets – ever-changing, multiple versions, complexity level, frequency of use, etc.

The first question one should ask is whether your organization has a framework or policy governing the use of corporate spreadsheets. This will determine the nature of your engagement and help define audit objectives.

In some organizations, the framework may be part of the IT user-developed application (UDA) guidance, as spreadsheets share many characteristics with traditional software development, and are also considered an end-user application.

Continued on next page….
The regulatory factors and compliance requirements within different industries could be the key driver for establishing a framework, and auditors should review the framework’s relevancy and practicality to the organization. With the availability of a control framework, you can assess its appropriateness and use the existing framework to scope the population of spreadsheets to review.

Without a framework, however, an auditor can play a strategic role of consultant to assist management in developing an effective spreadsheet control framework. Internal auditors can also help management to raise organizational awareness on spreadsheet risks and the need for controls, and to promote the framework. *Figure 1* demonstrates what a control framework should cover, at a minimum.

**Policy** defines the purpose, scope and key definitions. Realistically, it is not feasible to use a framework to control every spreadsheet under the sun. The primary focus should be on what matters most – or your organization’s ‘Critical Spreadsheets’.

**Roles and responsibilities** clarify what is expected of the spreadsheet creators, users, management and related stakeholders.

**Control Processes** discuss processes surrounding spreadsheet management to ensure all individuals with responsibilities understand and consistently adhere to the standards, and **Minimum Standards** define the organization’s baseline for spreadsheets.

More points to consider when building or reviewing a framework:

• What is considered a Critical Spreadsheet in your organization? Is there a structured way to measure spreadsheet risk consistently across the organization? What are the key criteria included and assessed as part of it?

*Continued on next page….*
Leader’s Corner (cont’d)

• Has an inventory of Critical Spreadsheets been created? How is it kept up-to-date?
• What are the mandatory controls for Critical Spreadsheets? What are the key controls that must be used in the development and maintenance of spreadsheets?
• What are some other controls that are good-to-have for spreadsheets?
• Are residual risks of Critical Spreadsheet aligned with the overall risk tolerance of the area/organization?

After a framework is implemented, it is the responsibility of management to ensure the organization has appropriate controls in place to manage spreadsheet risks. Internal auditors can periodically test compliance to provide assurance and recommendations regarding gaps or areas for improvement.

It should be noted that key success factors for introducing a new control framework lie deeply in staff’s awareness of spreadsheet risks and effective change management within an organization. This is due to the scale of impact that changes in spreadsheet usage would bring. It is also essential to have top management support and access to people with good skills in spreadsheet risks and controls.

The aim of spreadsheet management is to improve the quality of the spreadsheets used and thereby reduce the associated risks. By understanding where these risks are and by adopting practical solutions/controls, users are taking part in effective spreadsheet management to mitigate risk to an acceptable level. Like it or not, spreadsheets are here to stay and underestimating the business reliance on them is, by itself, a significant risk!

►Attention all members ◄

Do you have anything you would like to share with your local IIA members? Here is your space!

To contribute to our chapter’s newsletter (plus you also earn CPE hours), please contact me [here](mailto:here). You will also receive a free lunch training event.
Vancouver Island Chapter’s Educational Events

<table>
<thead>
<tr>
<th>September 14</th>
<th>Municipal Auditing, Lunch and Learn</th>
<th>Tony Hui, City of Vancouver</th>
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<td></td>
<td><em>Luncheon event</em></td>
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<tr>
<th>October 17 – 18</th>
<th>Operational Auditing: Influencing Positive Change</th>
<th>TBD</th>
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<tr>
<td></td>
<td>2-day seminar by IIA Canada</td>
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<tr>
<th>October 25</th>
<th>Performance Monitoring</th>
<th>Sheila Dodds, Assistant Auditor General, Office of the Auditor General of BC</th>
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<tr>
<td></td>
<td><em>Luncheon event</em></td>
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<tr>
<th>November 30</th>
<th>Fraud Conference</th>
<th>Dr. David Sweet of UBC, Suzanne Schulz of KPMG, Paul McEwen of E&amp;Y, Speaker 4: TBA</th>
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<tr>
<td></td>
<td>More details coming soon</td>
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<tr>
<th>November</th>
<th>TBD</th>
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<td>PD event in Nanaimo</td>
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<th>February 22, 2012</th>
<th>Risk Management</th>
<th>Deloitte</th>
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<td></td>
<td>Half-day Workshop</td>
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*For registration to any of the above, or more information on upcoming events Go to [Institute of Internal Auditors Vancouver Island Chapter](#).*
Upcoming IIA Canada Educational Events

National Conference

September 23 – 26

2012 IIA Canada National Conference -Montreal, Quebec.

Keynote speakers include:
- Michael Ferguson, Auditor General of Canada
- Randy Park, B.SC., M.Eng, Founder Decision Advancement
- Danielle Sauvageau, Coach of the victorious 2002 Olympic Canadian Women’s Hockey Team and retired 24 year police / RCMP veteran.

For more information, including program details and registration go to the Conference website.

Seminars

October 2-3, 2012
Single Seminar
St. John’s, NewFoundland
Click Here for More Information & Registration

October 16-17, 2012
Single Seminar
Victoria, BC
Click Here for More Information & Registration

November 20-23, 2012
Seminar Week
Calgary, Alberta
Click Here for More Information & Registration

For more information, go to the IIA Canada Website, or the chapter websites
Semi-Annual Report:

In June 2012 the IIA Interim Canadian Board issued its semi-annual report on its two year transition plan to a Canadian Institute. The report was issued on IIA Canada’s website and you can see the full report here:

2012 IIA Canada Semi Annual Report

Call for webinar presenters and topics:

In June 2012 the Canada issued a call for webinar presenters and topics. IIA Canada began its monthly webinar series in 2010 to a great success. The webinars attract on average 100 to 150 attendees. If you have an interested topic or interest in a particular area you are invited to share it with your peers. You can find more information here:

2012-13 Call for Webinar Presenters and Topics

► Attention all members ◄

Exclusive offer on IIA’s CIA Learning System to member. Deep Discounts on Training Materials. See Page 11.
IIA Headquarter News

22-August-2012 Internal Auditor Magazine Carries Away Nine Awards from Florida Magazine Association

20-August-2012 2012 Changes in IIA Certification Exam Seat Time

20-August-2012 Pulse of the Profession Study: 2012 Global Insights

16-August-2012 The Profession’s Trusted Reference Book Undergoes Makeover

02-August-2012 New IIARF Release: IFRS Implementation: Best Practices for Organizational Value

AuditChannel.tv

Top rated videos from IIA’s Audit Channel TV:

Becoming a More Efficient Internal Audit Function
03:36
Richard Chambers, President and CEO of The IIA, provides tips in making your internal audit function more efficient. In today’s environment of doing more with less, internal audit functions need to be agile, strategic, and innovative in their operations and activities.

The Top Skill Sets Required for Today’s Internal Auditor
01:38
Jeff Browning, Chief Audit Executive for Duke Energy, talks about the skill sets required of today’s internal auditors. Are you looking for the right skills…the right people?

Misunderstood Terms of Risk Appetite and Risk Tolerance
06:58
Paul Sobel details how he sees risk attitude, risk appetite, and risk tolerance fitting into the strategic planning process.
IIA Internal Auditor is a leading publication covering the profession. Internal Auditor magazine shares timely, indispensable information for professionals who want to keep up-to-date...

For the online version, please visit Click here...

Featured Online Articles

Facing IT Risk Head-on - Internal audit departments must confront constantly emerging technology threats without losing sight of previous dangers that never go away.

The Social Media Scene - Internal auditors can play a significant role in identifying and mitigating their organization's social networking risks

Say It Right - The IIA’s new chairman of the Board, Philip Tarling, CIA, CMIIA, CRMA, emphasizes the vital importance of communication to the profession, stressing the need to look beyond just the content of our messages.

Quick links......

Like us on Facebook

Blog with us
IPPF - The International Professional Practices Framework (IPPF) is the conceptual framework that organizes authoritative guidance promulgated by The Institute of Internal Auditors. Click here to visit the bookstore resource.

Recently Released Guidance from IIA

Practice Guides — General

Assessing Organizational Governance in the Private Sector, July 2012

Developing the Internal Audit Strategic Plan, July 2012

GTAG 17: Auditing IT Governance, July 2012

Auditing Privacy Risks, 2nd Edition, July 2012 (replaces GTAG 5)

Integrated Auditing, July 2012

Evaluating Ethics-related Programs and Activities, June 2012

Why Become Certified?
There are many reasons to obtain an official IIA certification designation. Whether it's the hallmark designation of internal audit, the Certified Internal Auditor® (CIA) designation, or one of our three specialty industry certifications – obtaining a certification helps to define professionalism.

Six Steps to Certification
Not sure where to begin? Read through these six steps on how to start off on your trail to certifications with The IIA.

Certification Frequently Asked Questions (FAQs)
Read some of the frequently asked questions we receive about IIA certifications and exams. These valuable questions and answers can also help those auditors looking for a little more information on a specific area.

IIA CIA Learning System
The IIA's Certified Internal Auditor® (CIA®) certification is the only globally accepted designation for internal auditors. It is a four-part exam that remains the standard by which individuals demonstrate their comprehensive competence and professionalism in the internal auditing field.

In response to market demand for premier quality global CIA exam preparation, The IIA has developed The IIA's CIA Learning System™.

The IIA's CIA Learning System is a comprehensive print and online CIA review program that will prepare you to pass the CIA exam. In 2011, The IIA updated topics to align with 2011 IPPF. A French version of the program is also available. For more information on IIA's CIA Learning System click on the logo below.

Exclusive Offer to Members
Your IIA Vancouver Island Chapter is pleased to assist members interested in obtaining the globally recognized CIA designation through providing IIA’s CIA Learning System at significantly lower prices:

• Full program CAD$610*
• Individual parts CAD$270*

Note: * All inclusive. Subject to change without notice. Prices for non-members are also available.

This offer represents savings of over CAD$200 from the regular prices offered (USD$745/$250+tax+shipping) directly through the IIA.

For more information and to purchase your IIA’s CIA Learning System, please go to the following link.

The IIA’s CIA Learning System - Order/Payment Site
IIA Certifications

NEW TO IIA CERTIFICATIONS?

IIA Certification: Financial Support

To support our chapter members in their pursuit of IIA Certification(s), the chapter will provide financial support to the successful candidates who meet the following criteria.

1. All exam and application fees were personally funded.
2. All eligibility requirements were met and passed the exam(s).
3. Be a good standing member when the certification is awarded.

Each successful candidate will receive $100. A limit of 5 successful candidates has been set up for each fiscal year.

Gleim CIA Study Material Discount

In addition to the discounts on IIA’s CIA Learning System, we are proud to offer significant discounts on Gleim’s CIA Study Materials for our chapter members.

As a chapter member, you can get a 20% discount on Gleim’s CIA exam prep products. Please visit the Members Only section of the IIA Vancouver Island website.

We would like to hear from you. Any comment or suggestion on how we can support you for earning IIA Certifications?

All comments can be sent to teeravit.chintawongvanich@bcimc.com

Attention all members

Promotions? Moves? Retirement?

Share your significant news with us and we will be happy to share it with the rest of the members.

Email here.
Photo Corner – Recent Events


Networking during the AGM on June 28, 2012

Champions of Change Workshop on Aug 31, 2012 by Jeff Berk
## Chapter – Board of Directors for 2012-2013

<table>
<thead>
<tr>
<th>Position</th>
<th>Name</th>
<th>Organization</th>
<th>Contact</th>
</tr>
</thead>
<tbody>
<tr>
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</tr>
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</tr>
<tr>
<td>Programs</td>
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<td>(250) 419-6226, <a href="mailto:szhou@bcauditor.com">szhou@bcauditor.com</a></td>
</tr>
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</tr>
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<td>Communications</td>
<td>Shaun Price, CA, CIA</td>
<td>DND</td>
<td>Please use Contact Us page</td>
</tr>
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</tr>
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<td>Member at large</td>
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