



L'Institut des vérificateurs internes  
The Institute of Internal Auditors  
Ottawa

**THE INSTITUTE OF INTERNAL AUDITORS**

**OTTAWA CHAPTER**

**2011-2012 ANNUAL REPORT**

**AS AT May 30, 2012**

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## 1. IIA Ottawa – Who We Are and Our Focus

The Institute of Internal Auditors, Ottawa Chapter (Ottawa Chapter) is a non-profit corporation empowered to perform any and all acts which are defined in the Certificate of Incorporation and the Bylaws of The Institute of Internal Auditors, Inc. Our activities support the missions of the IA global body (IIA Global) and the Interim Canadian Institute (IIA Canada), and are focused on IIA members in the National Capital Region and employees of the Government of Canada (nation-wide).

The Ottawa Chapter's main activities include organizing professional development events, promoting and advocating for the profession, providing opportunities for members and other stakeholders to share knowledge, liaising with the IIA Global, IIA Canada, Canadian Chapters, and other stakeholders and partners, and participating in national and international IIA committees.

The Chapter's activities are largely organized and overseen by members on a voluntary basis, led by the Chapter's Board of Governors (the Board) and Committees of the Board.

### Our Mission

Through its volunteers, IIA Ottawa:

✓ **Promotes the Internal Audit (IA) Profession**

Promotes and advocates for the internal audit profession in Ottawa and across the federal public service by:

- Building awareness and a common understanding of the profession's value to organizations; and
- Promoting the profession of internal audit as a career of choice for top talent.

✓ **Promotes Standards and Accreditation**

Promotes professionalism, value, and credibility of internal audit by promoting professional certification and the application of the global professional standards and providing access to certification training opportunities;

✓ **Builds Expertise and Value in the Profession**

Strengthens the expertise and value of the profession through facilitating thought leadership, innovation and professional development;

✓ **Provides Timely Services**

Provides outstanding and timely services to all Ottawa members; and manages its operations in an accountable, financially sustainable, transparent and collaborative fashion, in accordance with the highest standards of governance and ethics.

## **Our Focus for 2012-2015**

In 2011, the Ottawa Chapter undertook a comprehensive strategic planning exercise. The resulting 2012-2015 Strategic Plan was developed through a series of consultative activities aimed at scanning the environment for relevant factors, understanding members' perception of the Chapter's performance, and discussing and developing priorities and strategies in line with the Chapter's mission.

The Chapter identified three key focus areas for the next three years:

1. Building Capability and Value of the Internal Audit Community
2. Strengthening Chapter Capacity
3. Supporting IIA Canada

For each area of focus, key result areas and associated strategies were developed to achieve the Chapter's intended results over the next three years. Some of the highlights of the strategic directions are provided in the President's Report below, or you may refer to the one page summary provided in [Appendix A: IIA Strategic Plan 2012-2015](#).

## **2. President's Report**

Over the past five years, we've seen tremendous change in the internal audit community, and especially in the federal government, with the advent of the revised Internal Audit Policy and the establishment of Departmental Audit Committees. And while our community has come a long way, we certainly have some interesting and important challenges and opportunities ahead of us! As well, after the decisive membership vote to establish its own Canadian institute, IIA Canada and its Interim Canadian Board (ICB) have been hard at work and are continuing to transition from IIA Global, build its capabilities and along with chapters to service Canadian members.

To respond to this changing landscape and needs, last summer, the Board embarked on a comprehensive strategic planning process to map out our focus areas (noted below) which include our current core functions such as our development programs, as well as new undertakings such as audit leaders networking events. We also recognized the importance of contributing to the establishment of IIA Canada.

### **1. Building Capability and Value of the Internal Audit Community**

- Professional Development Program: Deliver a professional development program that supports professional certification and continuous learning.
- Connecting our Members: Provide opportunities for members to connect, share knowledge and advance thinking on matters of local importance.

- Promotion and Advocacy: Promote the value of internal audit, influence public-policy decisions, and advocate investment in internal audit.

## 2. Strengthening Chapter Capacity

- Chapter Governance and Management: The Chapter’s governance processes, structure and bylaws support effective decision-making and implementation success. The Chapter manages itself in a sustainable, fiscally prudent, transparent and collaborative fashion.

## 3. Supporting IIA Canada

- Contribution to Building IIA Canada: The Chapter contributes to the IIA Canada’s formation and development.

To achieve these focus areas, we revised the roles and responsibilities of the Board to align to our priorities, introduced the Audit Leaders Chair and Communications Chair, and created several committees to encourage the participation of more volunteers. This has been the first year of our strategic plan – and a busier one than expected, especially on the IIA Canada front! Here are some highlights:

Focus Areas	Highlights
<b>Building Capability and Value of IA Community</b>	<ul style="list-style-type: none"> <li>✓ Delivered a professional development program that supported professional certification and continuous learning including:               <ul style="list-style-type: none"> <li>○ 13 course offerings</li> <li>○ 3 CIA exam review sessions</li> <li>○ 7 breakfast and lunch and learn sessions</li> </ul> </li> <li>✓ Developed a Grants and Contributions course with support from the Office of the Comptroller General of Canada (OCG)</li> <li>✓ Recognized 37 new CIAs at certification event</li> <li>✓ Promoted IIA in the student community, including sponsorship for two students (Carleton University, University of Ottawa) and student events</li> <li>✓ Enhanced member outreach through Facebook and LinkedIn as well as Chapter newsletters</li> <li>✓ Initiated activities in support of the development of an audit leaders strategy and program</li> <li>✓ Responded to reviews to recent IIA Standards exposure draft</li> </ul>
<b>Strengthening Chapter Capacity</b>	<ul style="list-style-type: none"> <li>✓ Established the Chapter’s 2012-2015 Strategic Plan</li> <li>✓ Realigned our Board structure and roles and responsibilities</li> <li>✓ Strengthened our financial reporting</li> <li>✓ Increased our volunteer base</li> <li>✓ Strengthened relationships with key partners: OCG, Chapters, ICB</li> <li>✓ Examined our Chapter communications</li> <li>✓ Achieved platinum status in Chapter Achievement Program with 1900 points, our highest score to date</li> </ul>
<b>Supporting IIA Canada</b>	<ul style="list-style-type: none"> <li>✓ Participated in the establishment of a Chapter Reserve Policy</li> <li>✓ Continued commitment to support the ICB’s efforts to secure sufficient reserves</li> <li>✓ Participated in several committees including communications, chapter president relations, service delivery, and an ad hoc committee to set out the operating contingency fund policy</li> </ul>

In early November 2011, ICB reached out to all Canadian Chapters for support in their efforts to secure sufficient reserves (contingency fund) for IIA Canada. While the IIA Canada business plan projects a positive net contribution over the 2013-2015 time period, for financial stability and prudence, a contingency fund is being established for its inception on January 1, 2013. The reserves are being established in part through corporate and private donations, IIA Global funds, and chapter contributions. Chapter contributions are expected to be returned as IIA Canada builds its own cash reserves. These funds are being governed by a Chapter Reserve Policy which sets out the restricted nature and access to this fund.

The Ottawa Board formed a sub-committee to more fully analyze the request of the ICB, including the level of funding that the Ottawa Chapter could support and an analysis of the IIA Canada business case. Supported by this sub-committee, the Ottawa Board also set out governance expectations for managing and accessing funds consistent with the expressed intent of the fund. The Ottawa Board appointed a board member to act as the IIA Ottawa Chapter's representative on a national working group, comprised of representatives of the Canadian Chapters, to establish an Operating Reserve Fund Policy which includes the investment policy as well as the Chapter funding agreements.

In January 2011, the Canadian membership voted overwhelmingly in favour of the establishment of a Canadian institute. In line with this direction and based on the analysis conducted by the sub-committee, in February 2012, the Board approved in principle to support the ICB's efforts through letter of intent for a conditional contribution to be transferred mid-December 2012 upon creation of the IIA Canada entity. In May 2012, the Board reconfirmed its position and agreed to contribute \$85,000 in total for a term of up to 5 years (period requested). This level of funding considered our current financial position and our operating requirements for the next 5 years. As such, we have set aside our own contingency reserve of \$125,000 as well as a reserve of \$50,000 for potential Ottawa specific investment needs (hence, a total reserve of \$175,000 will be maintained by the Ottawa Chapter). We feel that this significant contribution reflects our commitment to the development of IIA Canada, while being prudent and maintaining a sufficient reserve for potential operating requirements or investments for the IIA Ottawa Chapter and our members.

The Board will continue to play a leadership role in the establishment and governance of this fund, as well as contribute to the IIA Canada's formation and development, hence building a stronger foundation for the benefit of our members.

I would like to thank our members for their ongoing support of IIA Ottawa, and in particular, our volunteers who have generously given their time to help deliver quality programs and events, advocate for the profession and strengthen our Chapter to better serve the internal audit community. Additionally, I would like to thank my fellow Board members for their tremendous contributions, the endless hours, and most of all, their passion. The success of the Chapter is in large part based on the strength of the Board; I am extremely grateful for your dedication. As expectations of internal audit grow in this difficult environment of continued economic uncertainty and constraints, the challenge for our community is to stay ahead of the curve and be positioned to embrace all opportunities. We will continue to enhance our own capabilities

and services to meet your growing needs and encourage you to join us in supporting this dynamic internal audit community.

Julie Champagne, CIA  
Chapter President

### 3. Your Board of Governors for 2011-2012

	Position	Name
<b>Executive Committee</b>	President	Julie Champagne
	Vice President Strategy	John Lees
	Vice President Operations	Michèle Serano
	Treasurer	Djoura Abbas
	Secretary	Susan Kenney
	Chair of Programs	Jeremy Dimmell
<b>Committee Chairs</b>	Past President	John Gilhooly
	Programs (Co-Chair)	Vacant
	Audit Leaders	Darren Budd
<b>Advisors</b>	Member Services	Nancy Chase
	Advocacy	Darren Budd
	Certifications	Keith Davis
	Academic Relations	Joseph Carpinone
	Communications	Michael Leong
	Webmaster	Christina Brooks
	Volunteers	Peter Cardeneo
	Members-at-Large	Marianne Avarello
	• Private	Alain Decelles (also Chair of Audit Committee)
	• Government	Carol Najm
	• International Committee	Robin Sellar
TBS Representative	Monique Clairoux (resigned in May 2012) and Jennifer Robinson (joined in April 2012)	
IIA Canada Representative	Carmen Abela	

As discussed above in the President's Report, we revised the roles and responsibilities of the Board to align to our strategic priorities, introduced the Audit Leaders Chair and Communications Chair (evolved from Newsletter Chair), and created several committees to encourage the participation of more volunteers.

The Board is comprised of the Executive, Committee Chairs and Advisors, and encompasses practitioners from the federal government, crown corporations and the private sector. The Board has advisors from IIA Canada, TBS, and Members-at-Large, including an Ottawa member who sits on an international IIA committee and another private member who is Chair of our new Audit Committee. Board members hold various professional designations, including those specific to

internal auditing (e.g., CIA, CGAP, CCSA, CRMA) and there are other designations represented on the Board as well (e.g., CA, CGA, CISA).

#### **4. Treasurer's Report and Interim Financial Statements**

Financial statements for the period June 1, 2011 to April 30, 2012 are provided for information to all members. These statements are unaudited and have been prepared on an accrual basis for both revenues and expenses.

In accordance with the requirements of the IIA Global Headquarters, the Chapter will prepare an annual report of income and expenses as at May 30, 2012 on a cash basis. The report will be audited for submission to Headquarters by August 31<sup>st</sup>, 2012.

As of April 30, 2012, the Chapter's operation has resulted in a net income of \$69,928 versus a budgeted amount of \$15,932. This result is attributed to higher contributions from our programs with well attended courses and expense tracking mechanisms that are in place to ensure that spending remains within budget. As well, some activities did not necessitate the funding anticipated (e.g. advocacy activities).

This year, the Chapter strengthened our financial reporting by implemented *Simply Accounting* and automating the accounting process, as well as hiring a professional accountant to provide bookkeeping services. The Chapter is focusing on continuing to streamline the reporting function to provide Board members with timely and accurate information on the Chapter's financial position throughout the fiscal year.

The Chapter's focus on reducing the outstanding accounts receivable is ongoing. As of April 30, 2012, the total accounts receivable is \$8,412, of which \$3,390 are over 30 days, primarily due to timing differences. As of May 15<sup>th</sup>, \$1,130 was over 30 days.

Djoura Abbas  
Treasurer

**IIA Ottawa Chapter  
Balance Sheet  
As at April 30, 2012**

**ASSETS**

**Current Assets**

Cash	\$314,785
Investments	23,161
Accounts Receivable	8,413
<b>Total Current Assets</b>	<b>346,359</b>

**TOTAL ASSETS** **\$346,359**

**LIABILITIES**

**Current Liabilities**

Accounts Payable	\$9,114
Accrued Liabilities	10,245
HST Payable	17,119
Deferred Revenue	51,825
<b>Total Current Liabilities</b>	<b>88,303</b>

**TOTAL LIABILITIES** **\$88,303**

**EQUITY**

**Equity**

Retained Earnings - Previous Year	\$188,127
Current Earnings	69,929
<b>Total Equity</b>	<b>258,056</b>

**LIABILITIES AND EQUITY** **\$346,359**

**IIA Ottawa Chapter**  
**Comparative Income Statement**  
For the 11 month period ended April 30, 2012

	Actual 01/06/2011 to 30/04/2012	Budget 01/06/2011 to 31/05/2012
<b>REVENUE</b>		
<b>Sales Revenue</b>		
Allotment from IIA Headquarters	\$ 8,382	\$ 8,000
Program Event Revenue	247,190	276,050
<b>Net Sales</b>	<u>255,572</u>	<u>284,050</u>
<b>Other Revenue</b>		
Interest Revenue	11	100
<b>Total Other Revenue</b>	<u>11</u>	<u>100</u>
<b>TOTAL REVENUE</b>	<u>255,583</u>	<u>284,150</u>
<b>EXPENSE</b>		
<b>Program Event Costs</b>		
Course Instructor Fees	76,577	202,262
Hotel & Banquets	36,452	0
Travel & Meals	4,281	0
Course Material Costs	4,495	0
Credit Card Charges	7,212	3,000
Event Consulting Fees	12,978	2,000
Gifftool Fees	1,413	0
Other Course Expenses	1,996	0
<b>Total Program Event Cost</b>	<u>145,404</u>	<u>207,262</u>
<b>IIA Global/Canada Liaison Expenses</b>		
Conferences	6,589	6,000
District Rep Support	2,356	2,356
Canadian Institute	1,211	2,000
<b>Total IIA Global/Canada Liaison Expense</b>	<u>10,156</u>	<u>10,356</u>
<b>IIA Ottawa Events</b>		
Annual General Meeting	0	5,000

Certification Recognition	5,070	5,000
Annual Wine and Cheese	4,277	7,100
Student Events	1,229	0
Audit Leaders	0	2,000
<b>Total IIA Ottawa Event Expense</b>	<u>10,576</u>	<u>19,100</u>
<b>IIA Research &amp; Development Expenses</b>		
Chapter Research Projects	0	1,000
Donations to IIA Research	0	1,000
Course Development - OCG Grants	10,000	15,000
<b>Total IIA Research &amp; Development Expense</b>	<u>10,000</u>	<u>17,000</u>
<b>Promotion &amp; Advocacy Expenses</b>		
Advocacy Committee	0	10,000
Website	75	1,000
Scholarships	2,000	3,000
Translation Fees	749	0
<b>Total Promotion &amp; Advocacy Expense</b>	<u>2,824</u>	<u>14,000</u>
<b>General &amp; Administrative Expenses</b>		
Accounting & Legal	3,745	0
Courier & Postage	18	0
Interest & Bank Charges	215	0
Office Supplies	1,489	0
Volunteer Gifts	421	500
Telecommunications	660	0
Travel Expenses	146	0
<b>Total General &amp; Administrative Expense</b>	<u>6,694</u>	<u>500</u>
<b>TOTAL EXPENSE</b>	<u>185,654</u>	<u>268,218</u>
<b>NET INCOME</b>	<u>\$ 69,929</u>	<u>\$ 15,932</u>

## 5. Chapter Achievement Program

The Chapter Achievement Program (CAP) recognizes activities undertaken by the chapter that promote the strategic objectives of the IIA. Points are awarded depending on the level of activity of the chapter in each of three categories: Service to Members; Service to the Profession; and Chapter Administration. Thanks to the hard work of all the committees and volunteers, this year we again achieved Gold status. A special level, Platinum, is used to recognize chapters that attain Gold status for 10 of 11 consecutive years, and the Ottawa Chapter continues to earn this additional level of recognition.

The CAP points for each level are provided below. This year, the Ottawa Chapter earned almost 1900 points, one of our highest scores ever.

CAP Award Level	Minimum Points Total
Bronze	685.00
Silver	1,060.00
Gold (Platinum)	1,560.00

Michèle Serano, CIA, CCSA, CRMA  
Vice President Operations

## 6. Committee Chair Reports

### Programs

The Programs Committee is tasked with providing professional learning and networking events to the Ottawa Chapter membership. Due to the hard work and dedication of program committee volunteers, the Ottawa Chapter has built a successful annual program calendar that provides members with the opportunity to gain over 200 hours of Continuing Professional Education (CPE) credits right here in the National Capital Region. The success of the 2011-2012 Programs Calendar is due in large part to the controls and mechanisms put in place in previous years to better manage the high-volume of training and development sessions being offered and the roll-out of the Chapter's online registration system.

In addition to the various courses and seminars scheduled throughout the year, the Ottawa Chapter's Breakfast and Lunch and Learn sessions provide members with an opportunity to network and act as a forum for subject matter experts to speak on important local and professional topics. The Programs Committee is also responsible for arranging and managing

special events including the Annual December Wine and Cheese event and the Annual General Meeting.

### **2011-2012 Highlights: Programs**

- ✓ Chapter events offered in 2011-2012 were attended by 40% of the membership base.
- ✓ Chapter offerings included over 13 seminars, 4 breakfast sessions and 3 lunch and learning events.
- ✓ The 2011-2012 Calendar offered 230 CPE hours or over 30 days of training!
- ✓ We had two courses sell out due to their popularity: Performance Based Auditing, and Fraud and Detection & Investigations for Internal Auditors.
- ✓ All courses attended were highly rated with a common concern for the need for more Canadian and federal government focus. We are aware of these needs and are continuing discussions with the IIA and MIS Training Institute to seek their assistance in providing this focus.

In 2012-2013, the Programs Committee is looking forward to offering two new events that we hope members will appreciate. The first involves the development and offering of a Grant and Contribution auditing course in partnership with the Office of the Comptroller General. A pilot version of the course is expected to be available in the fall of 2012 with further rollout in 2013 and 2014. Keep an eye out for this course as it is sure to fill up fast!

The second is the offering of an IIA Canada Learning Week that is scheduled for May 2013. The IIA Canada Learning Week is a national offering that will provide members with great learning opportunities and the ability to network with members from across Canada.

Thanks to all for a successful 2011-2012 and looking forward to an exciting year of professional learning and networking, and new challenges ahead.

Jeremy Dimmell  
Chair of Programs

### **Audit Leaders**

The Audit Leaders Chair and Committee was created in 2011 in response to issues identified by the local Chief Audit Executive (CAE) community regarding the need for greater knowledge and thought leadership, networking opportunities, and related forums to help CAEs anticipate and respond to emerging needs and to continually improve their practice and the value they provide to their organizations. As such, the mandate of the Audit Leaders Committee is to support the

connection, knowledge sharing, and overall advancement of those matters of importance to local Audit Leaders as well as the audit committee community.

The primary goal of the Committee is to develop and deliver a strategy to provide networking opportunities that enable local audit leaders to share knowledge and discuss emerging issues, challenges, and other items of common interest. The Committee will also support the strengthening of the IA value proposition by helping build capacity at the audit leader level by sharing and promoting thought leadership, professional development opportunities, international trends and best practices, and other mechanisms to strengthen expertise within the community.

### **2011-2012 Highlights: Audit Leaders**

- ✓ Developed a Terms of Reference for the Audit Leaders Chair and Committee, as well as an Operational Plan to guide the committee's focus for the year.
- ✓ Focused on the identification and development of appropriate events and forums which target the needs of our Audit Leader members.
- ✓ Conducted a series of structured interviews with local CAEs which served to generate specific insights and provide information on how to address some of the challenges faced by CAEs with respect to effective networking, and more generally, how CAE IIA membership can best be leveraged to support audit leaders in the community.

As of May 2012, the Audit Leaders Committee was still in the process of evaluating the results of the CAE interviews. Results of our consultation process to date have indicated that local CAEs are experiencing various challenges, including: understanding and meeting priorities and expectations of central agencies; auditing in a period of fiscal austerity; educating and raising awareness of the value of the IA function among stakeholders; improving CAE effectiveness with senior management and committees; and in staffing and training IA professionals.

Preliminary results from the CAE interviews also point to the interest in the coordination of forums or sessions to enable stronger networking and knowledge sharing among the local community through which these types of challenges can be discussed with peers. In addition, interest was expressed in providing access to experts at local Audit Leaders events and to enable access to key stakeholder representatives, such as Deputy Heads and Audit Committee members, at some forums to further the range of networking and information sharing available. Based on this information, the Committee is aiming to design and deliver an initial networking event for CAEs in early 2012-2013 that reflects the input we have received from the local community.

Darren Budd, CIA  
Nancy Chase, CIA, CGAP  
Chairs, Audit Leaders

## Member Services

The primary goal of Member Services Committee is the recruitment and retention of members. This goal is linked with a number of items detailed within the Chapter's Strategic Plan, particularly those related to growing the membership, advocacy, connecting our members and communicating with members. The Chair, Member Services is responsible to develop an annual recruitment and retention plan, assisting in the establishment of "member care" practices, maintaining a current Chapter membership database via regular download from the main database (currently maintained by the IIA in Florida) and providing support to information needs of other Chairs.

An area of focus for 2011- 2012 was to work closely with Communications and Advocacy Chairs to support Chapter efforts to enhance communications with members. This included conducting some analysis of the membership database and providing insights to the membership profile. We administered a broad Member Survey in late February 2012 which covered a variety of topics, including: membership experience; recruitment; areas of interest for training and seminars; how to better engage the membership; communications and preferred communication channels.

The Member Survey resulted in a wealth of information regarding the Chapter membership. Some selected findings around membership experience, communications and engagement included the following:

- ✓ 68% of respondents indicated that their membership experience in the last year met or exceeded their expectations, while only 3% indicating their expectations were not met;
- ✓ An overwhelming majority of respondents indicated that Chapter e-mails, the Chapter Website and Chapter networking events were useful;
- ✓ While nearly 50% of respondents indicated that they use social media (with LinkedIn and Facebook being the most common), 79% indicated that they would prefer not to receive chapter information through such media; and
- ✓ Respondents provided a wide range of suggestions to improve the membership experience, such as: enhanced opportunities for more breakfast/lunch seminars, keynote speakers, dialogue with Audit Leaders, course offerings for seasoned auditors, and joint events with other professional associations.

We were very pleased to have received responses from 160 members. Thanks to all of you who participated! The Member Services Committee prepared a comprehensive report of the results of the survey that will be posted on our Chapter website. Our Board and Committees are in the process of further analyzing the survey responses and will be incorporating this feedback into the Chapter's 2012-2013 operational plans and strategies.

## Selected 2011-2012 Membership Statistics and Projections

- ✓ Our membership increased this year by nearly 10% to 1235 members (compared to 1123 last year) and following a 10% decline in 2010-2011. This increase represents a net gain of 112 (comprised of 212 new members and loss of 100 former members) and takes the Chapter back to the 2009-2010 membership levels.
- ✓ In 2010-2011 membership numbers declined as a result of a one-time initiative taken by the Government of Canada to ensure membership of its employees was limited only to those with continuing internal audit-related responsibilities. While we anticipate that the continued implementation of Canada's Economic Action Plan, including the Federal Budget 2012, will have some implication on our membership, we expect year-over-year growth in our membership to be the prevailing trend.
- ✓ As of April 30, 2012, 344 (317 in 2011) members or 28% of the Chapter membership, are Certified Internal Auditors (CIAs). This increase in the number of CIAs is reflective of the continued emphasis that our members and their employers are placing on obtaining professional auditing designations. We expect this trend to continue. The Chapter also has members who are certified in other specialties.
- ✓ The Ottawa Chapter membership is divided roughly 75% - 25% between all government (federal, provincial and municipal governments combined, including crown corporations) and non-government employers. However, a number of the non-government employers are in industries which provide services to the federal government. The largest single industry code indicated by our membership is Federal Government (at 771 members).

Darren Budd, CIA  
Chair, Member Services

## Advocacy

The Advocacy Committee is responsible for setting out and implementing strategies that will promote the value of internal audit, influence public-policy decisions, and advocate investment in internal audit. The Advocacy Committee also provides support to the local Chapter in liaising with the IIA Canada Advocacy Committee, leading the advocacy strategy for the federal government and also maintaining strong relationships with key partners (e.g. Office of the Comptroller General, other organizations) to leverage advocacy goals. Our focus for this coming year is on developing mechanisms and tools (e.g. 'point of view' documents) that can be used by the local Chapter to reach out to key stakeholders to promote the value of internal audit and to provide our perspective on how the local internal audit community can continue to evolve and thrive in the context of the current economic/fiscal environment.

During this past year, we have started work, research and discussions in this area, and anticipate producing initial communications in the fall 2012. We are working with other parts of the local chapter, such as the Communications Committee and the Audit Leaders Committee, to coordinate our advocacy and outreach efforts for internal audit.

We are also exploring opportunities to partner with the OCG and events for Chief Audit Executives, Departmental Audit Committees, etc., in order to communicate our key messaging to important stakeholders.

The Committee actively liaises with IIA Canada in its advocacy efforts. We have received great support from IIA Canada, including agreement from its Executive Director to sit on our committee. We are also coordinating efforts in relation to federal government relationship management. All of these activities are underway currently.

#### *Did you know?*

- ✓ The IIA's recent study "Measuring Internal Auditing's Value" noted that over 90% of respondents believe their internal audit functions add value to their organizations.
- ✓ The Office of the Auditor General's 2011 audit of Internal Audit noted that there is "strong senior management support for internal audit" and that "senior management has indicated that it has a greater appreciation of the role that internal audit can and should play within an organization".
- ✓ The IIA's 2012 "The Pulse of the Profession" document highlighted that the top five skills sought after for internal audit staff include analytical/critical thinking, communication skills, data mining/analytics, general IT knowledge, and business acumen. All these skills are critical for IA to continue to add value to its organizations.

We look forward to continuing to work on our advocacy agenda and program in 2012-2013.

Keith Davis, CIA  
Chair, Advocacy

## **Certifications**

The primary goal of the Certifications Committee is to sustain and help assure the professionalism, value and credibility of internal audit through professional certification and the application of the global professional standards. Through the Chair of Certifications and Committee, the Ottawa Chapter is committed to showcasing our leaders, promoting and encouraging members to obtain IIA designations and promoting internal auditors to organization leaders, Chief Audit Executives and Office of the Comptroller General/Treasury Board Secretariat.

The Certifications Committee is responsible for the coordination and distribution of the IIA certificates to recipients within the Ottawa and National Capital region. Our committee responded to and assisted past, current and future recipients with inquiries related to the certification process. In November 2011, the Certification Committee organized the annual

certification event to celebrate and recognize the past year recipients and promote the designation throughout the community. As in previous years, recipients were encouraged to invite the individual who was most influential in helping them achieve their professional designation. Our chapter also invited students to help promote the professional designation and in some cases introduce students to the internal audit profession.

### **2011-2012 Highlights: Certifications**

- ✓ During 2011, 53 chapter members were successful in obtaining their Certified Internal Auditor® (CIA®), Certified Government Auditing Professional™ (CGAP™) or Certification in Control Self-Assessment (CCSA) professional designations: CIA– 37; CGAP– 11; CCSA – 5.
- ✓ On November 30th, the Ottawa Chapter hosted an honorary event at the University of Ottawa to recognize the achievement of the various certifications of the IIA. The event was well attended by over 65 people, including Board Members, graduates and guests. We were fortunate to have two keynote speakers for the event, Mr. James A. Ralston, Comptroller General of Canada and Mr. Neil Yeates, Deputy Minister of Citizenship and Immigration Canada. The speakers focused on the value of a professional designation and the evolving role of internal audit in the Federal Government of Canada.
- ✓ Over the year, our committee responded to numerous inquiries and provided assistance to past, current and future recipients related to the certification process.

In 2011-2012, the Institute of Internal Auditors announced the development of a new designation – the Certification in Risk Management Assurance (CRMA). The CRMA allows internal audit practitioners to demonstrate their ability to: provide assurance on core business processes in risk management and governance; educate management and the audit committee on risk and risk management concepts; and focus on strategic organizational risks.

In an effort to promote the designation, the CRMA Professional Experience Recognition is being offered for individuals to obtain the CRMA designation prior to the CRMA examination program which commences in 2013. While statistics of our members are not yet available for our Chapter, the new CRMA designation is proving to be popular. For further information on the CRMA and other IIA certifications, please refer to the Certification Corner – The Institute of Internal Auditors at: <http://www.theiia.org/certificationcorner/>.

Joseph Carpinone, CIA, CRMA  
Chair, Certifications

### **Academic Relations**

The Academic Relations Committee supports the Ottawa Chapter in promoting and advocating internal audit and the IIA at academic institutions in the Ottawa area. The committee's primary goal is to promote the internal audit profession and the value of IIA certifications to future

generations of business professionals. Additional goals of the committee are to develop and implement a membership recruitment plan, and establish and enhance partnerships with other organizations to support the professional development and promotion of internal audit in the Ottawa area.

Promotion and advocacy efforts of the Academic Relations Committee include:

- Promoting education programs: Working with academic institutions to advocate and develop education programs that support the development of future internal auditors;
- Networking with students: Attending and hosting events to promote awareness and to educate students about the profession of internal audit and the IIA;
- Offering scholarship programs: Offering scholarships that encourage students to enter the field of internal audit; and,
- Supporting learning initiatives: Supporting local institutions to develop and deliver education programs that support the development of the internal audit community, such as the Certified Internal Auditor (CIA) Learning Program.

#### **2011-2012 Highlights: Academic Relations**

- ✓ Administered two Chapter-sponsored student scholarships for internal audit. The IIA scholarship was awarded at the University of Ottawa and at Carleton University.
- ✓ Hosted social evenings for students where local professionals and internal audit employers join students for an informal networking session. Fantastic turn-outs were experienced from the professional community of private sector and public sector organizations, IIA volunteers and students with over fifty students and volunteers attending the event in March 2012.
- ✓ Presented on four occasions at local academic institutions to share with students what the profession of internal audit entails and what the IIA offers.
- ✓ Partnered with University of Carleton to offer CIA preparation classes based on the IIA's CIA Learning Program.
- ✓ Expanded efforts to promote the IIA to students through partnering with other Chapter Board Committees including Certifications and Programs, and actively inviting students to other Ottawa Chapter events.

The Academic Relations Committee has helped to increase student awareness of the internal audit profession by demonstrating how it relates to, and aligns closely with, their selected fields of study. Feedback provided by students, instructors, and other academic relationship partners has been very positive and they welcome the continued partnership with IIA and the Ottawa Chapter.

In 2012-2013, there will be a continued focus on academic promotion and advocacy with the renewal of its core student engagement initiatives, including: maintenance of the scholarship

programs; hosting bi-annual social evenings; exploring opportunities for classroom presentations to students in relevant fields of study as well as participation in events at academic institutions relevant to internal audit; and developing partnerships for learning and information exchange. In addition, we will explore other opportunities to partner with academic institutions and expand the Academic Relations Committee's advocacy footprint in 2012.

Michael Leong  
Chair, Academic Relations

## Communications

Given the focus on building capacity including an enhanced governance structure of the Board, one of the key changes made in 2011 was the creation of the role of Communications Chair (previously the Newsletter Chair) and the Communications Committee.

The Chair of Communications is responsible for establishing the Chapter's communication strategy to effectively reach and communicate with our members, CAEs and key stakeholders and build "brand awareness". The Communications Chair and Committee supports Board members communication needs, working with them to define and execute appropriate communication strategies. The Chair also oversees the Chapter's communications, marketing products and services including: newsletters, annual report and other print publications; and links with the Webmaster for communications through website and new social media.

### 2011-2012 Highlights: Communications

- ✓ Continued to produce publications of the IIA Ottawa Chapter newsletter. In 2011, two issues were published electronically in April and November and a recent newsletter was issued in May 2012. Newsletters are distributed to members in bilingual format via email link to the IIA Ottawa Chapter Website. Each newsletter contains information about upcoming and past events, interest articles, job and volunteer opportunities. In addition, each issue contains several electronic links that direct readers to the website for more information.
- ✓ Developed a draft Terms of Reference for the Communications Chair and Committee, as well as an Operational Plan to guide the committee's focus for the year.
- ✓ Considerable efforts to examine Chapter communications more broadly. Administered a detailed communications questionnaire to the Board and solicited feedback on a variety of communications issues, reviewed membership survey results on communication topics, including member communications needs and medium preferences.
- ✓ Completed a review of the new Communications Chair role and responsibilities, following the revised Board governance structure. The review highlighted areas of shared areas of responsibility, and need for strengthened internal coordination and collaboration.

In light of the new strategic directions set out in the 2012-2015 Strategic Plan and revised Board structure, the Communications operational plan sets out key objectives for 2012-2013 including

a continued focus on communications governance and accountabilities. Building on the efforts to date to review the new Communications Chair role and Chapter communications, we will seek to further clarify and promote understanding of the roles and responsibilities of the Communications Committee. There will be a focus on capacity building and establishing a communications committee comprised of volunteers interested and skilled in various communications activities.

A key responsibility of our committee is the development of a communications strategy. In 2012-2013, we will build on the preliminary research efforts to date and continue best practices research and collaboration with other Canadian Chapters and the IIA Canada; we anticipate a draft communications strategy by the fall 2012. The Communications Committee also serves as an internal, horizontal function for the Board and assists the committees to plan and deliver various communication activities. Efforts will be made to aggregate and streamline the majority of anticipated communications activities, and provide communications support in executing the Board's operational plans and strategies.

Finally, the Communications Committee will be working towards the renewal of the Chapter newsletter and will consult other Chapters on communications activities as well as draw insights from the valuable feedback received through recent survey efforts including member communication needs and preferences. Support will be provided to the Webmaster for new joint initiatives, for ongoing website development, and the Chapter's new social media presence.

Christina Brooks, CCSA  
Chair, Communications

## **Webmaster**

The Webmaster enhances and updates the Chapter's website with announcements, events, job opportunities, training and additional information. The Webmaster's continuous interaction with other Board Chairs and Committees feeds much of the site's content. The Webmaster also redirects comments and inquiries received through the website back to the Chairs and Committees for response.

Working in concert with the Communications Committee, our committee coordinates efforts for upcoming events and activities requiring communications efforts, including website postings such as the Chapter newsletter, and exploring additional channels to communicate with our members, such as through new social media.

### **2011-2012 Highlights: Webmaster**

- ✓ Ongoing communications of events and training with the Chapter's Events Calendar
- ✓ Communication of job opportunities through the public sector "Jobs – Resources" page
- ✓ Ongoing efforts to increase the user-friendliness of the website
- ✓ New Social Media presence! In case you didn't know, the IIA Ottawa Chapter is now on Facebook and LinkedIn. Both pages are frequently updated with announcements, events, job opportunities and news items related to Internal Audit. Social media allows members to communicate directly with one another and helps to provide members with desired information in a highly responsive environment. We will continue to monitor the Chapter's new social media presence in 2012-2013.

New initiatives planned for 2012-2013 include a new "Chapter News" section that will be used to highlight upcoming events, opportunities and training with the Ottawa Chapter, IIA Canada and other Canadian Chapters. In addition, a new "Board Member Profile" page will showcase the Board's Chairs and Committees, their activities and responsibilities. The Board encompasses practitioners from the federal government, crown corporations and private sector and advisors from IIA Canada, TBS, and more. We hope this page will put a welcoming face to the Board and invite members to become involved in the Chapter and its diverse activities.

Please visit the Ottawa Chapter!

Website: <http://www.theiia.org/Ottawa>

Facebook: <http://www.facebook.com/pages/IIA-Ottawa-Chapter/347323121959841>

LinkedIn: <http://www.linkedin.com/groups/IIA-Ottawa-Chapter-4236155>

Peter Cardeneo, CIA  
Chair, Webmaster

### **Volunteers**

The purpose of the Chapter's Volunteer Committee is to recruit and retain volunteers to assist the Chapter in meeting the needs of Ottawa's internal audit community. The focus of the committee is to identify individuals who are interested in volunteering to maintain the quality of services to which are members are accustomed. Potential volunteers have identified themselves through current members such as their colleagues, Ottawa Chapter Board members, and at student networking sessions and Chapter events.

Our Chapter is one of the busiest within Canada and with that comes the need for volunteers. A process has been established in an effort to match the interests of those wishing to volunteer with the Chapter's needs. In doing so, we hope to be able to assist our volunteers in their

professional development and increase their networking opportunities. When volunteers put their name forward they are asked to identify their skills and experience. The volunteer list is updated and circulated at Board meetings for Board Members to review and contact potential volunteers. In 2012 and going forward, the role of Volunteer Chair will be merged with that of Member Services, given the Board's efforts to streamline related roles and responsibilities.

During 2011-2012, Chapter members volunteered their time to assist with various Chapter activities, ranging from those that require only a few hours every few months to much more. Much thanks and appreciation is extended to our excellent group of volunteers. They have devoted time to many different activities and made significant contributions over the year.

Our members' (volunteers) presence is quite significant, and includes member involvement at the local, national and international levels. In 2011-2012, over fifty volunteers supported activities of our local Chapter. At the national level, two of our Chapter Board members served on the Interim Canadian Board (ICB) and led committees for Strategic Directions, Service Delivery and Communications. An additional two members participated on committees or ad hoc committees of the IIA Canada, and seven members served on international committees.

We are always looking for more people to help us with our activities. Did you know that members who participate as an officer or committee member with the Ottawa Chapter also qualify for CPE hours? If you would like to contribute to the success of our Chapter, please contact: [marianne.avarello@oag-bvg.gc.ca](mailto:marianne.avarello@oag-bvg.gc.ca).

Thank you to all our volunteers for their time, commitment, and dedication.

Marianne Avarello, CIA  
Chair, Volunteers

## 7. Executive Committee and Board of Governors for 2012-2013

Position	Name	Term in Role for 2012-2013	On Board Since
President	Julie Champagne	2 <sup>nd</sup> year	2008
Vice President Strategy	Michèle Serano	<b>Proposed</b>	2009
Vice President Operations	Joseph Carpinone	<b>Proposed</b>	2009
Treasurer	Djoura Abbas	2 <sup>nd</sup> year	2011
Secretary	Susan Kenney	2 <sup>nd</sup> year	2005
Chair of Programs	Jeremy Dimmell	3 <sup>rd</sup> year	2010
Past President	John Gilhooly	2 <sup>nd</sup> year	2004
Programs (Co-Chair)	Craig Kolanko	<b>Proposed</b>	
Audit Leaders	Darren Budd	2 <sup>nd</sup> year	2009

Position	Name	Term in Role for 2012-2013	On Board Since
	Nancy Chase	2 <sup>nd</sup> year	2007
Member Services	Marianne Avarello	<b>Proposed</b>	2011
Advocacy	Keith Davis	2 <sup>nd</sup> year	2011
Certifications	Caroline Black	<b>Proposed</b>	
Academic Relations	Sarah Lyons	<b>Proposed</b>	
Communications	Christina Brooks	2 <sup>nd</sup> year	2011
Webmaster	Peter Cardeneo	5 <sup>th</sup> year	2008
Members-at-Large			
• Private	Alain Decelles	2 <sup>nd</sup> year	2011
• Government	Carol Najm	3 <sup>rd</sup> year	2010
• International Committee	Robin Sellar	2 <sup>nd</sup> year	2008
TBS Representative	Jennifer Robinson	1 <sup>st</sup> year	2012
IIA Canada Representative	Carmen Abela	2 <sup>nd</sup> year	2002

## Appendix A: IIA Strategic Plan 2012-2015

Mission Statement	Key Focus Areas	Key Result Areas	Strategies
<p>Through its volunteers, IIA Ottawa:</p> <p><b>Promotes the Internal Audit Profession</b> Promotes and advocates for the internal audit profession in Ottawa and across the federal public service by:</p> <ul style="list-style-type: none"> <li>Building awareness and a common understanding of the profession's value to organizations; and</li> <li>Promoting the profession of internal audit as a career of choice for top talent.</li> </ul> <p><b>Promotes Standards and Accreditation</b> Promotes professionalism, value and credibility of internal audit by promoting professional certification and the application of the global professional standards and providing access to certification training opportunities;</p> <p><b>Builds Expertise and Value in the Profession</b> Strengthens the expertise and value of the profession through facilitating thought leadership, innovation and professional development;</p> <p><b>Provides Timely Services</b> Provides outstanding and timely services to all Ottawa members; and manages its operations in an accountable, financially sustainable, transparent and collaborative fashion, in accordance with the highest standards of governance and ethics.</p>	<p><b>Building Capability and Value of IA Community</b></p>	<p><b>PROFESSIONAL DEVELOPMENT PROGRAM</b> <i>Deliver a professional development program that supports professional certification and continuous learning.</i></p>	<ol style="list-style-type: none"> <li>Design and deliver a value-added program of training courses, aligned to member needs and OCG competency levels.</li> <li>Promote the value of the IIA certifications and facilitate CIA and CGAP training.</li> </ol>
		<p><b>CONNECTING OUR MEMBERS</b> <i>Provide opportunities for members to connect, share knowledge and advance thinking on matters of local importance.</i></p>	<ol style="list-style-type: none"> <li>Develop and implement a strategy to provide networking and knowledge sharing opportunities that promote best practices, developments in the profession and emerging issues.</li> <li>Develop and implement a strategy to deliver a series of events and discussion forums for audit leaders that focus on challenges and emerging issues.</li> </ol>
		<p><b>PROMOTION &amp; ADVOCACY</b> <i>Promote the value of internal audit, influence public-policy decisions, and advocate investment in internal audit.</i></p>	<ol style="list-style-type: none"> <li>Establish and put in place a national advocacy strategy for the federal public sector to promote the value of internal audit and the IIA.</li> <li>Develop and implement a membership recruitment and retention plan, including an outline of target markets and various strategies to reach these markets.</li> <li>Leverage existing IIA materials to promote and advocate the value of the profession with CAEs, audit committee members, business leaders, and public policy makers.</li> <li>Establish or enhance partnerships with other organizations (e.g. OCG, FMI, CAs, ISACA, universities, etc.) to promote internal audit, showcase our IA leaders and members, and improve learning opportunities.</li> </ol>
	<p><b>Strengthening Chapter Capacity</b></p>	<p><b>CHAPTER GOVERNANCE &amp; MANAGEMENT</b> <i>The Chapter's governance processes, structure and bylaws support effective decision-making and implementation success. The chapter manages itself in a sustainable, fiscally prudent, transparent and collaborative fashion.</i></p>	<ol style="list-style-type: none"> <li>Enhance chapter governance by more clearly defining roles of board members and committee structures and ensuring that operational plans are well aligned to this structure.</li> <li>Ensure chapter sustainability by strengthening succession planning and developing a resourcing strategy to support programs, financial management, coordination, and communications.</li> <li>Explore how we can leverage the IIA's new Chapter Document Management System to share best practices.</li> <li>More fully engage volunteers.</li> <li>Establish a communications strategy to effectively reach and communicate with our members, CAEs, audit committee members, business leaders, and public policy makers.</li> </ol>
	<p><b>Supporting IIA Canada</b></p>	<p><b>CONTRIBUTION TO BUILDING IIA CANADA</b> <i>The Chapter contributes to the IIA Canada's formation and development.</i></p>	<ol style="list-style-type: none"> <li>Develop an IIA Ottawa strategy for supporting IIA Canada, including how we will ensure involvement in committees and working groups.</li> <li>Develop and share Ottawa's perspectives and position on how roles and responsibilities would be best shared between IIA Canada and chapters.</li> <li>Play a leadership role with IIA Canada in relation to the Federal Public Sector.</li> </ol>