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## New CIA Preparation Course at Carleton University

By Julie Champagne, CA, CIA



We are very excited that our Ottawa members now have an additional option when preparing for their CIA exams. Carleton University (Sprott School of Business Professional Programs) in partnership with the IIA Ottawa Chapter is now offering CIA exam preparation classes based on The IIA's CIA Learning System.

The IIA's CIA Learning System program is delivered in a blended learning format of printed workbooks and web-based learning software. To take a demo of these materials, visit [www.LearnCIA.com](http://www.LearnCIA.com). These tools are augmented by the expertise of an experienced instructor. The classroom environment allows for interaction with your peers and the instructor and also provides structure to keep you on track to meet your goals.

Carleton University is pleased that Bill Kessels will be instructing the course. He has taught the auditing curriculum at Carleton University and has accumulated over 1000 hours of "front of classroom training" experience. He was awarded the William S. Smith award of excellence for his performance on the CIA exams, placing in the top 35 out of 33,000 candidates and he has been in the internal audit (and financial auditing) profession here in Ottawa for many years.

The program will be offered through sessions that combine weekday and weekend classes, making it ideal for busy working

professionals. *PART 3 - Business Analysis and Information Technology* will be offered on Friday April 23, Saturday April 24, and Saturday May 1, 2010. Register online or visit Carleton's website for more information

[http://www.carleton.ca/ppd/seminars/cia\\_part3\\_exam\\_prep\\_course.html](http://www.carleton.ca/ppd/seminars/cia_part3_exam_prep_course.html)

*Julie Champagne is the Deputy Chief, Internal Audit at the Bank of Canada and VP Strategy with the IIA Ottawa Chapter.*

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## Don't miss the IIA Ottawa Chapter Annual General Meeting

Mark your calendars! The IIA Ottawa Chapter Annual General meeting will take place over lunch on May 27, 2010 at the Sheraton Hotel, and will feature keynote speaker, Nina Spenser. Attendees of the IIA Chapter's Certification Dinner last year will remember Nina from that event; her presentation was so well received that we've invited her back to discuss her Canadian bestselling book *Getting Passion Out of Your Profession: How to keep loving your living...come what may*. Registration opens on April 9, 2010...look for the flyer coming soon!



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## 2010 IIA International Conference in Atlanta, Georgia



Atlanta is the place to be in 2010! The IIA is bringing a world-class conference to the spectacular Georgia World Congress Center and you will definitely want be part of the action. Guaranteed to be the year's largest gathering of internal auditing practitioners, the 2010 International Conference will focus on "Auditing Through Leadership (ATL)."

It features an unprecedented number of concurrent sessions on today's top issues, industry best practices, and unique challenges to help you add value to your organization; recognized keynote speakers including The Economist's US Economics Editor Zanny Minton-Beddoes and The Home Depot's Chief Financial Officer and Executive Vice President of Corporate Services Carol B. Tomé who will educate and entertain you; a hands-on exhibit hall filled with the latest tools, techniques, products, and services that will make you more successful at your job; sightseeing galore including the Georgia Aquarium, Inside CNN Atlanta, and the Centennial Olympic Park, all of which are within walking distance of the Omni Hotel at CNN Center (the official Conference hotel); and receptions and networking opportunities that will keep your ATL experience memorable for many years to come. The 2010 International Conference, Atlanta, At Last! For more information and to register, go to <http://www.iaa2010atl.org/>

## Congratulations to the IIA Ottawa Chapter Scholarship winner!

By Michael Leong, CMA



The IIA Ottawa Chapter would like to extend its congratulations to our most recent IIA Ottawa Chapter scholarship winner – Simon Couvrette ([simon.couvrette@uoac.org](mailto:simon.couvrette@uoac.org)). He was announced as the scholarship winner at the IIA Ottawa Chapter's Fall Certification dinner. Simon is a third year Bachelor of Commerce student specializing in Accounting at the University of Ottawa. Born in Laval, Quebec but raised in Belleville, Ontario, he now lives in Ottawa. His interests include accounting, finance and IT and in his spare time he enjoys travelling, reading and playing golf. In the future, Simon says he would like to become a CA. Simon is also the current co-President of the university's accounting club. Please join us in extending warm congratulations to Simon for showing the hard work, drive, and dedication needed to become the Chapter's most recent scholarship winner. Congratulations Simon!

### About the IIA Ottawa Chapter university scholarship

The IIA Ottawa Chapter is proud to support the development of future professionals through its an annual \$1,000 scholarship awarded to high performing students at the University of Ottawa, Telfer School of Management. Eligible candidates apply for the scholarship by submitting an essay explaining their interest in the Internal Audit profession, and their grades to the scholarship selection committee. This year represents the sixth consecutive year the IIA Ottawa Chapter has awarded the scholarship through the University of Ottawa. For more information about the IIA Ottawa Chapter scholarship, please contact Michael Leong at [Michael.Leong@cic.gc.ca](mailto:Michael.Leong@cic.gc.ca).

*Michael Leong is Audit Manager with Citizenship and Immigration Canada and Academic Relations Chair of the Ottawa Chapter*

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## Honouring our volunteers at the Annual Wine & Cheese

By Susan Kenney, CIA, CCSA

The mission of the Institute of Internal Auditors is to provide dynamic leadership for the global profession of internal auditing. The Ottawa Chapter of the IIA facilitates this goal at a local level, and has the unique capability to bring to the Ottawa internal audit community the expertise and resources of the IIA, including: leadership in certification, education, research, and technological guidance. There are a number of dedicated volunteers who make this Chapter run. Some of these individuals are members of the Chapter Board of Governors; however, much of the success of our Chapter is attributable to the help of member volunteers who tirelessly work to ensure that our programs and events come off without a hitch. Some of our volunteers spend up to 200 hours a year on Chapter work...others only 10. But each one is important to the Chapter.

For the past three years the Chapter has celebrated the volunteers who run the Chapter. In 2007, we celebrated on a boat cruise on the Ottawa River in summer, and in 2008 and 2009 volunteers were honored in December during the annual Holiday Wine and Cheese event at the Sheraton Hotel. At the most recent event held on December 3, 2009, the wine was flowing when our president John Gilhooly ascended to the podium to thank all volunteers for the work that it done. "We would not have

a Chapter if it were not for all of the hard work and dedication of our volunteers,” stated Susan Kenney as she and John handed out “loot bags” to the volunteers.

Our volunteer chair Robin Sellar has the task of finding volunteers for our Chapter as well as the difficult task of putting together loot bags; she hit a home run again this year. The first year the volunteers were presented with portfolios with the IIA Ottawa Chapter emblems on it; this year the loot bag had several items including the very popular IIA Ottawa Chapter flashlight. In addition, this year Carmen Abela was presented with a “thank you” gift for the work she did as Chapter President during the 2008-2009 tenure. So you should take two things away from this article, we treasure our volunteers and you can become one by contacting Robin Sellar at [robin.sellar@cpm.ca](mailto:robin.sellar@cpm.ca).

*Susan Kenney is Audit Team Leader at Correctional Service Canada, and Vice-President Operations and Co-chair Prog of the Ottawa Chapter.*



## We need you (call for volunteers)

The IIA Ottawa Chapter needs you! The Chapter is an entirely volunteer run organization, and we are always looking for motivated volunteers to help us make the Chapter even better. If you would like to contribute to the efforts of your local chapter (and earn a few CPE credits while you do it!), please e-mail Robin Sellar ([robin.sellar@cpm.ca](mailto:robin.sellar@cpm.ca)) to find out what opportunities exist.

## Job Opportunities

Looking for a new opportunity? Did you know that the IIA Ottawa Chapter posts local jobs? Please see the Chapter website for details (<http://www.theiia.org/chapters/index.cfm/view.resources/cid/94>).

## Upcoming Events

Check out our latest Events Calendar for great training sessions and seminars. It's posted on the Chapter website at the following link (<http://www.theiia.org/chapters/index.cfm/view.events/cid/94>)

## On the lighter side...

Frank and Ernest



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# The Keys to Expediting Audit Report Delivery

By Ann M. Butera, CRP President, The Whole Person Project, Inc

Helping management deal with an expanding universe of regulatory, operational, and compliance challenges is placing growing demands on internal auditors. Auditors are facing increased pressure to bring current and relevant issues to the attention of decision makers, so that timely actions can be taken to address the threats posed to the achievement of business goals. Further, the increased tempo of business is placing a greater premium on accelerating audit report issuance.

How can auditors successfully merge the need to deliver thorough, reliable audit reviews and analyses with the increasing "need for speed?" How can they accelerate the process while still providing well-documented and well-written reports? Are the goals of thoroughness and accuracy in conflict with the desire for speed? Clearly they are not. Following some relatively simple principles can help today's internal auditors consistently achieve these dual goals.

As an audit consultant and writer, I have found that three factors are fundamental in achieving a reliable and rapid audit product:

1. Performing comprehensive and effective audit planning.
2. Understanding and applying the critical linkage among business objectives, risks, controls, and tests.
3. Writing all audit documentation (beginning with the planning memo and culminating in the final report) in an understandable and report-worthy manner.

The first two items, planning and understanding the critical linkages, are related because they both require a clear understanding of the business, entity or process under review. It is this knowledge that creates the context for identifying risks and controls, and makes it easy to determine audit concerns.

## **Understand business objectives**

Everyone working on the audit must have a common understanding of the business objectives for the area under review. Why? Because the audit objective is a derivative of the business objective. If auditors understand how to think about their test results in relation to these objectives, they will be better able to figure out whether the exception is an inconsequential or significant issue. They will also be able to make more timely, relevant, and actionable recommendations.

## **Issue development a key to audit success**

*Issue development* is the key building block for the audit report. When done effectively, it will increase both the speed and effectiveness of the final product. Issue development is the process of thinking about the various test results to determine their common trends and root causes, and to decide whether any of the test results can be combined to produce a more meaningful audit concern - one that is indicative of systemic breakdowns or unmitigated exposures.

An *issue* is a clear and concise description of a control weakness, typically either a missing control or an inoperative one. This description includes the criteria (or standard) used to measure what should be happening and explains why a deviation is occurring and generally describes the root cause. Since the issue's description answers the reader's question, "What did the auditor find?" This should be expressed in the first sentence or two of the issue's description.

The *impact* of the issue is a description of the effect an unconnected issue will have, including financial, compliance or

reputation damage. Essentially, the impact describes the risk that could or has happened as a result of the missing or inoperative control. It is helpful to ask "so what?" when formulating the issue. If the answer is that there is no real impact on the business or its objectives, then there is probably no audit issue.

The *evidence* is a brief description of the exception or deficiency identified within a process, function or transaction, including the test results supporting the issue. It is the proof to substantiate what the auditors found.

The documentation of every audit issue should contain five key elements:

**Element 1** - The condition or situation. For example, what was observed and the facts in evidence, quantified whenever possible.

**Element 2** - The situation's cause. For example, the root cause or reason for the difference between the expected and actual conditions found within an area.

**Element 3** - The criteria or standard describing what the situation should be and used to test the relevant controls.

**Element 4** - The impact that the exposure or risk poses concerning the achievement of the business objectives if the situation is not corrected.

**Element 5** - The recommended corrective actions that would either prevent the situation from occurring or mitigate the negative impact should it occur anyway. When addressing this element, it is critical to have already verbally discussed the exception with line management of the area being audited to get input about what corrective actions they plan to take.

### Write in a "report-worthy" style

Solid, relevant content is crucial to an audit report, but so is presentation. It is important to keep the audience in mind at all times. If the report is being directed to the managers or business heads responsible for addressing issues explored in the audit, the tenor and tone will differ from a report that is also going to be read by the Audit Committee and the CEO.

During typical, everyday written and verbal communications, we often speak and write in colloquial and informal ways. That is normal, but it is not appropriate within a formal document such as a final audit report. Consequently, the second challenge is writing the findings and recommendations in a report-worthy way.

Fortunately or unfortunately, audit writing is formulaic. Its goal is to answer the questions: What were the audit objectives? What were the results? What does this mean to the organization? Finally, the audit report is an audit department's product. In format and content, it should express the seriousness and focus with which the issues were identified and analyzed.

Here are some questions auditors should ask themselves when writing the report:

**Is it clear?** - Are the ideas organized in a way that would persuade the reader to reach the same conclusions as the audit team and to make a sound decision regarding the issues and recommendations addressed? Does the report use language the reader can easily understand, which is free of the jargon or terminology not easily understood outside the area being reviewed?

**Is it concise?** - Is the root cause clearly identified, with unnecessary details excluded and unnecessary words excluded?

**Is it correct?** - Have you checked the accuracy of your information? Are spelling and grammar correct?

**Is it complete?** - Are all pertinent facts included? Is the root cause identified and can the issue be quantified? Does the report contain all the information the reader needs to make informed, justifiable decisions?

**Is it appropriate in tone?** - Is the content non-judgmental, balanced, and objective, and is the tone suitable for the

reader's needs?

In no way does formulaic writing translate into the long, ponderous or time-consuming variety. Clarity and brevity are required and will not only contribute to the quality of the report but also to the speed with which it can be delivered. Ironically, brevity is the product of effective editing. Mark Twain explained this paradox best when he said, "If I had more time, I would have written a shorter letter." This means that auditors need to allocate adequate time to edit the report and find ways to express the concepts clearly and concisely.

The need for speed in the delivery of issue identification and recommendations in the form of a solid audit report is undeniable. Keep in mind that there are a number of steps you can take to speed up the delivery of your report and enhance its impact and usefulness.

*Ann M. Butera, CRP is President of The Whole Person Project, Inc., an organizational development consulting firm. She is a frequent speaker at internal audit conferences and has worked with audit departments of all sizes to provide auditors with the tools and techniques needed to improve risk management practices within their organizations. Ann is regularly cited in Who's Who and has been honored by Women on the Job with the Business Achievement Award. She is a member of the IIA, the American Society for Training and Development, the Association of Government Accountants and the International Society for Performance Improvement. She welcomes your comments and can be reached at [annbutera@cs.com](mailto:annbutera@cs.com).*



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*Please send any comments or questions about the Newsletter to Teresa Gannon, Newsletter Chair, at [IIAOttawaNews@gmail.com](mailto:IIAOttawaNews@gmail.com)*