President's Message

Welcome to Vancouver Island Chapter,

We are still young! It is hard to believe that our chapter will be turning 7 years old at the end of this fiscal year. Our chapter has consistently achieved its key mandate to deliver quality, local training. This has resulted in cost savings for members and their organizations for training related travel and accommodation. As we always look for areas for improvement, your feedback is highly valued so please contact one of our board members if you have any.

Reaching out! Our chapter strives to add value to the chapter and IIA membership. Our first event in Nanaimo this August is a key step to increase our presence in the upper island region. We cannot do this without the collaboration and cooperation from the CGA Upper Island Chapter, so a special thanks to Norma Lewis who is both a CGA and IIA Chapter member.

IIA Certifications! Do you know that about 35% of our chapter members have one or more IIA certifications? We are offering 2 product discounts for chapter members via our website: IIA’s CIA Learning System and Gleim’s. Take advantage of this as a chapter member. We are considering a pilot tutoring session for the new Certification in Risk Management Assurance (CRMA). Stay tuned on this! Please view our certification section for more details on all certifications.

Hot Training Events! We are excited to outline the event calendar from August to December 2013 below, with more information to come closer to each event date. Book your calendar accordingly! Our Program Committee is currently working hard on the details for the events from January to June 2014. We are always open to your training suggestions and also send out a survey covering this annually.

Teeravit Chintawongvanich, CIA
Audit Trail Transparency – Risk or Preventive Control?

By Graham Tranter, CFE, CRMA, CISA, CCSA, PMP, ITIL

INTRODUCTION

I recently attended an excellent event, hosted by ISACA Victoria, on Ethical Practices in the Public Sector. During discussion my ears perked up when an audience member referenced changes within their organization to make audit trails transparent.

My first thought was “Wow, that’s interesting”, followed by “Hmm, that’s not good”.

The secretive, technical side of my past profession were concerned over ‘everyday folk’ seeing the audit record; a conflict with my audit, fraud examiner side which thought “Hey, this is a potentially a powerful preventive control and why haven’t I heard about this before?”

WHAT ARE AUDIT TRAILS?

Audit trails (change logs, shadow files, audit logs, etc.) have been around for decades in various forms. Over 30 years ago their purpose was to help ensure data integrity in batch processing information systems by supporting error correction. Their purpose has morphed over the years and today they are increasingly considered a security related forensic tool for finding out why something is not as expected. They are used by security, privacy, fraud and IT professionals to find out the chain of events after a problem has occurred. They are "a chronological record of activities that enable the reconstruction and examination of a sequence of events and/or changes in an informational record".

For computerized information that requires a high degree of integrity or confidentiality, there’s usually an audit trail that records what changed, who did it, or even who simply views certain information. Non-technical systems ‘users’ may not know such records exist and those that do rarely see them.

THE INNOVATIVE CONCEPT

So what caught my attention? A local agency has made its audit logs/records transparent to authorized users of the system; anyone with the rights and privileges to access an informational record can view the audit trail and see which other users have accessed that same record and what changes they made to the information or in some cases who has viewed the information.
FRAUD PREVENTION

“Wow that’s interesting”. If an individual has the motivation and opportunity to commit fraud, a transparent audit trail where another authorized user might stumble across their actions would seem to be a preventive control. Fear of detection is considered the greatest deterrent to the potential fraudster; other powerful deterrents are fear of being exposed or shamed in front of colleagues or family. Suddenly, the opportunity is not as attractive. What a great preventive control idea.

SECURITY CONCERNS

As a past head of security, I thought. “Normal people can’t see those records; those are for security investigations”. But is that an issue? Yes, security professionals do view audit trails, but in read only mode and against a copy to preserve the sanctity of evidence. So, there is no real fear that a perpetrator would be tipped off that Security was on the trail.

Auditors also view audit trails, sometimes externally, like security, and sometimes through the system itself. On such occasions, an audit trail might show an auditor viewed a file. There are times when an auditor, or fraud examiner, needs an investigation to be confidential; both from the perspective of not tainting the investigation and in protecting an individual’s reputation if investigations reveal no fault.

However, from the preventive perspective, it doesn’t hurt for staff to be aware that Internal Audit samples files while assessing the organization control framework. And if necessary, there are technical means of separating out ‘investigative review’ audit trails records to remain hidden on the audit trail shown to system users.

What about the other side of security? By looking at an audit trail, a potential perpetrator could determine who else has access and could then seek to impersonate that individual. While possible, there are means of determining if someone’s UserID is being spoofed and in a transparent environment, the awareness of the sanctity of an individual’s account might be heightened.

What about spearfishing and other external attacks? Since attackers would not normally have authorized access to a system (e.g. that’s why they are gathering intel), then they would not normally be able to use the audit trail to target individuals. However, once access is gained, looking for users with higher privileges for an escalated attack vector is a risk.

Continued on next page….
**PRIVACY CONCERNS**

What about privacy implications? Is it a breach to be able to see who has changed (and thus has access to data)? My impression is that it isn’t. Anyone accessing or changing an informational record would have authorization to do so as part of their position responsibilities. Anyone reviewing the audit trail would only see other people similarly authorized.

As an audit trail captures UserID information related to a person in a job or position with an employer, this would not normally fall into the realm of the Personal Information Bank (PIB) as defined by Canadian Freedom of Information and Protection of Privacy legislation. With some exceptions, my identity in a position of employment is often public, employer information (title, role, work phone number). Some aspects of ‘me’ have to be visible for me to be employed in that role (name).

**SO IS IT A GOOD IDEA OR BAD IDEA?**

I could argue, at length, whether this enhances or damages security, and as for privacy, we are talking trusted individuals in their work capacity.

The organizational culture has to decide if audit trail transparency is a good or bad idea. I feel transparency is good if it’s available to individuals authorized to look at the data in question. If an organization trusts an individual to change data, it should trust them to see who else changed data, and to ask questions if something is amiss.

Whatever your stance on this, it’s interesting idea. Or at least I hope you think so.

Graham Tranter is currently a Senior IT/Internal Auditor, with a long history of risk management, project management and IT management, including the establishment of security and records management offices and programs.

► 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. You will also receive a free lunch training event.
# Vancouver Island Chapter’s Educational Events

## September – December 2013

<table>
<thead>
<tr>
<th>Date</th>
<th>Event</th>
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<tr>
<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 BSc, PhD is Associate Professor (Service Excellence) and Associate Dean at the Gustavson School of Business, University of Victoria, Canada. His primary research areas are services excellence, financial services marketing and sports coaching. His research has been published in journals such as: Sloan Management Review, Journal of the Academy of Marketing Science, Journal of Service Research and Journal of Business Research.</td>
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<tr>
<td>December 3-6, 2013</td>
<td>IIA Canada Seminar Week</td>
<td>Please see following page for details.</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](#).

See page 11 of this newsletter for exclusive offers for our members!
Victoria Seminar Week – December 3 to 6, 2013

Core Risk Management Skills for Internal Auditors and Facilitators, December 3-4

Facilitator: Tim Leech, CIA, CCSA, CRMA. Tim is considered by many to be one of the world's top risk oversight trainers and advisors. The workshop focuses on the key elements necessary to build an effective ERM and assurance program, including giving you step-by-step guidance how to move from “supply driven” assurance to “demand driven/objective centric” risk and assurance. Learn more...

Audit Report Writing, December 5-6

Persuasive communication is an essential skill for auditors at all levels, and high quality reports are a key communication tool. By participating in this course, auditors in all sectors and at all levels will learn what goes into an effective audit observation and how to organize reports that meet professional standards, elicit management action, and communicate crucial messages to executives and board-level readers. By honing these skills, they can distinguish themselves in their current positions and prepare themselves for advancement.

Comments from registrants who attended this course + facilitator noted ‘This course was very helpful but it was the instructor who added great value. Excellent instructor. Would highly recommend.’ ‘Best course from the IIA that I have taken.’ ‘Excellent instructor, he had great experiences to speak of.’ Learn more...
IIA Headquarter News

28-August-2013  Fall 2013 Pulse of the Profession Survey Extended to Sept. 6
20-August-2013  New Blog: The Inevitable Challenge of Mending Broken Fences
19-August-2013  NOW OPEN – 2014 Gaming Conference Call for Speakers
15-August-2013  COSO ERM and COBIT 5: GRC Conference Preview
09-August-2013  Internal Auditor Named Magazine of the Year

AuditChannel.tv

Top rated videos from IIA’s Audit Channel TV:

Get the Most Out of Your Technology Investment
3:56
Scott Wilson, VP Professional Services, Pentana Inc. NA, discusses why many organizations are finding they cannot leverage their investment in technology to their satisfaction and presents a foundational aspect of effective implementation of technologies in the new computing era.

Why It’s Important to Have a Seat at the Table
4:16
Richard Chambers, IIA president and CEO, discusses what it means to have a seat at the table and how internal auditors should think about ways to add value to critical discussions that occur among executive management.

Misunderstood Terms of Risk Appetite and Risk Tolerance
6:58
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


Technology for Internal Auditors - Leveraging a wide spectrum of technologies can make auditors more effective and relevant in today’s business environment.

Audit in a Digital Business World - Big data, cloud, mobile, and social media technologies are transforming the business environment as well as the risks.

Social Media......

Like us on Facebook
Blog with us
Follow us on Twitter
IPPF - The International Professional Practices Framework (IPPF) is the conceptual framework that organizes authoritative guidance promulgated by The Institute of Internal Auditors.

The 2013 edition of the IPPF is NOW AVAILABLE. Visit IIA Research Foundation Bookstore to order.

Recently Released Guidance from IIA

The following guidance was recently released by The IIA

Practice Guides:


Practice Advisories:

2320-4 Continuous Assurance, June 2013

2120-3 Internal Audit Coverage of Risks to Achieving Strategic Objectives, June 2013

2320-3 Audit Sampling, May 2013
IIA Certifications

Whether Standing Alone or Not - You Differentiate Yourself as a Certified Internal Auditor!

Jean Baptiste
Marie Louise
Pierre Francois
Your Name, CIA
Alexis Morin
Paul Fournier

Jean Baptiste, CA
Marie Louise, CMA
Pierre Francois, CGA
Your Name, CPA, CIA
Alexis Morin, ACA
Paul Fournier, ACCA

Jean Baptiste, MA
Marie Louise, MBA
Pierre Francois, BA
Your Name, MPA, CIA
Louis Roy, P. Eng.
Alexis Morin, PMP

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 Kit: 3-Part Exam, CAD$650* (New!)
• Individual Part, CAD $285* (New!)
• Full Kit: 4-Part Exam, CAD$625*
• Individual parts CAD$275*

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

This offer represents significant savings from the regular prices offered 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?

► **Attention all members** ◄

**Important change to the Education Requirement for the CIA**: The Global Board of Directors has approved an alternate path to eligibility for the CIA for those candidates who do not possess a Bachelor’s degree from an accredited university. Candidates may now become eligible for the CIA, subject to approval, who possess: Two years post secondary education and five years **verified experience** in internal audit or its equivalent, **OR** Seven years **verified experience** in internal audit or its equivalent. The complete process and forms are coming soon. Please [check this page](#) for updates and details.

► **Certifications Questions?** ◄

Ask our Certification Chair, Michael Zwicker @ michael.zwicker7@gmail.com
IIA VI Critical Thinking Workshop with CGA Upper Island in Nanaimo on Aug 30, 2013

From Left: Georg Woernle (IIA VI), Jason Moore (CGA) and Phi Flora (Instructor)

IIA VI Annual General Meeting – 2013/14

Critical Thinking Workshop in Victoria on Aug 29, 2013

From Left: Veronica Zhou (Program Chair) Kim Carter (BC Ombudsperson as the speaker in the June luncheon) and Teeravit C. (Chapter President)

On Right: One of the newest CIAs in 2013: William Hugh, CIA
### 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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