President’s Message

What makes your heart beat these days?
Perhaps the projects that you are working on. Perhaps a new relationship, professionally or personally, you have developed. Perhaps a new career opportunity. I wish all would go well with you.

We have passed another fiscal year end. Your board has begun planning for the next year, based on your input from the annual survey, board discussion and suggestions we received throughout the year. We are also on our way to achieve the Gold Chapter Status for the sixth year in a row. I appreciate your support through participating in our events and the commitment and leadership from our board members.

Annual General Meeting – June 28, 2013: Mark your calendar! Kim Carter, BC Ombudsperson will join us and speak about an ethics topic. More details should be coming out shortly. I personally invite you to attend this year AGM which will be held after the presentation session.

We are still looking for new board members for our Program Team. If you are interested in knowing more about this opportunity, please contact me.

Featured Articles: In this issue, there are a few articles you will find them informative. Nijjy Potikanon, one of our board members, recently attended the annual leadership event organized by IIA HQ. Several interesting observations are shared in her article. We also have a summary of the last month presentation by Jeff Erdman on Trends and Current Practices in ERM. Worthy to have a peek at least.

Enjoy the Upcoming Summer!

Teeravit Chintawongvanich, CIA
Jeff Erdman of Finning International kindly crossed the sea (Strait of Georgia) to speak for us on Trends in ERM. Jeff, we called him a guru of ERM based on his number of years on this subject, shared his insight with the attendees. He specifically shared 5 trends/practices he has seen and provided insightful comments. Below are select contents for you.

1. **Lack of clarity around the target end state** – where the organization wants to be along the ERM Maturity Model. The three key areas include Risk Governance, Risk Management Enablers and Risk Management Processes.
2. Limited or no linkage between ERM and strategy and value creation – many still focus on traditional risk management. No connection to risk appetite. Not considering risk taking as value creation. ERM should be treated as a strategic business process.

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<th>CONSIDER</th>
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<tr>
<td>Mission, vision and core values</td>
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<td>Business environment analysis and trends</td>
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<td>Risk management capabilities</td>
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3. Major risks...aka Black Swans – the unexpected risk or opportunity. Regardless of opportunity or risk, both sets of events can fundamentally destabilize a normal, healthy company.

How to approach a Black Swan....

- White Swans are what is expected based on current understanding of the world
- Black Swans are the exact opposite

Worst-case scenarios

- Keep it simple – “what’s the worst that can happen?”, regardless of probability e.g. catastrophic failure, loss of reputation, loss of customers, loss of ‘license to operate’, etc
- Suspend belief and seek to identify the lowest common denominators

Likely causes

- Consider multi-hazard risks and the ‘domino’ or ‘ripple effect’
- Focus on the improbable but exclude the impossible

Dependencies

- Try to find the chain of events/opportunities/risks
- Understand the chain reactions that occur between events

Unlikely risks

- Focus on first understanding the more probable risks
- Then address the unlikely/unpredictable risks

Mitigating Activities

- Seek to first mitigate the obvious risks
- Develop early warning systems to allow the chain to be broken
- Try to find the opportunity in the risk
The event ended with quite a few great questions. A familiar question was asked—what role should Internal Auditor take in ERM? Jeff referred to the Fan that we have seen for a while... If you don’t remember me, click here to see me. [http://bit.ly/17v1of4][IIA Position Paper]

4. Key Risk Indicators (KRIs) –
They are used to link strategy, performance and risk.

5. Risk Management Culture Assessments - A framework can be used for the assessment. Jeff shared one in the presentation which includes 4 key areas: Organization Philosophy, Relationships, Motivation and Risk Competence.
Imagine the Possibilities: Internal Audit and Disney World

by Nijjy Potikanon, MBA, CIA, CFE.

During the last weekend in April, I was immersed in the fantasy land of Disney World amidst a pool of internal auditors from all over North America and the Caribbean. Though auditors and Disney World may sound like two conflicting identities, I found it to be quite a creative blend. And for some shy auditors (me), it’s a nice ice breaker.

I was at the Leadership Academy, the annual conference hosted by IIA headquarters to get key volunteer leaders geared up to lead the 2013-2014 year in their local chapters. This event provides an opportunity for audit chapter leaders from the US, Canada, and the Caribbean to share their experiences, celebrate successes, and prepare ourselves with tools and resources needed for a successful year at our chapters.

Richard Chambers, the President and CEO of the IIA, started off by putting a strong emphasis on the centrality of ethical conduct in our profession. As you may have heard, fraudulent activity was found in four IIA chapters in the US – involving a total of $100,000 in members’ money. This was widely reported in the media and seriously jeopardizes the reputation we internal auditors have strived hard to earn. As Mr. Chambers said, we can’t afford to let this happen again – one bad auditor is already way too many.

Some Canadian chapter leaders with Mickey and Minnie in their race suits.

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

Paul Sobel, Global Chairman of the IIA Board, laid out this year’s theme – “Imagine the Possibilities”. It refers in part to the creation of Disney World in the late 1960s on 30,000 acres of land when nobody thought it was feasible or practical. Walt Disney, the visionary leader, made a habit of doing what others labeled impossible. “It’s kind of fun to do the impossible – W. Disney”. He actually envisioned a perfect city where imagination, innovations, education, and expanding technology be integrated. “All our dreams can come true if we have the courage to pursue them – W. Disney” But, what has this imagination to do with internal auditors?

We auditors, while grounded in reality, also need to start thinking the impossible. This profession will be dull if we are only doing the same things that we did 10 years ago. It’s when we start looking for the unachievable and what has not yet been done, thinking beyond our traditional role, and determining to help businesses and organizations improve their operations, we then make the internal audit profession matter. The IIA Big Audacious Goal has captured this impossible piece quite well: “Internal Audit professionals will be universally recognized as indispensable to effective governance, risk management and control”.

Paul Sobel shared some ways that auditors can individually and collectively expand our horizons:
Have we asked ‘WHY NOT’ instead of just ‘WHY’? This can create new possibilities.
Have we thought of auditing risks as opposed to just auditing processes? Can we continue to audit until risks level become acceptable?
Can we also provide value creation to management, and not just value protection?

During this eventful 2.5 day conference, we heard from some of the most inspiring and entertaining speakers, participated in a few breakout sessions to discuss some chapter’s best practices, networked with other chapter leaders and chapter sponsors, and cheered on the chapters that delivered the best services to their members. The diversity of people in the room was remarkable; as was the diversity in the programs/services each chapter provides to their members. It’s never a dull moment when there is a pack of truly passionate auditors!

Back to the Vancouver Island chapter: I start thinking about all these possibilities and what else we can do to serve members better. From what I’ve seen, it’s safe to say that we are a small and young, yet mighty chapter. We always strive for excellence in quality of programs and trainings. We want to fulfill the needs of our members, and we want to keep the profession of internal audit vibrant and alive on Vancouver Island. So let us hear from you what other possibilities you may have dreamed or wished this mighty board can do for you.

Together, we can turn the impossible into a new reality.

Nijjy currently serves on the Programs Committee for the IIA Vancouver Island Chapter.
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<thead>
<tr>
<th>Date</th>
<th>Event Description</th>
<th>Speaker(s)</th>
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<tr>
<td>June 28, 2013</td>
<td>Ethical Practices in the Public Sector &amp; AGM (Luncheon)</td>
<td>Kim Carter, BC Ombudsperson</td>
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<td>August 29, 2013 (V)</td>
<td>Critical Thinking for Auditors (A full day workshop)</td>
<td>Phil Flora, CIA, CFE, CISA, CCSA</td>
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<td>August 30, 2013 (N)</td>
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<td>September 24, 2013</td>
<td>Coaching - Helping create service 'experts': The opportunity for an athletic approach in service organizations. (Luncheon)</td>
<td>Mark Colgate</td>
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| October 25, 2013     | IIA VI Fraud Conference                                                          | 1. Sgt. Andrew Cowan, NCO i/c RCMP Commercial Crimes, “E” Division  
2. Colin Cree of E-forensics  
3. Linda Murray, CFE, of Law Society of BC  
| December 3-6, 2013   | IIA Canada Seminar Week -Courses to be finalized soon-                            | TBA                                             |
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**
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 our website for this offering > 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

Are you one of those seasoned internal auditors who cannot pursue the CIA designation due to the current education requirement? Update!!

There is a proposal going to the Global Board of Directors this mid-July to provide an alternative path way for those seasoned auditors to be able to pursue the CIA designation. Our chapter has been in touch with VP Certification at IIA HQ and we will update you by September 2013 for any development. If you want to know more information, please contact Teeravit C.
Audit Technology Maturity Curve

TeamMate - Thought Leadership

Beyond developing the world’s leading audit management software and revolutionizing SOX and controls management, TeamMate is dedicated to having a progressive and innovative influence on how Internal Audit, SOX and SOX-like standards are addressed globally. TeamMate participates by contributing articles, writing white papers, and releasing in-depth assessments on a variety of audit industry topics.

Audit Technology Maturity Curve ([click for the article](#)) A simple tool for helping internal auditors analyze their department’s maturity level when it comes to the use of technology.

Other Teammate’s Recent Papers include:

- [2012 Internal Audit Technology Survey Results](#)
- [Developing an Effective Internal Audit Technology Strategy](#)
- [Audit Technology Insights 2012](#)
# Chapter – Board of Directors for 2012-2013

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<th>Position</th>
<th>Name</th>
<th>Organization</th>
<th>Contact</th>
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<tbody>
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