PRESIDENT’S MESSAGE

Hello! For those of you who don’t know me, my name is Jas Roopra. I have served on the Board for many years and am grateful for the opportunity to be Chapter President this year. I’d like to start off by thanking Janet Hnytka who is now the past President for her leadership and all the work she has done for the last few years. Second, I would like to thank everyone who is currently serving as a Board member.

This year at the Canadian National Conference in Montreal, Richard Arthurs, Chair of the IIA Canadian Board presented the IIA National Strategy to be ‘Stronger Together’. I too would like our chapter to be stronger together. We live in a world of disruption and the need to be an agile auditor is becoming important. Our success depends on stakeholders recognizing the value we bring to the organization. Our chapter exists to support all of you. During the year, the chapter holds many educational events with topics that are current and relevant to internal auditors; as well as many networking opportunities where you can meet each other. I would like to encourage you to come out and attend one or two of the events this year that we will be organizing. Please check our website and emails for upcoming events that we have planned for you.

Without volunteers, our chapter would not be able to do the things that we do. The Board is always looking for volunteers, so I would encourage you to talk to us to find out about opportunities and ways in which you can help us. Lastly, I would like to hear from you as to how you think the chapter can support you better. Please feel free to email me with your ideas and suggestions.

I look forward to a great year ahead!

Jas Roopra
President, IIA Winnipeg Chapter
president@iiawinnipeg.ca
EDUCATION UPDATE & UPCOMING EVENTS

Upcoming IIA Winnipeg Event

06 November 2018  Luncheon - Practical Considerations for Internal Audit Data Analytics

Join us as Adam Alkins, from Great West Life demonstrates a practical approach to data analysis for IA departments. To be held at the Norwood Hotel, Winnipeg. 1 CPE will be awarded.

Other Upcoming IIA Events

06 December 2018  IIA/ISACA Combined Holiday ‘Mixer’ Celebration
15 January 2019  Seminar – Critical Thinking in the Audit Process
12 February 2019  Luncheon – Artificial Intelligence
12 March 2019  Conference – 2019 IIA Winnipeg Fraud Summit
09 April 2019  Luncheon - Ethics

MEMBER NEWS

In Memoriam: Barry Safiniuk - September 4, 2018

It is with great regret and fond memory that we share with you the passing of Barry Safiniuk. A 25-year IIA member, Barry was an accomplished internal auditor, most recently making positive contributions to Manitoba Public Insurance. A memorial service was held September 12, 2018. A link to Barry's obituary can be found here.

Newly Certified Members:

IIA Winnipeg would like to congratulate the following members on their newly acquired certifications.

Shelby Wazney CIA
Yuri Francisco Rabello Quadros CIA
Fay Martin CIA

Keith Kaderle CRMA
Benjamin Hernando CRMA
SETTING INTERNAL AUDIT’S LONG-TERM PRIORITIES
By Dan Swanson

As I have discussed in past articles, internal audit efforts must be risk-based and contribute to the long-term assurance needs of the organization and its board. A formal risk-assessment audit must be completed at least annually and the results of that assessment should direct audit priorities. Periodic updates throughout the year are also highly recommended.

Over time, a focus on short-term results (quarterly financial results, meeting current regulatory requirements, etc.) has driven the priorities of management and consequently the organization toward a short-term perspective. Similarly, internal audit efforts have commonly moved toward this short-term focus, boiling down priorities to whichever audits the company needs to complete in the immediate quarter or two.

During the challenging business environment period some would say it is not a good time to refocus sights on the long-term horizon. I disagree. For example, knowing what the organization wants to achieve in the next two to five years, and what does it need to do to get there is critical to success! Certainly, each organization will have different goals, objectives, issues, and challenges, and no single “standard” long-term internal audit plan will work; but I took a shot at it anyway, and present the results below.

The Top 12 Internal Audit Priorities

Over the next two to five years, internal audit departments should evaluate their organizations’ efforts in the following areas and provide their opinions and improvement recommendations to management and the board.

1. **The enterprise risk-management (ERM) program.** To my thinking, ERM is a silver bullet for improving governance and organizational results because it identifies your key objectives—and managing risks that accompany those objectives is effective governance. Whether your organization is a proponent of COSO’s risk-management framework; the Australian risk-management standard; the governance, risk, and compliance guidelines from the Open Compliance and Ethics Group; or other standards, it is time for organizations to take ERM to the next level. Completing an internal audit of the organization’s ERM efforts will provide everyone with a “baseline” assessment report that may also reveal gaps in risk management.

2. **The top three to five of the most significant business initiatives.** Over the past 25 years I have promoted (indeed, strongly encouraged) the auditing of the organization’s three to five most significant IT initiatives. Over the past couple of years and going forward, I now firmly believe in auditing the three to five most significant business initiatives, with a very robust analysis of the IT component for each initiative.

3. **The business-continuity program and the disaster-recovery program.** While BCP and DRP are on everyone’s list of top 10 priorities; the concern is that they always rank in the lower half. It is now time to ensure that the organization’s resiliency efforts are truly functioning. Establishing a robust preparedness capability is also one of the very
best investments an organization can make; auditing BCP and DRP efforts will assist the organization by ensuring that the proper attention is given. An effective business continuity capability is absolutely essential, although being able to recover IT is of course vitally important.

4. **The information security program efforts.** Protection of an organization’s assets is a critical activity; for some companies it is one of the most critical of activities. Auditing an information security program is also a long-term effort involving many audits over many years, and it is time to start that long-term assurance effort. A very simple starting test: Has the effectiveness of your cyber and security efforts been discussed at length by the board this year?

5. **The overall governance regime.** Corporate governance; organizational governance; performance accountability; governance, risk, and compliance—governance goes by many names, and involves many things. Internal auditing provides assurances to management and the board regarding an organization’s governance, risk management, and controls processes. Therefore, fundamentally, internal audit should provide an opinion regarding the overall governance “regime,” regardless of the exact term your company uses to describe its efforts. Sustainable development and corporate social responsibility issues also need to be considered.

6. **The compliance and ethics program efforts.** Compliance and ethics efforts have received enormous attention and funding over the past ten years, and this will likely continue over the next five. Depending on the internal audit department’s past efforts, audits of the compliance and ethics programs should either drill down into specific opportunities or become much more high-level to provide an overall assessment.

7. **Records management.** Some people may disagree with including this item on my list or ranking it so highly. My reason for including it is that if your organization has not started upgrading its records management program to reflect today’s regulatory requirements and technological capabilities, then the organization is “at risk.”

8. **The quality of the enterprise information for decision making.** Information is critical to every organizational effort. The quality of the organization’s information will directly affect organizational results and should be assessed on a regular basis—by management and by internal audit. Information management will become more critical every year.

9. **The anti-fraud program.** Sarbanes-Oxley (and equivalent governance-related legislation elsewhere) was passed to reduce the occurrence and impact of fraud and to increase the reliability and integrity of financial statements and related management assertions. Anti-fraud programs need to be established and strengthened as a result of these new governance requirements and the board and management need to know that these programs work effectively.

10. **The IT function’s efforts to meet business needs.** This audit priority is extremely diverse. The IT function performs a broad and diverse range of services and has a substantial impact on organizational results. As a result, the IT audit priorities require a detailed risk assessment to determine what the audit priorities should be. Fundamentally,
evaluating the IT function’s efforts to meet business needs is a core audit requirement. Assessing IT’s effectiveness, efficiency, and customer service are the three main components of an effective IT shop. Deciding on the IT audit “focus” should be based on a more formal IT risk-assessment audit.

11. **Board and executive management service requests (consulting and assurance projects).** This audit activity is an important catch all to assist with the specific or unique needs of the organization. It is also included in my top dozen to highlight the need for a customer service “philosophy” by the internal audit function. The percentage of the audit budget allocated to this important activity will differ widely especially year by year, but it lets the board and management know that internal audit is responsive to the board’s assurance and consulting needs. Of course, these “special” audit projects should be of significant value to the organization, and should not distract from the delivery of the overall audit commitment.

12. **Process management, including continuous process improvement.** My last audit priority relates to improving organizational performance. I label the audit priority “process management”, your company might call it a Six Sigma program, while others might call it a corporate quality-management initiative. This audit priority is focused on encouraging and confirming that there is an organization process improvement program in place, whatever the title. If the organization has not established an organizational program to improve its performance on a sustainable basis, it is at risk.

**Defining the Long-Term Audit Plan**

As I mentioned previously, each organization is different, and its internal audit priorities will be different, too. Still, for any organization, internal audit’s priorities should be risk based and should focus on the organization’s governance, risk-management, and control processes. Corporate-wide “themes” of cost efficiency, cost effectiveness, strategic management and control, quality management, process improvement, and so forth will (and should) influence your internal audit efforts over coming years. You also should ensure that the internal audit plan has a strong linkage with the organization’s strategic plan.

The bottom line: It is time for executives to lead, managers to manage, boards to govern, and auditors to provide assurances to the board and management that things are as people say they are. Your next audit-planning effort should make this clear—to everyone.

Dan Swanson is a 40-year internal audit and information security veteran, who was formerly the director of professional practices at the global office of the Institute of Internal Auditors (The IIA). Swanson has completed audit and security projects for more than 35 different organizations, spending almost 10 years in government auditing, at the federal, provincial, and municipal levels, and the rest in the private sector, mainly in the financial services, transportation, and health sectors.

He has completed more than 100 IT audits and a dozen comprehensive audits of the information technology function. The author of more than 150 articles on internal auditing and other management practices he can be reached at dswanson_2008@yahoo.ca.

In 2010 Dan published his first book Swanson on Internal Audit – Raising the Bar. Over the past five years Dan has also been series editor for Auerbach’s IT Audit and Internal Audit book initiative with 24 books having been published to date, and with 8 more currently in development. [https://www.crcpress.com/Internal-Audit-and-IT-Audit/book-series/CRCINTAUDITA](https://www.crcpress.com/Internal-Audit-and-IT-Audit/book-series/CRCINTAUDITA)
Reporting CPE Credits

Every year, individuals who hold active-status certifications or qualifications earned from The IIA must report CPE/CPD credits earned by Dec. 31 of that year. If you haven’t reported your 2018 hours, please do so as soon as possible. Certification Candidate Management System (CCMS).

You will not be asked to provide an itemized list of your CPE hours and you do not need to submit supporting documentation of hours completed. However, you should maintain a copy of the CPE reporting form, along with all supporting documentation for at least three years in the event you are selected for a CPE audit.

Earn CPE Reading IA Magazine

For 70 years, Internal Auditor magazine has shared leading practices with internal auditors around the globe. Its timely, practical, thought-provoking articles have earned it a reputation as the authoritative voice on the profession. Now in addition to supporting you in your career with print and online news and information, Internal Auditor is helping you earn CPE credit as well. With the release of each bi-monthly edition of the magazine, you have the chance to earn three IIA CPEs to support your IIA certifications.

Available to members for free, the online quiz tests your internal audit knowledge and provides valuable CPE credits. Upon successful completion of the quiz (80% or higher), be sure to print/save your transcript for CPE reporting purposes. The maximum number of CPEs you can report for magazine quizzes is 18.

Remember - Ethics CPE Requirement: Beginning in 2018, two of every IIA-certified individual’s CPE/CPD credits must be earned in Ethics. A 3 CPE Ethics exam is available to members in the August 2018 edition of the IIA Magazine – click here to take it.

IIA-Canada

About IIA Canada

The Institute of Internal Auditors Canada (IIA Canada) is affiliated with The Institute of Internal Auditors (IIA), serving the needs of more than 7,100 members in Canada. With its headquarters in Ottawa, IIA Canada works with its 12 chapters to provide training, publications, and services to its members.

IIA Canada is guided by the Canadian Board with support and many services provided by its larger North American body. Responsibilities include: advocacy efforts, programs, services and budget relating to Canadian members. These close ties ensure that Canadian members receive all the benefits from the North American organization while receiving enhanced benefits from a Canadian perspective.

Why Take Training from IIA-Canada?

By registering for training offered by IIA-Canada, you can expect:

- Lower course fees for events conducted by IIA-Canada and in Canadian dollars (e.g. $900 CDN versus $950 USD).
- Courses presented by Canadian facilitators, and course content is related to the Canadian Internal Auditing Experience with recent case studies.
- Fresh ideas and insights gained from networking with other internal auditors from across Canada.
- Even if you are a seasoned, long-time internal auditor and have significant expertise, there is always room to expand your knowledge.

For more details regarding courses and training by IIA-Canada, please visit IIA Canada > Training and Events.
Unlock Your Door to Opportunity with IIA Certifications

An IIA Professional Credential can move your career in the right direction, whether you’re just starting down the audit path or taking your career to new heights.

By earning your qualification or certification, your clients and employer know that you are a valuable team asset who is highly motivated, knowledgeable, and committed to ensuring quality is part of everything you do.

Whether you are seeking a promotion, exploring a position outside your organization, or simply pursuing professional development opportunities to help you tackle increasingly complex responsibilities while preparing for future challenges, an IIA certification can:

- Increase your earning potential by up to 30 percent.
- Help you gain credibility and respect in the field.
- Enhance your skills and knowledge.
- Demonstrate your commitment to the profession.

To learn more about IIA certification write to us at certifications@iiawinnipeg.ca

IIA CIA Learning System

Did you know that you can purchase the IIA CIA Learning System through the Winnipeg Chapter at a discount from the member pricing in the IIA Bookstore? You have the option to purchase each exam part individually or the full kit for all three exams.

GLEIM - Chapter Discount Program

The IIA Winnipeg Chapter is pleased to announce an agreement with Gleim Inc. to offer discounts to IIA Winnipeg Chapter members. Members will receive a 20% discount on the purchase of a Gleim CIA Review System and/or CPE package of 20 hours or more.

A link for the discount program has been set up on our Chapter’s home page at www.iiawinnipeg.ca.

Please note, not all Gleim products and services are eligible for the discount and the membership benefit will expire on January 31, 2019.

For more information on either the CIA Learning System or Gleim study material, contact Marisol Gil Reyes at certifications@iiawinnipeg.ca
COMMUNICATION PAGE

Chapter Achievement Program (CAP points)

The CAP program is the IIA’s scorecard to measure the value added to you, the members. Chapters must earn a minimum number of CAP points in three service categories to qualify for a performance level. The Winnipeg Chapter achieved ruby level in 2018. Thank you for supporting us towards achieving the Ruby level!!

Chapter Achievement points are awarded to each chapter for activities it performs in these areas:

- Service to Members
- Service to Profession
- Chapter Administration

Points are obtained by offering members social events, luncheons and seminars, speaking engagements completed by our membership, articles published by our membership, members volunteering on national and international committees, maintaining a web presence, and many more areas.

Remember, the more you participate in chapter events and other internal audit related activities, the closer we are to maintaining our Ruby status!

Volunteer Opportunities

Interested in helping your IIA Winnipeg Chapter? Be a volunteer! Our chapter is always on the look-out for volunteers for our events such as luncheons, seminars, conference and other activities. Please send an email to Jas Roopra at president@iiawinnipeg.ca to have your name added to our volunteer database.

IIA Chapter Email Addresses

The Winnipeg Chapter has implemented standardized email addresses to make it easier for you to contact us. The addresses will transition between volunteers from year to year so you can always reach the right person.

<table>
<thead>
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<th>Email Address</th>
<th>Purpose</th>
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<td><a href="mailto:memberservice@iiawinnipeg.ca">memberservice@iiawinnipeg.ca</a></td>
<td>Website queries, job postings, certifications, newsletters, general membership inquiries</td>
</tr>
<tr>
<td><a href="mailto:education@iiawinnipeg.ca">education@iiawinnipeg.ca</a></td>
<td>Member training queries including luncheons, seminars, and the Fraud Summit</td>
</tr>
<tr>
<td><a href="mailto:treasurer@iiawinnipeg.ca">treasurer@iiawinnipeg.ca</a></td>
<td>Payments for member events or PayPal queries</td>
</tr>
<tr>
<td><a href="mailto:president@iiawinnipeg.ca">president@iiawinnipeg.ca</a></td>
<td>Any queries about the chapter or volunteers</td>
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