
**INSTITUTE OF
INTERNAL
AUDITORS**



**L'INSTITUT DES
VERIFICATEURS
INTERNES**

**INSTITUTE OF INTERNAL AUDITORS
OTTAWA CHAPTER**

**2007-08 ANNUAL REPORT
AS AT May 31, 2008**

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<http://www.theiia.org/chapters/index.cfm/home.page/cid/94>

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1. President's Report

The current year marked another very successful year for the Ottawa Chapter with one key highlight being the 40th Anniversary of the Chapter. The Chapter celebrated this milestone with a wonderful event held at the Sheraton Hotel. A number of former chapter presidents and members attended this very memorable and successful event.

During the year the Chapter continued to grow at a significant pace. At the beginning of May 2008, Chapter Membership stood at 1100. This number is up from 720 in 2007 and 491 in 2004. This pace of growth is reflective of the continued importance being placed in Internal Audit at the federal level in Ottawa where significant amounts of resources are being invested to strengthen the internal audit community.

The Chapter also continues to be represented at the International Level through the participation of our members in a number of international IIA committees. We are quite proud of the contribution the Ottawa chapter members make at the International Level.

Another important change in our environmental context continues to be the creation of the Canadian Council. In the Canadian internal audit context, the creation of the Canadian Council marks a significant milestone. The Canadian Council was formed officially in July 2006, and has been hard at work since then. It has hired an executive director, held a number of meetings, drafted a charter, and has created various committees to help the Council in promoting and developing the internal audit profession in Canada. We continue to keep in regular communication with the Executive Director (Luc Lavoie) and continue to forge strong linkages with the Canadian Council.

The vision of the Canadian Council is to be the voice of the internal audit profession in Canada and provide leadership for its growth and development. Its aim will be to promote and develop the internal audit profession in Canada with a focus on Canadian issues. This will include linking internal auditors from all Canadian sectors, industries, and geographic areas to share information and experiences. Our chapter hopes to significantly contribute to this goal.

This year continued to be another very busy and successful year of activities, events, and program offerings organized by the Chapter's various committees. This Chapter's will once again achieve Platinum Award for its achievement's. Once again my thanks to all the committee's and their chairs without whom this would not have been achievable.

The new Policy on Internal Audit and its implementation continues to be an area of focus for both the Ottawa Chapter and within the Federal government. Work continues on the on-going implementation through various fora (working groups etc.) and I am glad to say that Chapter members are well represented within these working groups.

I am glad to say that we have a very close working relationship with the Office of the Comptroller General's Office and our joint efforts will continue as new initiatives under the

Policy on Internal audit are implemented.

The Ottawa IIA Chapter has the unique capability to bring to the Ottawa internal audit community the expertise and resources of the global professional body that is the profession's leader in certification, education, research, and technological guidance and will continue its efforts to accomplish this.

It has been a great honour to represent this very strong Chapter. I am continually struck and impressed by the professionalism and dedication of the committee members supported by a dynamic Executive Committee and Board of Governors to ensure our members have a viable Chapter.

As was the case last year, I would like to acknowledge the efforts of a few individuals who are vital to the Chapter's success. In particular, I would like to thank John Gilhooly, Secretary and Headquarters Reporting. As well, I would like to thank the Program Chair Susan Kenny and their related committee members for organizing many successful events this year. As anyone lucky enough to be in my position will know, this support is invaluable to me in sorting out the requirements of being President, and the administration that is necessary for the Chapter to continue.

The reports from the Committee Chairs follow. I thank all of them and their volunteer committees for the hard work and dedication they have exhibited. Without these people, we would not have a Chapter. Thanks to all who served with me this year.

I look forward to working with the new President and other Chapter members in the coming year.

Thank you.

Amipal Manchanda CA, CMA
President

2. Ottawa Chapter Board 2007/08 (May 31, 2008)

Executive Committee

President:	Amipal Manchanda
Vice President:	Carmen Abela-Reid
Secretary & H.Q. Reporting:	John Gilhooly
Treasurer	Beth MacDonald
Programs	Susan Kenny

Governors (Committee Chairs)

Program - Continuing Education	Susan Kenney
Marketing	David Prime
Certifications	Mohammed Siddiqui
Volunteer Chair	Robin Sellar
Membership	Elizabeth Russell
Web Editor:	John Lees
Research & Trustee	Nancy Chase
Orientation Course	Michael Leong
Academic Relations:	Michael Leong
Newsletter Editor:	Gilles Duclos
IIA Standards & International Committee	Bruce Sloan
Liaison with Professional Organizations	David Rattray
TBS Representative: (ex officio member)	Monique Clairoux

International Committees (2007-08)

Brian Aiken
Elizabeth (Libby) MacRae
David Rattray
Bruce Sloan
Amipal Manchanda
Mohammed Siddiqui
Robin Sellar, (appointed to the International Relations Committee, effective July 2008)

3. Goals and Objectives – 2008/09

Planning

The Ottawa Chapter will:

1. Hold five Board of Governors meetings and four Executive Committee meetings.
2. Strengthen linkages with the Canadian Council.
3. Send the future Chapter Leaders to the IIA Leadership Conference.
4. Ensure all reports required by the IIA are filed in a timely fashion.
5. Maintain and expand contacts with the IIA and other chapters.
6. Focus on direct and regular communication and co-ordination with the Office of the Comptroller General and practice complementary initiatives.

Membership

Membership in the Ottawa Chapter

The Ottawa Chapter will:

1. Actively sustain the current level of membership and achieve net growth of 3%.
2. Attempt to attract new members from those organizations that have not had membership in the Ottawa Chapter.
3. Continue current initiatives, such as the Annual Christmas Wine and Cheese, where members are invited and non-members are encouraged to attend as well.
4. Continue the two Roundtable sessions with Heads of Audit.
5. Recognize the achievement of the CIA by hosting semi-annual award recognition dinners.
6. Recognize membership in the IIA at the Annual Christmas Wine and Cheese and at the Annual General Meeting.
7. Encourage Chapter members to become more actively involved in the Chapter by assuming responsibility on a Committee.

Administration of Membership

The Ottawa Chapter will:

1. Ensure that all membership applications are processed accordingly and on a timely basis.

Professional Development

The Ottawa Chapter will:

1. Promote the CIA designation to all members.
2. Annually provide the CIA Preparation Course to members.
3. Promote the other designations supported by the IIA (CCSA, CGAP and CFSA).
4. Promote the IIA/TBS Orientation Course to new government auditors and continue to seek more efficient ways in which to deliver the course.
5. Conduct a series of training sessions and breakfast/luncheon sessions that collectively address the professional development needs of the community and which also provide timely and relevant information on emerging issues, trends and issues affecting the local IA community. Training and capacity development will be geared not only to well established members of our community, but will also be targeted on new entrants to the internal audit field. Accordingly, the issues addressed will encompass both basic and advanced IA skills development.
6. Provide additional information to auditors to support their professional development.
7. Encourage and support linkages with other professional organizations, such as, ISACA.
8. Encourage active linkages with the Office of the Comptroller General to better understand their priorities from a professional development perspective so that programming can be targeted to address these priorities. The Chapter will also ensure that its programme will be effectively aligned with the professional development being provided by the Canada School of Public Service.
9. Provide relevant and timely educational programs that meet member and Office of

Comptroller General needs.

Communication

The Ottawa Chapter will:

1. Distribute the Newsletter to all members four times a year. Consider adding updates from Office of the Comptroller General and research articles in the newsletter.
2. Send out information e-mails to all members on upcoming Chapter events, and any other items of interest to the audit community.
3. Ensure that the Chapter's Web Site is up to date with the Chapter's upcoming events. Additionally, the Chapter will have linkages to other sites.

Finance

The Ottawa Chapter will:

1. Streamline of event invoices and collections jointly with Program Committee.
2. Reduce exposure of accounts receivables jointly with Program Committee.

Service to Members

The Ottawa Chapter will:

1. Advertise employment opportunities to our members on the Chapter Web Site.
2. Ensure that members' enquiries and needs are met, by taking into consideration comments from Evaluation forms (from events and training sessions) and the annual Survey.
3. Ensure that the needs of francophone auditors are met as best as possible, through the provision of training/seminars in the French language, as well as publication of articles in French on the Web Site or in the Newsletter.
4. Compare and consider other services offered by other chapters and consider directing members to IIA international services.

Research

The Ottawa Chapter will:

1. Define the nature of research projects to be undertaken in the context of the Strategic Planning exercise currently underway.
2. Ensure the results of research projects are made available to the membership through the website and to the IIA Research Foundation.
3. In future years, establish and promote other research projects of interest to Chapter members and/or Office of the Comptroller General priorities.
4. Solicit and encourage submission of articles, research studies, etc., to the IIA, as well as publishing such in the Chapter newsletter or posting on the website.
5. Encourage the collaboration of research activities with other organizations.

Academic Relations

The Ottawa Chapter will:

1. Continue to promote the profession and IIA at local educational institutions.
2. Ensure IIA promotional materials continue to be displayed at local universities and are replenished as required.
3. Continue to award the annual scholarship at the University of Ottawa to students in good academic standing who have best displayed an interest in the profession.
4. Expand the student awards to other universities in the Ottawa Region.
5. Seek to work with local partners to expand promotional opportunities in the area to promote the profession and the IIA to auditors of the future.



4. Committee Chairs Results

Chapter Achievements Program (CAP Points to May 31, 2008)

The Chapter Achievement Program is designed to recognize activities that promote the strategic objectives of The IIA. The Chapter Achievement Program is established on the premise that the basic primary mission of a Chapter is to serve its members first and then the internal audit profession. Three service categories of a Chapter and of the achievement program are highlighted as *Service to Members*, *Service to the Profession* and *Chapter Administration*.

Thanks to the hard work of all the committees, this year we again achieved Platinum status.

CAP points to the end of May were as follows:

- *Service to Members: 2081*
- *Service to the Profession: 239*
- *Chapter Administration: 144*

John Gilhooly, CA, MBA, CIA
Secretary

Treasurer's Report

Financial statements for the year ended May 31, 2008 are provided for the information of all members. These statements are unaudited and have been prepared on the following basis:

- Revenues from courses and events and orientation workshops are recorded on an accrual basis and are shown net of related expenses in the statements.
- Expenses are recorded on the cash basis as bills are received. All invoices on hand at May 31, 2008 have been recorded.
- The 2007 comparative figures are presented on a full year basis.

The surplus for the current year represents results from successful Orientation and Program Events attendance, an increase in memberships, the Chapter's net revenues received for the 2006 Regional Conference and the carry forward from previous successful years. Only amounts received as of May 31st, 2008 were reflected in the reported financial statements.

In accordance with the requirements of The IIA Global Headquarters, the Chapter will prepare a

financial report on the cash basis for submission to Headquarters in September 2008. This statement will be audited.

Beth MacDonald, CMA
Treasurer

Statement of Chapter Operations
(Unaudited)

For the period:	Year ended May 31, 2008	Year ended May 31, 2007
REVENUES		
Courses and Events (net)	\$ 50,147	\$ 23,883
Orientation Workshops (net)	20,799	18,385
Regional Conference	65,320	20,000
Interest	739	652
Membership Allotment from International	10,181	3,848
Total Revenues	\$ 147,186	\$ 66,768
EXPENSES		
Academic Relations Committee	\$ 255	\$ 2,000
Administration and Board	13,695	3,017
CIA Program	4,109	0
District Representative	0	0
Leadership Conference Delegates	1,801	5,427
Marketing/Volunteer Recognition	2,330	0
Program Committee	4,322	3,026
Bad Debt	15,159	0
Total Expenses	\$ 41,671	\$ 13,470
Net (Deficit) Surplus	\$ 105,515	\$ 53,298

Balance Sheet
Unaudited

As at:	May 31, 2008	May 31, 2007
ASSETS		
Cash & term deposits	\$ 300,392	\$ 134,169
Accounts receivable	25,548	83,571
GST refund receivable	0	0
Total Assets	\$ 325,940	\$ 217,740
LIABILITIES & SURPLUS		
Liabilities - GST	\$ 2685	\$ 11,000
Surplus		
Balance at beginning of year	\$ 217,740	\$ 153,442
Current year (deficit) surplus	105,515	53,298
Balance end of year	323,255	206,740
Total Liabilities & Surplus	\$ 325,940	\$ 217,740

Program Committee Report

The Program Committee has had another very busy and profitable year. As I write that sentence I realize that it is the first sentence in most of our past reports. The chapter is extremely fortunate in have the number and quality of volunteers that are on the Program Committee. The quantity of time that is needed to put on one of the events, seminars or courses is formidable, but the committee is always there to volunteer for any work that is needed. All of the committee have very tasking jobs during the day, but each one of them finds time to work on their “volunteer job”.

John Lees’ (one of our volunteers) saw a need for more training than we were providing, so at the end of April we had our first Internal Auditing Training Week. It was a mini-conference; we brought in instructors from the IIA for seven courses during one week. There was great feedback from those who attended; many of the participants asked if we could run the program again. Our plan is to run two such events, one this fall and another one in May 2009. On John’s behalf I would like to thank all those who made the week possible. John has been nominated to become one of the co-chairs for the Program Committee; we are looking towards a prosperous year with John at the lead.

The Committee coordinated the following events for the Ottawa Chapter during 2007/08 (includes the courses from the IA Training Week):

- CIA Prep courses – 2 Sessions Fall and Spring
- Audit Report Writing – 2 Sessions Fall and Spring
- Effective Internal Auditing
- Kevin Burn Motivational Speaker
- Evaluating Internal Controls: A COSO-Based Approach
- Statistical Sampling
- Auditing Business Applications
- Interviewing for Results
- Skills for a New Auditor In Charge
- Audit Program Management
- Auditing Through Analysis
- Financial Auditing for Internal Auditors
- Creative Problem Solving Techniques for Auditors
- Internal Auditing Quality Assessment: Establishing your QA and Improvement Program

In February, one of the above mentioned courses was run jointly with Information Systems Audits and Control Association (ISACA). Auditing Business Applications sold out with approximately a third of the participants being ISACA members. We are looking forward to bringing the two organizations together in the new year for another course or breakfast panel. The need to work with all auditing organizations is urgent if we wish to ensure that all members of the community are getting the training they need and want.

Another event that the committee is looking to bring in for our CAE members is the Vision University. This program has never been brought to Canada before; we believe there will be a great deal of interest in it from all Canadian Chapters. There are two streams, one for the brand new CAE, and one for the more experience. The IIA has also created a number of CAE symposiums which we are also looking at to see if they are relevant to local CAE's. News regarding these events will be coming out in September. If you are a CAE and interested in the program please contact Susan Kenney.

The final program for 2008/09 is currently being drafted. We will be bringing back a number of our regular and ever popular events, such as the CIA Prep course, Audit Report Writing, Statistical Sampling etc. If you have any courses, seminars, areas of interest that you would like to see on the program, please contact John Lee or Susan Kenney. We want to ensure that the programs we bring to our members are relevant, so your input is important.

Without the support of our membership, we would not be able to provide this program, and we are grateful for this support. I have been extremely fortunate to have a wonderful, hard working committee. My thanks go to Colleen Chambers, Michael Snook, Annam Ganesan, John Lees, Christian Asselin, Marianne Avarello, Michael Retallick, Jim Chelich, Claire Costa, Darren Budd, Gilles Primeau, Jolene Lawson, Julie Champagne, Michelle Langlois and Supriya Rao.

Thanks to all for a successful 2007/08 and looking forward to the new challenges that 2008/09 will bring.

Susan Kenney
Program Committee -Chair

Membership Report

During the past year, a significant growth was experienced in Chapter membership. The growth was largely due to the new government membership option initiated by the Office of the Comptroller General.

At the beginning of May 2008, Chapter Membership stood at 1100. This number is up from 720 in 2007 and 491 in 2004.

Approximately 23% of Chapter members are Certified Internal Auditors. In addition, the Ottawa Chapter has members who are certified in other specialties. Chapter certification statistics breakdown as follows:

Certified Internal Auditor	251 members
Certification in Control Self Assessment:	40 members
Certified Government Auditing Professional:	29 members
Certified Financial Services Auditor:	3 members

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.

Approximately 64% of Chapters members are employed in the federal government.

Please note that the Chapter communicates with members through email notices. All members are requested to visit the IIA website and ensure that their current email addresses are on file there.

Elizabeth Russell
Membership Chair

Certifications Report

There continues to be an upsurge in interest in certification with record number of candidates sitting for exams.

The IIA transitioned its certification programs to computer-based testing (CBT) in May 2008, which provides immediate exam results and flexibility to members who are interested in pursuing a certification with the IIA. There is one testing site for the IIA exams in Ottawa.

We will continue to hold recognition events to celebrate the results of successful candidates.

Research Report

Committee Members

The Committee membership is currently comprised of the following individuals:
Nancy Chase, KPMG LLP; John Moser, JW Moser Consulting Services; George Pitsicoulis, AMC Consulting Group; Morris Redman, Health Canada; and Maureen Slater, KPMG LLP.

Accomplishments

The Committee's efforts over the last year have been largely focused on the following:

- 1) The Committee has conducted research and is in the process of completing a number of topical articles, including the following: a) ***Controls-Based Approach to Internal Auditing***; and b) ***Audit and Evaluation – The Value of an Integrated Approach***.
- 2) The Committee has committed to working on an Enterprise Risk Management (ERM) research study that will gather information about the emerging ERM function and the needs of the ERM professional with a view to determining potential opportunities/risks for the IIA's mission, strategic direction and its membership.

The Committee continued its work on refining its overall strategies and objectives to best meet the needs of our membership base. The Committee welcomes the input of the Chapter membership in identifying additional areas of interest for future research initiatives.

Nancy Chase, CA, CIA, CGAP
Research Committee Chair

Academic Relations Report

During the past year, the chapter awarded the first \$1,000 annual scholarship with the University of Ottawa under its renewed three year agreement. Under this scholarship, applicants in good academic standing submit a short essay about the internal auditing profession with the winning essay to be selected by The IIA Ottawa Chapter representative from the Academic Relations Committee. The scholarship is advertised at the University Of Ottawa School Of Management. This generated publicity for the IIA and, in particular, the local chapter. Efforts will be made in the coming year to establish further scholarships in the area.

Members of the academic relations committee attended functions hosted by the local universities to support promotion of the IIA. Meeting have also begun with local partners to establish stronger links and build on current promotional opportunities in the local area. Events were held at the two major local universities in the Ottawa area.

Moving forward, the chapter is exploring expanding its network and revitalizing historical links with other local universities in the area, partnering with other local Canadian chapters and partners and looking to develop internal audit education programs at local universities.

*Michael Leong, CMA
Academic Relations Chair*

Marketing Report

Accomplishments

The objective of the Marketing Committee this year was to promote the internal audit profession and provide opportunities for members and non-members to network and to continue to increase efforts to diversify and broaden membership of the Ottawa Chapter.

The Committee continued with its many activities during the year. The highlight for the group was organizing the 40th anniversary celebrations for the Chapter in December. Over 150 people attended the reception where we toasted the past and present success of our chapter (now over 1000 members). Invited guests included several of our past chapter Presidents as well as representatives from the Montreal & Toronto chapters, and Luc Lavoie, executive director, Canadian Council. This reception was immediately followed by a dinner honouring our members receiving CIA, CCSA and CGAP certifications.

*David Prime, CA, CISA
Marketing Chair*

Volunteer Report

Since the IIA Ottawa Chapter is such a growing enthusiastic Chapter, it was decided to appoint a Volunteer Chair during 2007/08 to bring an even greater focus to the importance of volunteers to the success of the Chapter, to seek opportunities for members to get more involved and to thank volunteers for the efforts.

However, prior to that appointment, Susan Kenney organized a delightful boat cruise on the Ottawa River, on September 10, 2007, to thank the slate of volunteers during the 2006/07 year for their involvement and support.

During the current year, over 40 members volunteered their time to support the Chapter and its activities. Volunteerism was celebrated at the December 6, 2007 wine and cheese event, volunteers were “pinned” with rose corsages, including the 7 Past IIA Ottawa Chapter Presidents who joined us for the 40th Celebration of the Ottawa Chapter. A call was made, at that venue, for members who would be interested in getting involved with the IIA Chapter going forward and some enthusiastic new CIA’s stepped up to the plate!

We have many interesting projects where we could use volunteers going into 2008/09. Please contact the Volunteer Chair, Robin Sellar, 613 355 0250, rsellar@sympatico.ca, if you are interested in exploring opportunities.

Robin Sellar, Volunteer Chair

Orientation Courses

The IIA Ottawa Chapter in collaboration with the Treasury Board Secretariat Centre of Excellence continued to provide internal audit orientation courses during the past year. The following courses were offered:

June 11 to 15, 2007 in English with 20 participants;
June 11 to 15, 2007 in French with 13 participants;
September 10 to 14, 2007 in English with 20 participants;
November 5 to 9, 2007 in English with 19 participants;
December 5 to 9, 2007 in English with 18 participants;
December 5 to 9, 2007 in French with 13 participants;
February 4 to 8, 2008 in English with 20 participants;
April 14 to 18, 2008 in English with 11 participants; and
April 21 to 25, 2008 in French with 8 participants.

Courses have been attended by both private and public sector participants but the majority of participants are from the public sector. It should be noted that the Canada School of Public

Service will offer the Internal Audit Orientation Course to public sector employees. Additionally, the IIA Ottawa Chapter will also continue to offer the course.

Newsletter and Web Site

Unfortunately, the IIA Ottawa Newsletter was not published throughout the 2007/08 year. The Ottawa Chapter recognizes the importance of the newsletter as a communication tool to the Chapter members and ensures the newsletter will be published on a frequent basis in upcoming year.

The Chapter's website is a key point of reference for many of its members. The site is updated on a weekly basis to ensure that the most current event information and news is available. Program flyers are routinely accessed by members and the Members' Library also serves as great tool for sharing reference documents and presentation materials from our events and also serves as a bulletin board for job postings and volunteer opportunities. The website is also used to solicit interest from members who may wish to volunteer with the Chapter.

The website can be found at the following address:

<http://www.theiia.org/chapters/index.cfm/home.page/cid/94>

Gilles Duclos, CIA
Newsletter Editor
John Lees, CA, CIA
Website Chair

International Committees – 2007/08

The Ottawa Chapter is proud to have so many of its distinguished members serving on IIA international committees. Their continued participation helps to improve the quality of the profession, standards and practices of the internal auditing profession, such as practice advisories, guiding principles, and exposure drafts. On behalf of the Board, our thanks go to all our Chapter members who serve on the various International Committees.

Proposed Slate of Executive Committee and Board of Governors for 2008-2009

By Order of the Nominations Committee and subject to ratification at the AGM June 2008:

Executive Committee

Position	Name
President	Carmen Abela-Reid
Vice President – Operations	Susan Kenney
Vice President – Strategic	John Gilhooly
Secretary & HQ Reporting	David Rattray
Treasurer	TBD
Program - Continuing Ed	Susan Kenney (Co chair) John Lees (Co-Chair)

Governors (Committee Chairs)

Marketing	Nick Christou
Certifications	Siddiqui Mohammed
Membership	Julie Champagne
Research & Associate Trustee	Nancy Chase
Academic Relations Chair	Michael Leong
Volunteer Chair	Robin Sellar
Newsletter	TBD
Web Editor	Peter Gardona
IIA Standards & International Committee	Bruce Sloan
TBS Representative (ex officio)	Monique Clairoux
Past President and Chair of the Nomination Committee	Amipal Manchanda

Note: Nominations, with a seconder, from members in good standing are open from the floor, until the Chair closes the nominations.