

### *A Message from the Chair of the Interim Canadian Board*

We are now approaching halfway through the second year of our two-year transition plan to a Canadian Institute (CI) since the membership vote in the fall of 2010. This is a huge project, being undertaken while simultaneously growing and implementing Canadian-based professional services. While we are behind our original ambitious game plan on certain aspects, such as the Founding Partner corporate sponsorship program (currently being test-marketed), I am pleased to report to our members that the CI project overall is going very well.

Our members continue to indicate overwhelming support for the Canadian Institute via the membership renewal process, currently about three-quarters complete, with over 99% affirming that their dues should be directed to Canada.

IIA North American and Global leaders advised us once again in April that they clearly see the Canadian Institute as the model to best serve Canadian Members. Although we had planned for "independence" (from "North America") on January 1, 2013, we have evolved to utilizing a "state of readiness" to determine the legal/financial separation. In the meantime, on January 1, 2013, IIA Canada will operate as though it is the Institute, with authority delegated from the North America Board, responsibility for its own finances and program delivery, and the face of the profession in Canada. This is good news indeed!

In April, I reported to the North American Board and to Chapter Leaders on our impressive list of completed or nearly completed activities. The activities are reported below together with the percentage of completion.

- 75% Membership Renewal Process (9/12 months complete)  
*99% affirming membership in the Canadian Institute*
- 100% Establishment of the IIAC Foundation (corporate entity to retain start-up and reserve funds in Canada)
- 100% Chapter Contingency Fund  
*\$270,000 committed, Governance Structure established*
- 100% Feedback on Business Plan from Chapters and Institutes outside North America
- 100% Strategic Directions for Canada
- 90% Founding Member Program (individuals)  
*Mail-out on March 19th, over \$30,000 already*
- 80% Service Delivery Framework (HQ/Canada)
- 50% Information Technology
- 50% Founding Partner Program (corporate)  
*Designed and being market tested.*



In addition, we continue to increase Canadian-oriented services. Our 2012 National Education program is well underway with some new formats being introduced. The 2012 National Conference in Montreal is looking great! Our Academic Relations program has resulted in the first Canadian university (Laval) to be accredited by IIA Global's IAEP program. Advocacy activities continue to increase focused primarily on Corporate Director communities and Government relations. Finally, we are extremely pleased that IIA Global has awarded the 2015 International Conference to Canada, to be hosted in Vancouver!

Our Committee reports that follow provide more information on these and other national activities.

I want to recognize and express my appreciation for the amazing level of volunteer commitment across Canada. Chapter leaders and Canadian Board members continue to invest an incredible number of hours for the benefit of our members. *It's simply amazing and I salute you all!*

Our Executive Director, Yaro Zajac, reports below on the impressive accomplishments of the relatively small operations staff. *Thank you very much, Yaro!*

I am proud and excited to be completing my second and final year as your Chair. It is an incredibly busy and rewarding time for IIA-Canada and its members. I look forward to seeing many of you at our next annual Canadian Conference being held in September in the city of Montreal.

*Reach for the Stars!!*

*Brian Brown, CIA*



## *A Message from the Executive Director, Interim Canadian Board*

I recently celebrated a very pleasant anniversary: the beginning of May marked the first full year that I have served as the Executive Director of the Interim Canadian Board (ICB). And quite the year it has been. Much has been accomplished and, within the past six months, the pace of those achievements has increased significantly. There are two reasons for this. The first is the continuing and unabated dedication to the great Canadian Institute project that is shown every day by the energetic volunteers who serve on the ICB and its various committees. Through their hard work many of the initiatives that, half a year ago, were still in the planning stages, have moved forward and are starting to bear fruit. I'm always counting my blessings. Very high on that list are the people for whom I work.

The second reason is the increased organizational and representational capacity of the IIA office in Ottawa. What started, last September, as a small suite of empty offices has now evolved into a place that now holds all of the physical infrastructure needed to serve the ICB and to implement the very many subprojects that will, in the near future, culminate in the establishment of the Canadian Institute. But, obviously, desks, and photocopiers, and filing systems are not enough. People make things happen. So our actual organizational capacity is only realized by "staffing up".

Joan Weir has been on staff even before I came along. Her strengths are web-based communications and webinars. Our Operations Manager, Darlene Pilon, has now been on board for about eight months. Her genius is event management. That skill is already being reflected in the organizational quality of the most recent and upcoming seminars. Early in May, Shannon Rose joined the team as our Marketing Manager. She brings a wealth of experience gained as a long-time public relations director for a large European hotel chain. Born in France, she is a polyglot who operates equally effectively in French, English, Spanish and Arabic. And to complete the current staffing plan, we are now entering the interview stage for a Member Services Officer. This is the person who, initially, will be supporting the work of the Chapter Relations Committee, and who, in the longer term, will be the starting point for a full service IIA Canada call centre.

A little further on, we shall be engaging a communications officer, a financial analyst, and a policy analyst. But we are also not overlooking the fact that contracted services can bring well-honed skills to bear on specific challenges. Already we have used a seasoned marketing professional to design our corporate sponsorship program and we are now looking for a project manager to help sort out the complexities and timing of our final push towards the launch of the Canadian Institute.

So the formula is in place: dedicated, knowledgeable, and creative volunteers assisted by competent and energetic staff can, together, make great strides towards a goal. In our case, with those two components in place, we are advancing on numerous fronts: **normal operations** that include advocacy, seminars, communications, and chapter relations, to name but a few; **strategic development** to address service delivery to the chapters, our educational strategies, and our overall strategic plan; and the actual **implementation of the Institute**. The latter involves everything from business planning, to financial projections, to liaison with IIA North America, to governance issues, to revenue generation, to risk assessment and mitigation, and so much more.

All is now moving forward at a very rapid pace. On current plan, January 1, 2013, the Canadian Institute will "go operational". We may not have severed all financial or legal ties with IIA North America at that time, but we will be operating as an independent entity responsible for its own well-being and responsive to its own members. That will be an historic day.

*Yaro Zajac*

## *Messages from the Committee Chairs*

### *A. Academic Relations Committee*

Previously, although IIA Canada has the fourth largest membership in the world, there were no internal audit programs in Canadian universities that were recognized by IIA Global's Internal Audit Education Partnership (IAEP) Program. The goal of the IIA-Canada Academic Relations Committee (ARC) was to change this and we did; with support from the Quebec City chapter, Laval University were successful with their application and are now recognized by the Program, and eligible for funding.

While proactively focusing on the G-15 Universities, the ARC are also assessing the programming quality of other academic institutions and looking to expand their committee membership, both in breadth (geographically) and depth (with academics). While work is underway to establish the Canadian Institute, we plan to leverage the existing IIA Global IAEP Application and Funding Framework, though might consider later a more Canadian-centric model if it better fits our member's needs.

The ARC is currently supporting the Toronto Chapter and several schools in Ontario, as they consider whether the IAEP aligns with the school's strategic initiatives. In addition, I have designed and continue to deliver an Internal Audit Program through the University of Toronto School of Continuing Studies, and this material can be used by Chapter elsewhere in Canada.

*Colin Shaw, CIA, CRMA*

### *B. Advocacy Committee*

While it will be a never ending exercise, visibility building for the Canadian Institute among our various stakeholders has been the focus of activity over the past few months. "They won't listen to you if they don't know you exist." Hence outreach to officials in the Office of the Comptroller General has been a top priority. This has included the Comptroller General himself as well as a number of his policy development managers. Generally such conversations will start with simple introductions and then will progress to a discussion of how a future Canadian Institute might address some of the interests of federal government policy makers. Areas of interest include training for public sector internal auditors as well as the promotion of the profession itself. The latter aims at increasing the supply of internal auditors, who might consider careers within the federal public service, while the former is aimed at increasing the demand for internal auditors.

A similar approach is being planned for provincial auditor generals who be meeting as a group this summer in Nunavut. In this regard, we are fortunate to have Bonnie Lysyk, the Auditor General of Saskatchewan as a Director of the ICB.

And public sector advocacy is not just government focused. Other elements also include educational institutions. We have reported earlier that Laval University was the first such Canadian institution to receive IAEP accreditation. We have now encouraged the University of Waterloo to move quickly towards the same accreditation.

Visibility building also includes representational functions: "waving the flag" as they say. Recently, the Canadian Institute participated in ceremonies honouring graduates from the College of Directors where our Chairman, Brian Brown, and long-time instructor, Archie Thomas, both lecture to corporate directors on the value of internal audit.

In all, as the staff complement at the Canadian Institute builds up — we have just engaged a Marketing Manager — our ability to advance the profession's agenda will be that much faster and that much more

effectively. Look to the day, in the not too distant future, when the Canadian Institute will be placing internal audit professionals front and centre on public policy debate in Canada.

*Tony Malfara*

### ***C. Chapter Relations Committee***

The Chapter Relations Committee (CRC) comprises the 12 chapter Presidents and the Eastern and Western Canada District Representatives who serve as its co-chairs. The co-chairs are voting ex-officio members of the ICB. The mission of the CRC is to assist chapter leadership as a resource and liaison to the ICB as well as IIA Global. The CRC:

- Facilitated two quarterly conference calls as well as two ad-hoc calls with chapter presidents and invited various members of the Interim Canadian Board to provide leaders with updates on the continued efforts directed at the creation of the Canadian Institute.
- Facilitated the creation of the Chapter Reserve Working Group that was led by Todd Horbasenko and had the participation of five Chapter leaders to formulate the reserve policy over funding and governance of the reserves.
- Facilitated the creation of the Accountability Framework Working Group that was led by Carmen Abela and had the participation of a number of chapter leaders from across Canada working on developing the framework and terms of reference for policy and procedure development concerning Canadian Institute and Chapter roles, responsibilities and accountabilities of each.
- Coordinated the Canadian delegation of Chapter leaders at the 2012 IIA Leadership Academy where all Canadian Chapters sent delegates to be trained in Chapter management and leadership development.
- Participated in the IIA CRC mid-year and Leadership Academy meetings in Orlando.
- Coordinated the planning for the 2012 IIA Canada National Leaders Workshop held in Toronto on June 1 and 2. The Workshop provides in-depth training in Chapter management and is complemented by social activities that further reinforce the collegiality of the Canadian Chapter leadership.

*Mark Britt, CIA, and Sheila Smigarowski, CIA*

### ***D. Canadian Conference Advisory Board***

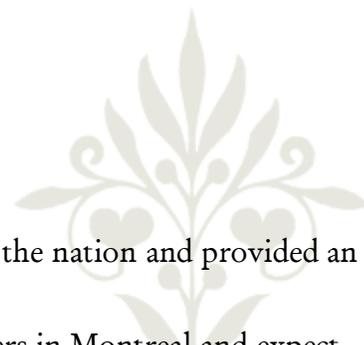
The CCAB has been busy this year.

Once again, the National Conference was a huge success. Toronto hosted the nation and provided an excellent conference experience for us all.

Work continues .... We have been working with a great group of volunteers in Montreal and expect the 2012 Conference in September to be the best yet. Early registration numbers are promising and the program is shaping up to be very interesting and informative.

The 2013 Canadian National Conference will be held in Winnipeg. Once again, we have been able to attract a great group of volunteers to take it forward.

The Conference Advisory Board continues to work hard to provide an excellent conference



experience for all Canadians. We appreciate the dedication and hard work the volunteers continue to provide in a quest to be the best training event of the year.

*Brenda Youle, CIA, and Brett Naiden, CIA*

### ***E. Education Committee***

Canadian members continue to support the webinars and seminars offered in Canada. As the evolution of this committee continues, we are looking for ways to offer educational events in a variety of locations with content and structures that are valued by our members. The Education Committee is developing a long-term strategy and is investigating the most effective way to engage both Chapters and members in this dialogue.

The Education Committee's strategy of partnering with local Chapters to offer seminar weeks has proven to be successful in both Toronto and Winnipeg during the first half of 2012. Planning is underway for the Calgary seminar week and Audit Leadership in Calgary. Watch for details for these November events. Additionally, there may be a few seminars offered across the country in various locations through the fall of 2012. If you are interested in the National Education Committee bringing a specific course to your area, please contact me at [klassen@auditor.sk.ca](mailto:klassen@auditor.sk.ca).

There are many volunteers to thank for the success of our educational events. From both the Committee and Chapter members on behalf of our Board I would like to thank these volunteers for their time and effort. It is greatly appreciated.

As the Canadian Education committee continues to mature, we will continue to consult with our members to implement consistent educational structures and strategies to support long-term sustainability.

*Linda Klassen, CIA, CRMA*

### ***F. Finance Committee***

Coinciding with a steady increase in membership (approximately 7,400 at April 30), total Membership Revenue is above expectations through the same period. However, non-dues revenue is below budget largely due to soft seminar attendance and less than expected contribution from the 2011 National Conference. These were partially offset by expense reductions from continued hiring delays. The Board is focusing its attention on revenue generation objectives for the remainder of 2012.

*Cam Hartling, CIA*

### ***G. Marketing Committee***

Working with Chapter representatives to understand, respect and where practical, integrate, local programs in the development of national sponsorship programs, the Committee is in the final stages of IIA Canada's Sponsorship Program. A rigorous development process is being followed using a

Marketing Consultant and involving stakeholder feedback. We expect to roll out this national program in June 2012 – *Stay tuned!*

Founding Member invites have been sent to all Canadian Members who would like to support the formation of the Canadian Institute – *and if you have not yet done so, please make your own contribution now!*

We are contributing a marketing and sponsorship perspective to work being done by the Canadian Conference Advisory Board and the Education Committee.

*James Murray, CIA, and Jeremy Picco, CIA*

## ***H. Communications Committee***

A multi-year business plan for IIA Canadian communications has been prepared with a committee that includes three Canadian Chapter Presidents, as well as a communications representative from The IIA North America. This Committee coordinates the production of the annual and semi-annual reports.

IIA Canada recently launched a new website design that is now being populated with current information and plans. Check it out at:

<https://chapters.theiia.org/IIA%20Canada/Pages/default.aspx>.

*Basil Orsini, CIA, CGAP, CCSA, CRMA*

## ***I. Strategic Planning Committee***

Strategic is currently focusing on a Service and Accountability Framework and an associated Canadian Education Strategy that will be developed collaboratively with Chapter Leaders. All Chapter leaders and ICB members will be actively engaged in these developments, although the Framework will be developed by a smaller Working Group of chapter and ICB representatives.

*Carmen Abela, CIA*



## Members of the Interim Canadian Board 2011-2012

Brian Brown — Winnipeg (Chair)  
 Sheila Smigarowski — Edmonton (VP)  
 Christine Lafrance — Quebec City  
 Carmen Abela — Ottawa  
 Cam Hartling — Maritimes  
 Linda Klassen — Saskatchewan  
 Bonnie Lysyk — Saskatchewan  
 Tony Malfara — Toronto  
 James Murray — Maritimes  
 Basil Orsini — Ottawa  
 Jeremy Picco — Vancouver

Mark Britt — Toronto  
 (Ex officio Voting)  
 Sheila Smigarowski — Edmonton  
 (Ex officio Voting)  
 Jeff Erdman — Vancouver  
 (Ex officio non-voting)  
 Todd Horbasenko — Calgary  
 (Ex officio non-voting)  
 Yaroslav Zajac — Executive Director  
 (Ex officio non-voting)  
 Eugene O'Neill — siège social de l'IIA  
 (Ex officio non-voting)

### List of Canadian Chapters

- Calgary
- Edmonton
- Maritime
- Montreal
- Newfoundland & Labrador
- Ottawa
- Quebec City
- Saskatchewan
- Toronto
- Vancouver
- Vancouver Island
- Winnipeg

## Interim Canadian Board 2011-2012 Committee Structure

