THE MARITIME MONITOR: WINTER 2010 EDITION
MARITIME CHAPTER

IIA CANADIAN COUNCIL NEWS

Cam Hartling, CIA, CMA, CISA of the Maritime Chapter - IIA Canada's Transition Team Leader

What's Next for IIA Canada?

A Transition Team has been formed!

The team will be under the leadership of Cam Hartling, who has been closely involved with the profession in Canada since the inception of the Canadian Council. "It will be the responsibility of the Transition Team to design and execute a two-year strategy that will take us through the interim institute phase and prepare us for full institute status in 2013. The team will work closely with Canada's chapter leaders, senior staff, and the Canadian Council to ensure we are ready to function as an institute," says Hartling.

"We have come a long way since our cross-country tour in January 2006, encouraging chapter boards to support the Canadian Institute Proposal. I have been extremely impressed with the dedication, passion, and engagement of the Canadian Institute Team members in pushing this forward, and we are very pleased with the members' support. I am excited to accept the challenge of leading this next phase, and look forward to seeing the project through fruition," he says.

Over the next three months the team will be concentrating on its three strategic "pillars":

- Service Delivery – including drafting the Transition Project Plan, making a decision on a Canadian Member Database, and managing the Transition of Member Dues.
- Negotiations – identifying which services/products we want to migrate, what are the costs, and deciding on the most cost effective delivery method for the service.
- Executive Director – the selection and hiring of a new Executive Director who will become heavily involved in the transition and establish an office and staff in Canada.

Cam Hartling, CIA, CMA, CISA

IN THIS ISSUE

IIA Canadian Council News	1
Vision & Mission IIA Canada	1
IT Corner	2
Volunteer Opportunity	3
CIA Learning System	3
Becoming a CIA	3
Member Profile	4
Professional Development	5
Survey Says...	5
IIA Standards	6
Welcome to New Members	6
ISACA & IIA Sign MOU	6
Chapter News	7
Chapter Leadership	7

SPECIAL POINTS OF INTEREST

- IIA Canada Transition
- Desktop Security
- Professional Development Opportunities
- Revised Standards
- ISACA & IIA MOU

Please consider the environment before printing

VISION AND MISSION FOR IIA CANADA

VISION
To be the voice of the internal audit profession in Canada and provide leadership for its growth and development.

MISSION
To promote and develop the internal audit profession in Canada with a focus on Canadian issues. Activities in support of this mission will include:

- **Advocating the value of internal auditing and proactively addressing issues impacting the profession.**
- **Coordinating research, guidance, and national training for practitioners.**
- **Providing input to the North American Board and/or The IIA Global Board on Canadian viewpoints.**
- **Linking internal auditors from all Canadian sectors, industries, and geo-graphic areas to share information and experiences.**

IT CORNER - QUICK GUIDE TO SECURING YOUR COMPUTER

If you happen to read news articles related to computers and technology you'll find that almost every day someone somewhere has developed some method of compromising your system or that of your employer. In the best case these instances are annoying and in the worst case they can be devastating.

The only 100% secure method of protecting your computer is to never turn it on or connect to the Internet. No one can ever exploit your system if it sits idle in a box. That being said this is probably not practical; after all you've bought a computer use; not to be an expensive paper weight! So if you actually want to use your computer and connect to the internet what are some simple and effective activities or measures we can take to protect our investments?

Regardless of whether you're discussing personal or work computers the principles are pretty much the same and can be applied across the board.

Patch your System – Most vulnerabilities are derived from issues in the computer code behind applications and operating systems. Simply patching your system by installing free updates from your Application/OS providers on a regular basis makes a huge difference in security. No other method provides as much bang for the buck. Most viruses are written to take advantage of the vulnerabilities inherent in un-patched systems.

Use a firewall – Firewalls are another excellent tool to use in order to protect your system. These tools control who and what is allowed to talk to your system and what your computer is allowed to say to other systems. Typically the basic firewall pre-installed with your operating system is an excellent start. Using a router with a built in firewall to connect to the internet is another layer of protection. You can also download free firewalls from providers such as ZoneAlarm which allow easy application specific communication control.

Install Anti-Virus/Malware Software – There are literally hundreds of thousands of different viruses out there that can infect your computer. The damage inflicted by viruses varies greatly and all systems are susceptible. Sorry Mac and Linux fans Windows is not the only system that can be infected. Viruses exist for all operating systems. Much like a seasonal flu shot anti-virus/malware applications work to protect your system from getting sick. The market provides a large selection of vendors for these types of applications and there are also many free versions that do a decent job. Sometimes your ISP (Internet Service Provider) may even offer protection as part of their subscription service.

Avoid "Questionable" websites – While not intending to start any moral debate, sites that offer free adult content (porn) or hacking advice and tools should be treated with an additional level of scrutiny. There is a tendency for these types of sites to provide more then what's bargained for and may expose your system to viruses, malware, and trojans (no pun intended – I'm referring to a method of infecting a computer by masking a virus not prophylactics) .

File sharing – Speaking to audit professionals this should go without saying but using sites or applications that provide the ability to download copyright protected content may expose the user to more than just entertainment. The old cliché stands; "If it's too good to be true it probably is". Embedding viruses in media files or allowing unintended system access are common with these sites and tools. Besides of course the fact that it is illegal.

Wireless Internet Access – If you're going to use wireless connectivity protect your network. Wireless networks may allow other unknown or untrusted users to access your network unless protected. Failure to prevent unknown users from accessing your network introduces a host of risks including the possibility of them taking over your computer for their own purposes. The simplest way to do this is to (1) create a password or passphrase to protect network access, (2) disable SSID (this is the name of your network) broadcasting, (3) enable at a minimum WPA preferably WPA2 encryption (which can be enabled via your wireless router) Wireless networks communicate by broadcasting over the "air", in essence a radio broadcast. If you do not encrypt your network traffic it may allow other people to capture and view your communications.

Wi-Fi Hotspots – If you're accessing the internet using a public access point like in a coffee shop or perhaps access offered by a municipality take caution with the information you transmit. If you haven't set up the security yourself assume there is none. Unsecured transmissions are broadcast in what is referred to as clear text and someone with a network sniffer (tool used to read network traffic as it is transmitted) may be able to read your communications. **Continued on page 3...**

IT CORNER - QUICK GUIDE TO SECURING YOUR COMPUTER...CONT'D FROM PAGE 2

Additionally make sure your computer is password or phrase protected to help prevent them from accessing your system.

Passphrases and Passwords - I would advise the use of a password and preferably passphrases to protect sensitive systems or files. This simple step provides a layer of protection against would be intruders into your system. Passphrases are advised as they are typically very difficult to guess and most hacking tools are ineffective at breaking well constructed passphrases. An example might be "I love Tim Horton's coffee 2010!" as an easy to remember but difficult to break passphrase.

While not intending this article to be the end all be all of computer security I think it illustrates a few of the simple easy to use tools available to computer users. These measures do not guarantee your computing safety but will go a long way towards minimizing the risks to an acceptable level.

Chad White, CGA, CISA

IIA MARITIME CHAPTER VOLUNTEER RECRUITING...

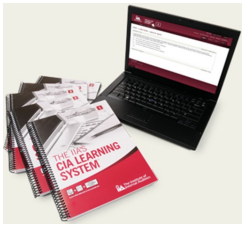
Volunteer Webmaster

Under the leadership of the VP, Membership and Communication, Maritime Chapter, the Executive is seeking a committed volunteer member of the Maritime Chapter who will assist our growing Chapter with professional and timely communication through our website. The member will earn valuable CPE's, and with a maximum time commitment of 3 to 4 hrs per month, provide the following website activities:

1. Keep the website relevant, current and accurate
2. Comply with all requirements set forth by the IIA, especially related to Privacy issues.
3. Respond in a timely manner to requests to publicize job postings, chapter events, chapter news, and other items of interest to the membership.
4. Act as a liaison between the public and the Chapter by responding in a timely manner to questions or inquiries submitted.

If you are interested in this opportunity to assist the Chapter, please contact Paul Walker, IIA Maritime Chapter VP Communications at 902-424-5786 or walkerpm@gov.ns.ca

CIA LEARNING SYSTEM



The CIA Learning System offered at a discount to our Members!

The IIA has developed the CIA Learning System combining print materials and interactive online learning software to deliver a customized learning experience. The program is the first to be aligned with the 2009 International Professional Practices Framework.

Your Maritime Chapter is offering the CIA Learning System to candidates at a discount from the IIA prices. The prices below include shipping and applicable taxes; Full Kit (Parts 1 to 4) – Printed material and online software $745 USD , Individual Part – Printed material and online software $285 USD

If you, or someone you know is interested in purchasing the CIA Learning System, please contact your Chapter CIA Coordinator at laura.j.eldridge@ca.pwc.com.

WANT TO BECOME A CIA? 'MEMBERS' GUIDE TO BECOMING CERTIFIED

CERTIFIED INTERNAL AUDITOR (CIA)

Step 1: Decide Which Certification Is Right for You - The IIA's Certified Internal Auditor® (CIA®) certification is the only globally accepted designation for internal auditors and remains the standard by which individuals demonstrate their comprehensive competence and professionalism in the internal auditing field.

Step 2: Determine Your Eligibility and Skill Level - You may want to assess your skill level by taking a practice test using the sample questions on the Web site.

Step 3: Register for the Exam - Offered through computer-based testing, year-round, at more than 500 locations worldwide.

Step 4: Prepare for the Exam - We provide you with a list of available resources for your consideration.

Step 5: Take the Test - Administered through the worldwide network of Pearson VUE Testing Centers.

CHAPTER MEMBER PROFILE

In our recurring newsletter feature we are profiling Internal Audit leaders in our region and our Chapter to understand how they came into the profession, where their internal audit career has taken them and the challenges they see facing our profession. In this issue, we feature Tom Sullivan, MBA, CMA, CIA.

Tom Sullivan, MBA, CMA, CIA is currently the Director of Internal Audit at Atlantic Lottery Corporation. Tom combines over 20 years of business experience, in a variety of industries and roles, from aerospace to consulting to lottery. While considered a generalist, Tom has focused on the audit profession for the past 7 years. In that time, he has led the ALC Internal Audit group through the IIA External Quality Assessment process and was provided certification in November 2008. Tom is also active in the CMA professional program where he teaches the Management Accounting module in the CMA Accelerated Program and is a moderator in the CMA Strategic Leadership Program. Tom has facilitated several workshops in New Brunswick dealing with Evaluating Performance in IT, Internal Control and Corporate Fraud.

When did you complete your CIA? – I wrote three exams (with Part 4 exempted) during a weekend sitting; I passed those exams and obtained the designation in November 2003.

What have been some of the benefits of obtaining the CIA? – I am a big believer in professional designations and certifications. Just completing the rigorous process of learning the material, managing the time constraints and writing the exams demonstrates a real commitment to the profession. Hiring a CIA designated professional is in most cases a low risk move for the organization who wants to build a value adding, committed audit team.

How did you get into the internal auditing profession? – I was working in an IT focused environment and was looking for a change. I happened across a posting looking for an audit manager. While I had no specific audit experience, I did bring with me a broad based resume. The audit challenge seemed to me to offer an opportunity to work in a variety of areas within the organization and provide a real chance to deliver value add work. Fortunately I was hired and very quickly I started on the CIA designation path. For me, the change worked out perfectly.

Where have your travels with the internal audit profession taken you? – I have to say that I am mostly an Atlantic Canada guy. Working with Atlantic Lottery provides me the ability to stay close to home and work with issues relevant to this organization and ultimately for the benefit of all Atlantic Canadians.

What has been your most memorable internal audit engagement? – I am very proud of the audit team I get to work with each day and together we have completed some neat projects. The IT audit work is always interesting and provides some unique challenges. Helping the project team address risks early in the process goes a long way to getting the project in on time and on budget. Internally, we have just implemented an in house developed risk and control system which assists us in managing our compliance program. This system documents by process the audit plan, key risks and associated controls and testing results. This allows us to more clearly express an opinion on the health of the overall internal control system.

What would you say are the biggest challenges facing CAE's today? – To be honest, there are a great deal of challenges facing CAE's today. Resourcing, changing business environment, audit methodologies, communication and quality are all issues facing audit shops. For me, I think the challenge is to provide audit services that will provide the highest level of transparency and openness as possible. I am not entirely sure what this means in a practical sense, however, the premise is based on an idea of "radical transparency". If organizations can be completely open about the what, when's and why's of their strategy, then a culture of transparency may be very effective in aligning the goals of the organization with the expectations of all stakeholders.

Our Chapter is 239 members strong and growing, with 68 who hold the CIA designation.

PROFESSIONAL DEVELOPMENT

IIA National Professional Development Week (2011) being hosted by the Maritime Chapter in Halifax

Plan now to attend the following:

June 14-15:

- Control Self-Assessment: An Introduction (2 days)
- Audit Manager Tools and Techniques (4 days)
- Audit Report Writing (2 days)

June 16-17:

- Consulting: Activities, Skills, Attitudes (2 days)
- Operational Auditing: Advanced (2 days)
- Enterprise Risk Management: An Introduction (2 days)
- Audit Manager Tools and Techniques (continued).

Leaders/Instructors, Costs and Halifax location TBA

ISACA WEBINAR

Professional Development / Training Session - Payment Card Industry Data Security Standard

Thursday, December 9th, 2010 at 12:00pm AST, 2 CPE's

Save the date! The Atlantic Provinces Chapter of ISACA is pleased to announce an online session related to the Payment Card Industry Data Security Standard for its members and associates. The webcasted event will be held on Thursday, December 9th, 2010 at 12:00pm AST and will last approx. 75 minutes using BrightTalk. The session will also provide 2 continuing professional education credits (CPE).

Cost - $35.00 for ISACA and IIA members.

IIA WEBINARS

The IIA offers webinars, a cost efficient and effective way of receiving training and obtaining CPE hours, are available at a minimal coat to all members of the IIA. The following is a list of upcoming webinars being offered by the IIA:

- December 2, 2010 - Implementing a Control Self Assessment Framework
- December 9, 2010 - Establishing Accountability and Transparency Through Performance Auditing
- December 16, 2010 - Optimizing Value From Your Organization's Business Relationships: Trust, but Verify

In addition, archived on-demand webinars are also available to IIA Members and represent an additional (and convenient way) to obtain training. A sample of latest available on-demand webinars include:

- You've Done Your Fraud Risk Assessment: Now What?
- Communicating the IA Value Proposition to Key Stakeholders
- Audits of Service Providers Yield Significant Recoveries
- Auditing the ERM Process: What Does It Mean and How is it Done
- How Does Data Analytics Help in Increasing the ROI of Internal Audit Activities?
- Best Practices in Audit Management System Usage
- Strengthening Your Relationship with Management
- Auditing Sustainability Initiatives
- Achieving Success in Audit Automation

Please note that the on-demand replay of IIA Webinars is no longer eligible for IIA CPE credits; only registered learners who attend the live Webinar are eligible for certified CPEs.

For more details please visit the IIA website.

The results of the 2010 membership survey are shown in detail on our Chapter website. Here is a brief summary:

- 51 members participated (compared to 43 in 2009);
- 41% of respondents work in the Public Sector with 69% closest to Halifax;
- 76% say training is very important service from Maritime Chapter and ask for relevant course offerings within the Maritimes;
- 67% attend local courses/ conferences/seminars for their PD;
- 88% would prefer to supplement or replace current PD sources with additional local events;
- 65% like ½ events/training; 57% prefer 1-5 day seminars (single topic).

And the Winner is…David Potter, Internal Audit Centre, Halifax. David wins the $50 Visa gift card having submitted his completed survey by November 5, 2010.

Thank you to all who completed this important planning tool for our Chapter. The Executive is working to deliver the services you expect.

Maritime Chapter Executive

IIA REVISED STANDARDS

IIA Revised Standards – Summary of Changes effective January 1, 2011

Changes:

- 3 new Standards - 3 new standards – 2 about engagement opinions and 1 about responsibilities when internal audit activity is provided by an external service provider
- 15 changes to existing Standards
- 2 deletions of the existing Standards
- 6 changes to existing Glossary terms

26 changes in total

Changes by Topic:

- Define Functional Reporting of Internal Audit to the Board, and Clarify in the Charter (1000, 1110)
- Clarify when Newer Internal Audit Activities Can State They Conform with Standards (1321)
- Provide Requirements if Entity Level and Individual Engagement Opinions Are Issued (2010.A2, 2410.A1, 2450)
- Clarify Risk Management Coverage by Internal Audit (2120)
- Revise Definition of "Add Value" (2000 and Glossary)
- Revise Definition of "Chief Audit Executive" (Glossary) and Clarify Responsibilities with External Service Providers (2070)
- Enhance and Clarify Other Standards and Glossary Terms (throughout)

Other Changes include:

- 1100 – Independence and Objectivity
- 2110.A2
- 2130.C1: Renumbered as 2220.C2
- 2130.C2: Renumbered as 2130.C1
- 2400 – Communicating Results
- Control Environment
- Information Technology Governance
- Objectivity

WELCOME TO OUR NEWEST CHAPTER MEMBERS!

Since April, 2010, IIA International has advised the following have joined the Maritime Chapter:

Trudy Andrews, Bell Aliant
Aaron Antifaeff, Office of the Auditor General (NS)
Kendrick Banks, McCain Foods
Jacqueline Digout, Grant Thornton
Chad Hebert, Atlantic Lottery
Jennifer Jones, Canada Revenue Agency
Greg Kinsman, Irving Group
Greg MacDonald, Bell Aliant
Emily MacDonald, Canada Revenue Agency
David Potter, Internal Audit Centre (Prov. of NS)
Cathy Thornhill, Bell Aliant
Cheryl Tobin, Internal Audit Centre (Prov. of NS)
Darryl Tozer, Atlantic Lottery
Jennifer White, Bell Aliant

Welcome. We hope to see you at the next Chapter social event! Stay tuned!

ISACA AND IIA SIGN MOU

Recently, ISACA and the IIA signed a MOU which created a basis for cooperation and collaboration between ISACA and The IIA for the advancement of the global internal auditing profession through the mutual sharing of knowledge, experience and best practice, thus allowing the associations to benefit from each other's respective work and involvement. The list of potential activities that could take place to bring that purpose to fruition is nearly endless; some of possibilities identified in the MOU include:

- *Speaking and exhibiting at each other's conferences, seminars and events*
- *Conducting jointly sponsored events*
- *Mutually recognizing, where appropriate, each other's continuing education programs for continuing education credits to satisfy requisite certification requirements*
- *Participating in training and educational programs offered by either association where such collaboration benefits the attendees*
- *Encouraging similar cooperation and collaboration among local chapters of ISACA and The IIA (an activity that already thrives in many places throughout the world)*
- *Identifying opportunities for joint projects that advance the global internal audit profession and the professional standing of its members*
- *Engaging in periodic discussions on matters of public policy that impact the internal auditing profession*
- *Where appropriate, coordinating and promoting unified messages and responses to standards setters, regulators, and legislators globally, and providing them with information regarding best professional practices.*

Although this is not an exhaustive list, it illustrates the great potential for the IIA and ISACA.

(The Blog of Richard Chambers, CIA, CGAP, CCSA, President and CEO The Institute of Internal Auditors)

MARITIME CHAPTER NEWS AND NOTES

Do you have a Chapter question?
All questions, comments or concerned can be submitted directly through the Maritime Chapter's website. We will review your message and forward it to the Chapter Executive best able to provide a response.

Have you reviewed and updated your member profile information lately?
We ask that you please periodically review your information to ensure that it is current. Your member profile information can be updated by logging into the IIA's homepage at the top of the website page with your member ID and password. Once logged in select, simply click on 'Update Your Profile' to review and update your member information.

Did you know you can advertise your internal audit job postings on our website?
As a service to our chapter members, the chapter executive posts internal audit job postings on the Maritime Chapter's website homepage free of charge as a service to our members. Our ask is that the job posting promote candidates with the Certified Internal Auditor designation or individuals interested in pursuing the Certified Internal Auditor designation. Please visit the Chapter's website for further job posting details. If you are interested in having your internal audit posting advertised please contact the Chapter.

Are you looking for an opportunity to volunteer with the chapter?
The Maritime Chapter is always on the look-out for more volunteers to assist with various chapter activities including the Programs Committee, Program Development, the Newsletter Committee, website coordinator and other chapter initiatives. In addition to contributing your time to help the chapter meet its goals volunteers are also eligible to earn up to 25 CPE hours. Interested members are encouraged to contact the Chapter and indicating your area(s) of interest.

Do you have thought leadership information that you would like to share with the chapter membership?

The Maritime Chapter is looking to collect articles and other thought leadership materials developed by its members that can be shared on our website's 'Members Only' Library and through future editions of the Maritime Monitor Newsletter. If you have something you would like to share with the Chapter Membership please do not hesitate contact the Chapter via the chapter website.

2010 IIA MARITIME CHAPTER LEADERSHIP

Executive
President – Leah White
VP Programs – David Gibbs
VP Membership & Communications – Paul Walker
VP Finance – George Murphy
Secretary – Shelley Aker
CIA Coordinator – Laura Eldridge

Board of Governors:
Expiring in 2011
Nancy Muise
James Murray
Catherine Osborne
Steve Smith

Expiring in 2012
Carey Bohan
Norma Kelly
Frank Mader
David Steele
Expiring in 2013
John Delaney
Janice Garnett
Derek Harvey
Musetta Thwaites

UPCOMING EVENTS

IIA National Professional Development Week (2011) being hosted by the Maritime Chapter in Halifax June 14-17: See page 5 for additional details

IIA Webinars:

- December 2, 2010 - Implementing a Control Self Assessment Framework
- December 9, 2010 - Establishing Accountability and Transparency Through Performance Auditing
- December 16, 2010 - Optimizing Value From Your Organization's Business Relationships: Trust, but Verify

ABOUT THE NEWSLETTER

You have received this email because you are on the IIA's Maritime Chapter's email distribution list. To add or remove your email address from our Chapter email distribution you may update your *member profile* online indicating you give your permission to have the Chapter send you emails or contact the Institute of Internal Auditors Headquarters at 1-407-937-1100. Please encourage new members, or non-members in the profession, to subscribe to emails in order to stay abreast of chapter and industry developments. If you have comment or suggestions, please send them to: http://www.theiia.org/chapters/index.cfm/view.tellus/cid/126.

EDITORIAL STAFF

Content Editor:
Paul M. Walker

Contributing Writers:
Cam Hartling
Tom Sullivan
Paul M. Walker
Chad White

Layout & Design:
Chad White