



The Institute of  
Internal Auditors

# 2003 Annual Report



**Bob McDonald CIA CGAP FIIA(Aust) is the first Australian to serve as the International Chairman, IIA Inc. His term of office is June 2003 to June 2004.**

**Bob is a public sector Internal Auditor and has been active in IIA-Australia for 17 years, including terms as Queensland Chapter Chair and National President.**

## The Institute of Internal Auditors–Australia

The Institute of Internal Auditors–Australia is the primary body in Australia representing, promoting and developing the professional practice of Internal Auditing in all its forms. The Institute has branches across Australia with membership being drawn from both private and public sectors.

### VISION

To be the primary professional association in Australia dedicated to the promotion and development of the practice of internal auditing.

### MISSION

To enhance, promote and support the profession of internal auditing.

## OBJECTIVES

1. To increase private and public sector recognition, of the value of internal auditing.
2. To be recognised as the provider of professional development and accreditation for internal auditors.
3. To provide leadership on standards and practices of internal auditing, including:
  - Risk Management
  - Control and
  - Governance
4. To be recognised as enhancing and supporting the professional careers of our members.
5. To maintain a cost-effective organisation.

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# PRESIDENT'S REPORT

The Institute of Internal Auditors-Australia ABN 80 001 797 557



**Mr Robert Forbes CIA MIIA(Aust)  
National President**

The 2003 year was one of consolidation for the Institute as substantial energies were directed towards the June 2004 international conference - but more about that later. Excellent professional development programs were delivered across Australia and we enjoyed the SOPAC 2003 conference in Canberra.

## Financial Report

The audited financial statements for the year to 31 December 2003 are included in the Annual Report, but I am pleased to note the above budget surplus. This result came about due to the performance and contribution of SOPAC 2003 and national professional development, principally the Quality Assurance Review program. It is necessary for IIA - Australia to have cash reserves in order to properly fund the 2004 international conference where costs were being expended as early as the 2001 calendar year.

Another surplus is budgeted for 2004, but the financial outcomes are dependent upon the contribution from the international conference.

The Institute has an internal auditor and external auditors with the Audit Committee providing an oversight role on financial issues.

## SOPAC 2003

A highly successful conference was held in Canberra in March and the IIA-Aust wishes to place on record our thanks to Vince Burns and the organising committee. Both technical and social activities were very well received and the conference generated a strong financial result. Events such as the cocktail party at Questacon indicated that internal audit conferences can be both informative and fun.

## 2004 International Conference

By now you would have received the conference brochure for the above. I have stated many times that an IIA international conference would only be held in Australia at 20 year intervals and therefore 2004 is a

great opportunity for you to attend this global conference. There is a first class program of keynote and track speakers and the conference provides you with the tools to benchmark your internal audit unit with others in Australia and overseas. The conference program also includes a social program which will allow networking and there are extensive exhibition displays - for those members who have attended other international conferences you will be aware that the displays by technical exhibitors are substantial and represent the best the world has to offer.

## Continuing Professional Development and Education

Programs were delivered by both chapters and the national office. In August a Quality Assurance Review program was offered in Sydney, Melbourne and Brisbane and there were 61 attendees to the three day training courses. A current project for the IIA-Aust is to develop a line of business whereby IIA - Australia will offer to the business community the performance of such quality assurance reviews of the internal audit function.

As with all IIA-Aust events, discounts for members are substantial as the access to training is regarded as a key member benefit.

## Advocacy and Profile

To make its views known and to influence opinion, the Institute has utilised several forums, including:

- representation on the ASX Corporate Governance Council;
- representation on the Standards Australia Corporate Governance Standards Committee;
- meetings with senior government policy makers and Australian Auditors-General amongst others;
- liaison with other professional bodies and regulatory authorities;
- significant press coverage; and
- response to proposed legislation and standards.

There is recognition that the Institute made a significant contribution to the ASX best practice recommendations, in particular, principle 7 dealing with risk.

The Institute has been active in regard to the draft CLERP 9 legislation and the different roles and responsibilities of the internal and external auditors.

## Strategic Planning

The strategic plan of the IIA has been revised following a meeting held in October 2003 attended by national directors, Chapter chairpersons and IIA-Aust staff. The stated mission of the Institute is "to enhance, promote and support the profession of internal auditing" and the five key objectives have been developed into action plans with appropriate measuring techniques. At regular

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intervals the activities of the chapters will be compared against the strategic plan as it is the opinion of the national Board that chapters have a vital role to play in the achievement of the mission, vision and goals of the plan.

## International Chairman

In June 2003 IIA Inc. elected Bob McDonald as the chairman of the IIA Board for the ensuing twelve months. Bob is a former IIA - Australia National President and has served on a number of international committees and boards for the IIA. On only three occasions in the history of IIA has a person outside of the United States been elected chairman of IIA Inc.

Bob has been active in his chairmanship both in Australia and overseas and has taken the opportunity to visit with Australian Chapters and members. His position does provide us with the means to make our views known on the global profession of internal audit. Although his term as chair will conclude following the Sydney international conference, Bob will remain on the IIA Inc. Executive Committee.

## Other International Appointments

Bill Middleton is the Australian director representative on the IIA Inc. Board since a restructure in 2002. We thank Bill for his contribution to the international work of IIA.

A number of other members serve on international committees and provide us with the ability to communicate our views and opinions on internal audit, governance and related issues.

## New Constitution

Material has been placed on the IIA-Aust web site regarding the proposed new constitution. The national board will review any comments received with the intention to place the constitution to a vote of members at the annual general meeting. The AGM is to be held in Melbourne on Tuesday, 18 May 2004.

## Certifications

The Institute is continuing with the highly successful CIA program. Another major accreditation, Certified Government Auditing Professional (CGAP), will be offered to members from November 2004. As many of our members are in the government sector, or consult to that sector, I would expect that this will be a sought after designation.

## Membership Growth

Late in 2003 the Institute exceeded a membership of 2,000 (compared to 1,835 in 2001 and 1,945 in 2002).

Growth can be achieved where relevant and cost effective member services are provided. I would like to recognise the membership growth of the Queensland Chapter where membership numbers totaled 336 at the year end - only some four years ago numbers were around 200. It is pleasing to note that the 2000<sup>th</sup> member is Troy Davison, from Education Queensland.

## IIA-New Zealand

The Institute continued to provide administrative services to IIA-New Zealand under a service level agreement. This appears to be a mutually beneficial arrangement and allows the New Zealand board to focus on the delivery of local membership services.

## IIA Papua New Guinea and IIA Fiji

The IIA-Aust provides support, including training in PNG, for the two South Pacific nations. The Port Moresby interim chapter is progressing its plan to achieve full chapter status.

## Vale and Farewell

I wish to record the sadness of the IIA-Aust following the deaths of two members of IIA. During 2003 Peter Forster, a founding member of IIA-Australia, passed away. Peter will be remembered for his active interest in IIA matters over a very long period. The second member was Bill Bishop, the president and CEO of IIA Inc. Bill was planning for retirement in the next few months, but was fully engaged in the running of the IIA Inc. office. As Bill had not been ill, his death was unexpected and a shock to us all.

In conclusion I would like to thank Chris McRostie, Julie Young, Anna Soo, Catherine Moore and the other national office staff for their hard work in 2003 and a recognition of the work required in the current year for the international conference.

I look forward to meeting with you in June in Sydney as we celebrate the conference theme of "Be inspired, Be informed, Be in Sydney".

**Robert Forbes CIA MIIA(Aust)**  
**National President**

# CHIEF EXECUTIVE OFFICER'S REPORT

The Institute of Internal Auditors-Australia ABN 80 001 797 557



**Mr Christopher McRostie**  
Executive Director

In October 2003 the IIA-Australia Board in conjunction with Chapters Chairs undertook a major review of the Institute's Strategic Plan. The original plan was approved for implementation at the commencement of 2001, across the Institute in Australia at both the National and Chapter level. As part of the development of a closer working relationship between IIA-Australia and IIA-New Zealand, the IIA-Australia plan was also shared with New Zealand.

As highlighted in previous reports, the strategic plan is focused on the Institute's Vision and Mission Statements and the five Key Objectives with their series of Actions Items and Key Performance Indicators.

In 2003 the Board received from Chapters a Report against the plan, based on the eight identified significant issues for the Institute to concentrate on: 1. External Profile, 2. Certification, 3. Education & Training, 4. Advocacy, 5. Broader Communications via the press, 6. Develop Strategic Alliances, 7. Member Communications, 8. Global Affiliations. The Chapter Reports and that Report from National Office were used by the Board and Chapter Chairs in their review the IIA Strategic Plan

## Administrative Matters

The centralisation of all IIA-Australia events, regardless of their nature resulted in the IIA-Aust being able to keep reliable data on members attending events and functions anywhere in Australia. This will be of great assistance in early 2005, when a random audit of members CPE is to be undertaken.

The great growth in member communication continues to expand with Chapters making effective use of the email system to contact members as a whole or to specific interest group. Chapters also use the system to deliver their monthly Newsletter, alert members to Professional Development events and Members' meetings.

## CPE

Continuing Professional Education (CPE) is one of the Institutes core function as the primary internal auditor educator in Australia. The Institutes annual Conference, SOPAC was held in Canberra in 2003, attracting approximately 400 delegates. The feed back from those attending was very positive. The 2003 conference committee added a fourth track, called "Technology Labs", this addition to the track sessions well received. In addition to the National Conference, the Western Australian and South Australian Chapters both ran very successful one day conferences. All chapters undertook and ran a broad range of training and seminars in 2003. The National Office also worked with various chapters to run Master classes and other workshops throughout the year. The National Program that attracted the most attention was the Quality Assurance Review Courses, run in Melbourne, Sydney and Brisbane in August of 2003, with the Brisbane course over subscribed. The course will again be run in the latter part of 2004.

The highlight for the year in this area was launch of the new website that now carries the IIA's CPE 12 month rolling calendar and the introduction of online registration. For the first time members could view course and seminar availability right across the country.

## Membership

Membership Analysis: As at the 31 December 2003, the IIA-Aust had 2031 Financial Members – A great result for 2003. (IIA-Aust ended 2002 with 1945 members). In addition, IIA-Aust has contact with a further 3,400 internal audit professionals on the 'potential member' list.

**The Queensland Chapter again took on the Challenge of Membership Growth** and 2003 witnessed the Queensland Chapter of IIA-Australia grow its membership to 336. At this rate of growth the QLD Chapter looks set to step into the position of second largest IIA-Aust Chapter by December 2004.

## IIA-Australia Governance

In 2003, the IIA-Australia Board finalised its discussion on the Institute's move from 'Memorandum and Articles of Association' to a Constitution to bring the Institute into line with the Corporations Law. Late in 2003 Members were asked to make comment on the 'draft Constitution' either directly to their respective Chapter Councils or direct to the Board via the National Office. Members could access the 'draft Constitution' from the IIA-Australia website, for those members without internet access a hard was provided on request. At the Boards October planning meeting the feed back received was considered and changes made. The new constitution will be put the membership at the IIA-Australia AGM in May 2004.

## IIA Inc. Global Governance Changes

Mr William (Bill) Middleton, immediate past President of IIA-Australia was elected by the Board of IIA-Australia to be the Australian Director on the reconstituted Board of IIA Inc. Mr Middleton's appointment was for an initial 12 months. The first meeting of the IIA Inc Board under its

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new composition was held in June 2003 immediately after the 2003 International Conference in Las Vegas.

IIA Affiliates Chief Executive Officers Meeting; as part of the IIA's move to become a more global organisation, the first ever Affiliate CEO's meeting was held in Orlando in September 2003. My attendance at this three day meeting gave me the opportunity to meet and discuss many IIA related matters, ranging from membership retention to advocacy. Twenty Affiliate CEO's attended the meeting and the aim of IIA Inc is to endeavor to have the meeting held annually.

## ASIAN Forum

The Asia Confederation of IIA Forum (ACIIA) did not formally meet in 2003 due to the SARS crisis in the region. The ACIIA did meet informally in Kuala Lumpur post the annual IIA-Malaysia Conference. As IIA-Australia CEO, I attended the Malaysian Conference and represented the South Pacific Region at the Asia Forums informal meeting. In 2004 the Confederation will meet in Sydney and IIA-Australia will host this event on the Saturday prior to the International Conference.

## Strategic Alliance

IIA-Australia's strategic alliance with The Institute of Chartered Accountants Australia remained intact and on track in 2003, with a number of Chapters taking the lead on working with their local ICAA counterparts. The key feature of the alliance in its first year was the offer to ICAA members of the IIA Inc developed 'CIA Challenge Examination'. This examination helped raise the awareness of the CIA Examination and as a result the numbers for the examination increased in 2003.

## Research and Advocacy

Throughout 2003 IIA-Australia undertook a number of initiatives to promote the IIA and Membership.

ASX Corporate Governance Council: IIA-Australia continues its involvement with the Council.

CLERP 9 IIA-Aust submitted comments on the proposals. Further details can be found by [www.iaa.org.au](http://www.iaa.org.au) for the response to CLERP 9.

Standards Australia: The IIA continues its work with Standards on two projects, one in relation to Corporate Governance Standards and its allied projects and the other on the Records and Information Management Committee.

IIA-Australia also provided a comprehensive response to the 'revised AS/NZ 4360 Risk Management Standard.

IIA-Australia continues to liaise closely with the Audit and Assurance Standards Board and in late 2003 had the opportunity to make a presentation to the Board and its guests at a Consultative Meeting in Melbourne.

International Auditing and Assurance Standards Board; late in 2003, IIA-Australia was asked to provide a representative to participate on the review of ISA 260, "Communications of Audit Matters with those Charged with Governance". These are Melbourne based meetings.

Meetings have been had with Senator Campbell and his successor Mr Ross Cameron, the Minister responsible for regulatory affairs, his opposite number Senator Conroy, ALP and the Democrat spokesman Senator Murray.

## Administrative Matters IIA-New Zealand

The Administrative Agreement between IIA-Australia and IIA-New Zealand was extended until the 28 February 2005. The Board of IIA-Australia and IIA-NZ have both conformed their wish to further develop closer ties between the two affiliates and to work as one with in the South Pacific Region.

## IIA-Australia Website

The upgraded IIA-Australia website that incorporates the IIA-Australia and IIA-NZ has been up and running since late April 2003. During the year a number of refinements were made, including the ability to register for courses on-line. The on-line option has proved popular with many members, as has the level on on-line membership enquiries and applications. In addition, PNG also has its course listed on the site and IIA-Fiji has been discussing with IIA-Australia the option to also have its details listed on the site. Should this occur then South Pacific Region will be contained within the one website.

## International Conference Sydney 2004

The theme for 2004 is, "Be Inspired - Be Informed - Be in Sydney - 2004".

2003 was a busy year for the 2004 Conference Committee and staff involved in the conference planning. In June of 2003 IIA-Australia was represented at the International Conference with an exhibition booth taken to promote the 2004 conference. By early December 2003 the 2004 Conference Program was available on the website for "super early bird registrations", by years end some 110 registrations had been received. The Committee anticipates that between 1200 to 1500 delegates will register and attend in June 2004. The 2004 website was up and running for IIA-Australia and New Zealand Members in the second quarter of 2003 and was officially launched into the IIA Inc global site on the closing day of the 2003 International Conference.

## Sponsorship

The Institute continued to attract a range of sponsors in 2003, with a particular focus on SOPAC 2003. In addition to dollar sponsorships, the Institute is increasingly attracting a higher level of in-kind sponsorship at the National and Chapter levels, ranging from assistance with CPE events to surveys, publications and jointly hosted functions.

**Christopher McRostie**  
Chief Executive Officer

# 2003 NATIONAL POLICY COMMITTEES

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## National Education Policy Committee

The National Education Committee met four times during 2003. The Certification component of the committee's responsibilities was transferred to a new committee – Certification - during this time.

The National Continuing Professional Development Policy was developed and approved by the National Board. Implementation of the policy will commence from January 2005 where members will be randomly audited to ensure compliance.

The committee also sought ways to ensure that the latest professional development activities were easily accessible by members through the website. The online registration process was also launched during 2003. The standardisation of core curriculum courses and course fees were implemented to ensure that information on the website appealed to the national membership as a whole. Members of various chapters were also provided with the opportunity to provide committee members their comments on the types of activities they would like to include into their respective Chapter's programs.

Finally, I would like to take the opportunity to thank Dean Wells CIA CGAP FIIA(Aust), the past chairman, for his dedication and support of the Committee to ensure that the initiatives of the group were achieved.

Phil Moulton CIA CCSA MIIA(Aust)  
Chairman

## National Profile Committee

The National Profile Committee, established by the Board at the final meeting for 1998, met twice (via teleconference) during 2003 and progressed its business through email and the administrative services provided by staff in the National Office.

The Aim and Role of the Committee is concerned with

- raising of the external profile of IIA-Australia
- the retention of existing members
- the identification of potential new members and
- the development and upkeep of valuable member services.

Various strategies were employed at the chapter level to increase membership and to raise awareness of the IIA-

Australia. These included an active Audit Executive Network meeting program, members' meetings programs, involvement in career days, SOPAC advertising, contact with other professional associations and targeted seminars to specialist groups.

The Email alert service was increasingly used to keep members and non-members informed of IIA-Australia activities and services, including an increase in the number of job opportunities. Information was supplied by Chapter Councils, National Office and IIA Inc. In the case of job opportunities, various recruitment agencies and prospective employers contacted the National Office to discuss appropriate wording.

IIA – Australia continued to have an 1800 information number (telephone) in all capital city telephone directories to provide advice and assistance to members and potential new members. The 1800 fax number was also utilised by members, especially for registrations at CPD and other member events.

The website remains a major public interface and resulted in an increased number of enquiries about membership, CIA and calls from members of the community about how we could assist them in their businesses etc. The development of an online booking form for courses has been well utilised.

A number of special offers were made to prospective members to encourage the take-up of membership.

Contact was made with a number of journalists on matters of concern to the IIA-Australia (eg corporate collapses); and a number of 'quick response surveys' undertaken with the assistance of a PR consultant and The Ambition Group, resulted in coverage in the Australian Financial Review.

Peter Brass CGAP MIIA(Aust)  
Chairman

# 2003 NATIONAL POLICY COMMITTEES

The Institute of Internal Auditors-Australia ABN 80 001 797 557

## Certification Committee

This Committee was established by the Board of Directors of The Institute of Internal Auditors – Australia (“the Institute”) to commence in November 2003. Its purpose is to explore and advise the Board on ways that:

- certifications may most effectively be used to meet professional needs of the Institute’s members;
- certification programs may be used to enhance and publicly promote the Institute and the profession of internal auditing;
- the Institute may best support its members in the pursuit and attainment of certifications; and
- the Institute may influence the continued development and refinement of certifications offered by IIA Inc.

The committee met once in 2003 setting its priorities and establishing a number of working parties to further its work. Areas being worked on include a support program for certification candidates; promotion of courses and qualifications (focus on CIA); the relative value of certifications.

Dean Wells CIA CGAP FIIA(Aust)  
Chairman

## Standards Committee

In 2003, the Standards Committee meet on “as required” basis. The three key areas of focus in 2003 was to provide responses to the “revised COSO Standards”, “revision of AS/NZ 4360 Risk Management Standards”, and Standard Australia’s “Governance Standard”. All IIA-Australia responses to such changes can be viewed on the IIA-Australia website.

In 2003 the Committee was assisted in the development of submissions by an “IIA-Australia technical adviser” who undertook research work, coordination of committee input and writing of the final IIA-Australia submissions.

At the International level, Mr Andrew McLeod, is the Australian representative of the IIA-Australia Inc ‘Standards Committee’.

The other major focus of the Committee is to arrange and coordinate National responses to any proposed changes to *the International Standards for the Professional Practice of Internal Auditing* from the IIA Inc Internal Auditing Standards Board.

The Committee also maintains a watching brief on the developments issued through the IIA (Inc.) Research Foundation, to provide an IIA-Australia response and to provide updates to members.

In addition the Committee will continue to monitor and comment on auditing standards issued by the Australian accounting profession and to make representation to the Australian Audit and Assurance Standards Board.

Paul Apps MIIA(Aust)  
Chairman

## Professional Issues Committee

The Professional Issues Committee (PIC) met three times by teleconference during 2003 and progressed its business through email and the administrative services provided by staff in the National Office.

The PIC is overseeing the development of a series of Best Practice Guides. During 2003, the two existing in the series sold well (*Audit Committees*, second edition; *Fraud and the Internal Auditor*). Some University faculties have been using the *Guides* in appropriate courses. Order forms for both *Guides* have been issued with the *Internal Auditor Magazine* and are included in membership information kits and on the website. As previously, the National Office continues to actively pursue interested partners to jointly issue Best Practice Guides with IIA-Australia.

Publications in progress include a *Position Statement on Accountability and Control; Resourcing the Internal Audit Function: Guidelines for best practice*. Work continues with other organisations, such as Standards Australia on the corporate governance standard. An *Internal Auditor’s Guide to Risk Standard AS/NZS 4360:1999* (a joint publication with Standards Australia (HB 158-2002) continues to sell well.

Issues which the committee addressed during the year, and recommended action on, included comment on CLERP 9, COSO and AS/NZS 4360 reviews.

The committee takes an active role in identifying issues of professional interest to members and recommends appropriate action to the National Board or for direct communication to members via the National Office.

Mark Toogood CIA CGAP FIIA(Aust)  
Chairman

# BRANCH REPORTS

The Institute of Internal Auditors-Australia ABN 80 001 797 557

## Institute Facts...

### International Affiliations

The Institute of Internal Auditors–Australia is an affiliate of The Institute of Internal Auditors Inc, an international professional association formed in 1941 and now possessing over 90,000 members in over 120 countries.

The Institute of Internal Auditors–Australia together with the Institute of Internal Auditors–New Zealand, constitutes the South Pacific Region of the international organisation.

### Professional Standards

Members of the Institute are required to comply with the International Standards for the Professional Practice of Internal Auditing and the Code of Ethics.

### Corporate Practices and Conduct

The directors support and have adhered to the principles set out in the paper “Corporate Practices and Conduct”. The directors recognise that the paper expresses principles and does not purport to determine the detailed course of conduct of directors on any particular matter. By supporting the principles of the paper, the directors recognise the need for the highest standards of behaviour and accountability.

### Thank you

The Institute wishes to thank all Board, Chapter Council and Committee members for their time and effort throughout 2003.

## Queensland

### Highlights for 2003

### Member’s Services

As part of our ongoing contribution to providing an effective organisation to our members the following services were offered in 2003:

- SHARE – our monthly informative newsletter
- Library Facilities – in a cooperative arrangement with the Queensland Audit Office
- IIA-Australia Website with specific references to Queensland activities including presentations made at professional development activities
- Twinning Arrangement with San Jose in California. Maree Patane of Unitab was the Twinning Ambassador in 2003.
- Representation by Queensland Councillors on both national and international committees.
- Survey of members to gain insights into their needs and preferences for professional development activities and topics. In 2003 we conducted 2 surveys, one directed at our members in North Queensland and our colleagues in the Northern Territory and one aimed at all members in Queensland. The latter survey was well accepted by members and we have had a substantial response. All information provided has/will be included in our 2004 professional development activities.
- Feedback on technical aspects including enterprise risk management.

### Sponsorship

The Queensland Chapter Council provided awards, by means of a financial prize, in 2003 to students undertaking studies at two Universities. The University of Southern Queensland awarded the Institute of Internal Auditors prize to Grace Zjun Ning and the University of Central Queensland awarded the Institute of Internal Auditors Award to Kathleen Pender. A special thanks is made to John Wallace who attended the prize ceremony in Rockhampton as a representative of the Queensland Chapter Council.

Additionally, the Queensland Chapter Council has encouraged its members to become mentors of students under the Griffith University Mentoring Program.

Annually, the Queensland Chapter Council provides a financial contribution to the Queensland Audit Office

Library for the purchase of reference material specific to internal audit and associated topics.

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The Institute of Internal Auditors-Australia ABN 80 001 797 557

## Professional Development

- Members' Meetings

A members' meeting was held each month from February to November inclusive. 2003 evidenced a significant level of interest in topics presented as follows:

Speaker	Subject
Trevor Leverington,	Internal Audit and Strategic Planning
Andrew McLeod	Changes in Risk Management
Grace Kalhert	Anti-Discrimination Principles
Kate Andrews	Knowledge Management
Len Scanlan	Auditor-General Reporting
Bob McDonald	Embracing the Challenge
Richard Ward	Probity Auditing
Phil Moulton	HIH/One Tel – A COSO Perspective
Ted Dahms	Governance: Systems and Commitment
Walter Baggett	Creating a Culture of Security

Where agreed to by the presenter, we have organised to have the content of the presentation available on the IIA-A website for accessibility by member's Queensland wide.

- Seminars

As with member's meetings, seminars were held each month from February to December. We were fortunate to be able to present a diverse range of topics to members at a quality location.

Speaker	Topic
Peter Johnstone	Alternative Dispute Resolution
Richard Chambers	New Corporate Governance
Liz Dann Dorretti deGraaff and Christine Turner	Review of Internal Audit Performance
Chris Watters	Ethics
Jenny Goodwin	Independence and Objectivity
Helen Gluer	Working with Audit Committees
Scott Pelto	Forensic Accounting
Ian Martin	Business Continuity Planning
John Boyd	Ethical Decision Making
Greg Tanzer	Good Governance Principles
Facilitated Session	Can North Pole Enterprises Benefit from Corporate Governance

- Courses

The following courses were conducted in 2003:

- Auditing through Analytics
- Tools and Techniques
- Skills for the New Auditor in Charge
- Fraud Investigation
- Financial Accounting Skills for Auditors
- Evaluating Controls – COSO
- Assessing Business Risk
- Audit Report Writing

Additionally, national office facilitated an accreditation Course: Quality Assessment – Internal Audit Assessor.

- Information Sessions

The following information sessions were provided free in 2003:

- Proposed changes to Standards for the Professional Practice of Internal Auditing (Standards)
- Financial Statement Reporting
- IIA Standards Update

- Women Working in Internal Audit Network Group

Speaker	Topic
Donnell Davis	Triple Bottom Line Reporting
Jude Munro	Corporate Governance from CEOs perspective
Ray Bange	Corporate Credit Card
Kelvin Kenney	Integrity Risk Services
Brooke Winters	General Manager of the Brisbane Youth Detention Centre "Her Story"

## Institute of Internal Auditors-Australia: Queensland Public Sector Annual Report Awards

The awards were presented at a function, held at the Parliamentary Annex, on 26 March 2003.

The awards are now entering their 23<sup>rd</sup> year and during December/January adjudication will be held for the 2002/03 Annual Reports.

## Twining

Applications were sought in July/August 2003 for an ambassador of the Queensland Chapter Council to travel to San Jose in California.

A selection panel, determined that Ms Maree Patane, Audit Director of UniTab Queensland would be the successful ambassador. Maree undertook her travel in September/October 2003 and will present to members an overview of her experience in February 2004.

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## Membership

From the period July 2002 to December 2003, the Queensland Chapter Council has had a significant increase in membership numbers.

As at 30 November 2003 our membership was 328. an increase of 63 in the period January to November 2003.

## Certification

Certified Internal Auditors:

January 2003 : 26 CIAs  
November 2003: 48 CIAs

The increase was predominantly due to the arrangement between IIA and the Institute of Chartered Accountants.

**Certified Control Self Assessment: 1 Certified Government Audit Professional: 1**

## Achievements

In 2003 the Queensland Chapter Council developed a Strategic Plan, aligned to the national Strategic Plan. The Councillors regularly review their status against Key Performance Indicators to ensure that focus is maintained and outcomes are being delivered.

The Queensland Chapter Council would not be a success without the support and commitment of a number of organisations that have provided venues and support in 2003. Specific thanks is given to:

- Deloitte for providing a venue for the Annual General Meeting.
- Ernst and Young for providing a venue for member's meetings, courses and council meetings.
- PriceWaterhouse Coopers for providing a venue for Women Working in Internal Audit Network Group.
- Moore Stephens HL – Queensland Public Sector Annual Report Awards.
- All presenters in our professional development program.

## 2003 Queensland Office Bearers

Chairman: Jocelyn Newton MIIA(Aust)  
Vice Chairman: Cathy Blunt MIIA(Aust)  
Treasurer: Ian Rodin MIIA(Aust)  
National Director: Robert Forbes CIA MIIA(Aust)  
Secretary: Neville Moo MIIA(Aust)

## Jocelyn Newton MIIA (Aust) 2003 Chapter Chairman

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## New South Wales

### Highlights for 2003

#### Marketing Plan

The Marketing Plan, sets out clearly our objectives, what actions need to be taken, how performance is to be assessed, who is to be responsible, and is aligned with National Board objectives. The Plan has been monitored on a monthly basis and has been a major factor in ensuring that each of our activities is kept on track. Thanks to Stephen Horne for his efforts in this area.

#### Membership

Our NSW membership now stands at 730, slightly up on last year. NSW is the largest Chapter. Our emphasis this year has been on improving and expanding the range of services we provide to members, to make the IIA more relevant, and hence more attractive to members and potential members.

#### Financial

The Chapter appears to have generated a reasonable surplus of around \$32,000 to end October, which is slightly below budget. PD revenue was significantly less than budgeted in the early part of the year, but this has turned around over the last 6 months.

Many of our functions such as the Audit Executive Network and the Chairmans lunches are hosted by some of our members' organisations. This has been of tremendous benefit in terms of reducing the costs and administrative aspects of the functions, but also important in enhancing our working together with members.

The finances and accounts are handled by the National Office, and reported to the National Board. Thanks to Rajni Kant for providing council with financial summaries.

#### Professional Development

The Professional Development Committee, ably supported by the National Office staff, produced and conducted an extensive professional development program for the members of the Institute, as well as non-members with an interest in the topics presented.

A 12-month rolling calendar, introduced last year, has enabled members to plan their activities well in advance. This calendar is now available on the website. A total of over 20 training courses and three Hot Topics were run by the NSW Branch during 2003. Further training was also provided to NSW members through National Office sponsored conferences and seminars.

# BRANCH REPORTS

The Institute of Internal Auditors-Australia ABN 80 001 797 557

Each course has been offered in each half of the year, to provide flexibility for members, and several new courses have been added.

The "Hot Topic" seminars were well attended and included such topics as Corporate Governance, Risk Management, Whistle Blowing, etc.

Many thanks to Sandra Di Blasio, Jeff Williams, Chris Grant and John Christoforou for the tremendous results.

## Members Meetings

The year 2003 was most interesting with topics ranging from "Fraud Awareness" to "the Money Trail" and to "Networking & Resumes", to name but a few.

A total of ten meetings were held in the year, and the committee is deeply indebted to the guest presenters for giving up their time to share their thoughts with our members.

## Audit Executives Network

Audit Executive Network (AEN) sessions continue to be highly successful, bringing together Heads of Audit of various organisations for discussion of topics relating to challenges for senior management in our profession.

We are particularly grateful for the level of support from the sponsoring organisations in the form of providing both venue and refreshments for each meeting. Attendance averaged around 25 to 30 people.

Many thanks to Stephen Helberg for his continued commitment in organising these sessions.

## Chairman's Lunches

During the year we have held four Chairman's lunches where we have invited 4 or 5 heads of audit of major organisations to meet with myself and two senior Council members. These lunches are a means of promoting the IIA and keeping abreast of issues that are facing the Audit Heads. The lunches are hosted, so there is no cost to the IIA. Not only have we been able to win new members through this program, but also several speakers for our AEN and hot topic sessions. We are extremely grateful to the various hosts for their support during the year, and to Paul Apps who makes it all happen.

## Visiting Audit Delegations

During the year we have provided briefings for several visiting delegations of internal auditors from China.

## CIA

Throughout the year we have been promoting the CIA qualification at our various activities and through the ICAA alliance.

We now have over 300 CIAs in Australia. Over the next few years, the CIA qualification will be required for holding positions on IIA councils. Thanks to Julian Deetcher for his work in this area.

## Hot Line

NSW Council has planned what we call our "hot-line" for assistance with internal audit issues. Members will be able to call the IIA and ask for assistance with particular issues or industries, etc. They will be referred to the people on our "hot-line" list, who will try to help them. This is a voluntary service, and is not meant to replace (or promote) the professional services provided by consulting organisations.

## Website

for information on PD courses, links to other organisations, registration forms for IIA activities, etc. The improved website has meant significant improvements in the way we administer the IIA activities. Steve Frizzell has kept our council updated on website developments and prompted us to get material in for the website.

## Internal Audit in Local Government

There are currently very few local governments in NSW with an internal audit function. Stephen Horne and Neil Adams took on the task of researching the issue, then organised a very successful workshop to discuss the issue with local government associations. This was later followed by a forum which included the Auditor General, the Local Government Managers Association, the Local Government Association, the Ombudsman, and the Department of Local Government. The outcome of these meetings was a submission to the Minister of Local Government.

## 2003 NSW Office Bearers

Chairman: Eric de Haas CIA MIIA(Aust)  
Senior Vice Chairman: John Burns MIIA(Aust)  
Junior Vice Chairman: Stephen Horne FIIA(Aust)  
Treasurer: Rajni Kant MIIA(Aust)  
National Director: William Middleton FIIA(Aust)

## Eric de Haas

## 2003 Chapter Chairman

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## Victoria

I acknowledge the work done by the Victorian Chapter Council during the year. This includes dedication and commitment to the running of professional development programs and contributions to the many papers submitted by National Office to such things as Clerp 9, The ASX Guidelines, the rewrite of AS/NZ 4360 on Risk Management as well as numerous support papers.

# BRANCH REPORTS

The Institute of Internal Auditors-Australia ABN 80 001 797 557

## Sponsors

The big four accounting firms, a number of the second tier firms, as well as some public companies have most generously supported the Institute during the year. Particular reference is made to Deloitte Touche Tohmatsu who have made available seminar rooms for professional education sessions and KPMG for their board room for monthly meetings of the Victorian Chapter Council. Without the generous support of these organisations we could not commit to the programs.

## 2003 Victorian Office Bearers

Chairman: Jean Jansen MIIA(Aust)  
Vice Chairman: Homi Burjorjee MIIA(Aust)  
Vice Chairman: Elma von Wielligh-Louw MIIA(Aust)  
Treasurer/Secretary: Cameron Duck CIA MIIA(Aust)  
National Director: Dean Wells CIA MIIA (Aust)

## Jean Jansen

### 2003 Chapter Chairman

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## South Australia

There were a range of member events, totalling nine, held in 2003, including breakfast meetings, chapter meetings, a chairman's lunch, courses, Embrace the Challenge seminar and the AGM. The general attendance was between 10 and 20 members.

The number of members has remained fairly steady during the year with over 90% of our members receiving regular updates and notification of meetings and matters of interest by e-mail.

One of our aims for 2004 is to increase the number of members at PD functions and to see a few new faces at the sessions.

It is pleasing to report that our relationship with national office continues to be very positive and the staff have been very helpful in co-ordinating our PD and membership sessions.

It would be remiss of me not to thank my fellow Councillors for their efforts during the past year. They all do their bit to make sure that the PD sessions and finances run smoothly during the year.

Thanks are extended to our sponsors and presenters of our PD sessions who are all vital to our ongoing success.

I thank you as members for your support and hope that you continue to support our chapter next year.

## 2003 South Australian Office Bearers

Chairman: Jim Gouskos MIIA(Aust)  
Deputy Chairman: Madeleine Vezis MIIA(Aust)  
Treasurer: Henry Awad MIIA(Aust)  
Secretary: Natalie Ledington MIIA(Aust)  
National Director: Peter Brass CGAP MIIA(Aust)

## Jim Gouskos MIIA (Aust)

### 2003 Branch Chairman

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## Western Australia

### Highlights for 2003

#### Professional Development

- Clerp 9
- Fraud Investigation
- Balanced Scorecard
- Protected Disclosures and
- Spreadsheet auditing

Three PD courses have been run, with 35 attendees:

- Report writing
- Tools and techniques and
- Operational Auditing

The National Office ran the Quarterly Assurance Review course, which was attended by 2 WA members.

#### Membership

For 2003 WA had 160 members.

A number of members were acknowledged at this AGM for achieving milestones with the IIA-Australia, of 25 years membership, 20 membership, 15 years membership, 10 years membership and five years membership.

#### CIA

This has been ably coordinated by John Doyle and our thanks to him. In addition Robert Fernihough has kindly agreed to provide tutoring assistance – special thanks to him.

A special achievement is Robert Fernihough for passing his CCSA.

# BRANCH REPORTS

The Institute of Internal Auditors-Australia ABN 80 001 797 557

## Annual Conference

Held on 27 November 2003. Approximately 80 attendees. All sessions of a very high quality.

## Financial Results

As October 2003 WA Chapter had a surplus of approximately \$7800.

## Council Assistance

It is important to recognise the significant effort that the Council has contributed this year to assist the IIA in meeting members' needs.

Thanks to the Council:

- New Council members for 2003: Diana Khoh MIIA(Aust), Robert Fernihough MIIA(Aust), Subir Chatterjee FIIA(Aust) and Andrew Baldwin CIA MIIA(Aust).
- National Director: Mark Toogood CIA CGAP FIIA(Aust).
- Vice Presidents: Chris Papaioannou CIA MIIA(Aust) and Steve Linden MIIA(Aust).
- Marketing/membership committee (including this years conference: Steve Linden MIIA(Aust), Andrew Burchfield FIIA(Aust), Andrew Georgiades CIA MIIA(Aust), Andrew Baldwin CIA MIIA(Aust).
- Professional Development Committee: Chris Papaioannou CIA MIIA(Aust), Diana Khoh MIIA(Aust), Robert Fernihough MIIA(Aust), Subir Chatterjee FIIA(Aust), Rema Indran CIA MIIA(Aust).
- Secretary: Andrew Georgiades CIA MIIA(Aust)
- CIA Assistance: John Doyle CIA FIIA(Aust).

Special thanks to our retiring Board members Rema Indran CIA MIIA(Aust) and Subir Chatterjee FIIA(Aust).

## 2003 West Australian Office Bearers

Chairman: Karen Bateman MIIA(Aust)  
Vice Chairman: Christopher Papaioannou CIA MIIA(Aust)  
Vice Chairman: Stephen Linden MIIA(Aust)  
Secretary/Treasurer: Andrew Georgiades CIA MIIA(Aust)  
National Director: Mark Toogood CIA CGAP FIIA(Aust)

**Karen Bateman MIIA(Aust)**

**2003 Chapter Chairman**

## Canberra

**2003 was again an excellent year for the IIA-Australia Canberra Chapter.**

## Highlights for 2003

### SOPAC 2003

Was held in Canberra and the feedback from members was that it was an excellent conference. It was the **best financial result for any SOPAC in the past 5 years,**

Thanks to the Committee:

Vince Burns CIA CGAP FIIA(Aust)  
Norris Robertson MIIA(Aust)  
Richard Rundle MIIA(Aust)  
Bill Osborne MIIA(Aust)  
Andrew Cox MIIA(Aust)  
Michael Parkinson CIA MIIA(Aust)

### Membership

Membership is up 25 to 145.

### Member Meetings

Members meeting were well attended and the meeting topics are detailed below:

March	SOPAC 2003 in Canberra
April	Managing More From Meetings
May	Update on Governance from ANAO
June	Update on Commonwealth Financial Framework
July	IA and the Ministers Office
August	Get out of Your Comfort Zone
September	ANAO Public Sector Governance Guide
October	Are You Prepared for a Disaster?
November	AGM and wine tasting

### Locally Run Courses

**February: Performance Audit Workshop**  
**March: Conducting Investigations**  
**May: Tools and Techniques for the Beginning Auditor**  
**October: Tools and Techniques for the Beginning Auditor**

# BRANCH REPORTS

The Institute of Internal Auditors-Australia ABN 80 001 797 557

## CIA's

Current CIA's = 23 (up 13)

## Sponsors

Thanks to Ernst and Young for providing the venue for the monthly council meetings.

## 2003 Canberra Office Bearers

Chairman: Norris Robertson MIIA(Aust)  
Vice Chairman: Richard Rundle MIIA(Aust)  
Treasurer: Franciscus Geysen MIIA(Aust)  
Secretary: Hilary Cuerden-Clifford  
FIIA(Aust)  
National Director: Vince Burns CIA CGAP  
FIIA(Aust)

## Norris Robertson MIIA(Aust) 2003 Chapter Chairman

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## Tasmania

This year has been both challenging, yet rewarding, for the Tasmanian Chapter Council.

## Membership

40 members statewide at present.

## Events

The Council has endeavoured to present as broad a coverage of internal audit scope as is possible in its lunchtime presentations. Sessions on-fraud-public-sector governance-project assurance and enterprise risk management were provided. These have all been well attended, both by members and non members. The mid year get-together at the Hydro Tasmania building was also a great success.

## Finance

We have done well financially as a result of our activities.

## 2003 Tasmania Office Bearers

Chairman: Peter Wise MIIA(Aust)  
Vice President: Peter Austen CIA MIIA(Aust)  
Treasurer: Mathew Moore MIIA(Aust)  
Secretary: Philip Creswell MIIA(Aust)  
National Director: Peter Wise MIIA(Aust) (from  
May 2003)  
National Director: Malcolm McWilliams MIIA(Aust)  
(to May 2003)

## Peter Wise MIIA(Aust) 2003 Chapter Chairman

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## Northern Territory

Northern Territory members are provided services through the National Office, Queensland and South Australia Chapters.

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# BOARD MEMBER INFORMATION

The Institute of Internal Auditors-Australia ABN 80 001 797 557

NAME	POSITION	MEETINGS ELIGIBLE TO ATTEND 2002	MEETINGS ATTENDED 2002	APPOINTMENTS	RESIGNATIONS
Robert Forbes	Queensland President	5	5	1 January 2001 20 May 2003	
Vincent Burns	Canberra Vice-President	5	4	22 May 2002 20 May 2003	
Paul Apps	New South Wales	3	3	20 May 2003	
Peter Brass	South Australia	5	4	1 March 1998	
Malcolm McWilliams	Tasmania	2	1	1 June 2000	20 May 2003
Peter Wise	Tasmania	4	4	20 May 2003	
Wesley Dean Wells	Victoria	5	5	22 June 2001	
Mark Toogood	Western Australia	5	5	22 May 2002	
Christopher McRostie	National Secretary & Chief Executive Officer	5	5(a)	16 June 1998	
William Middleton	New South Wales Vice President President Immediate Past President	5	4(a)	17 April 1999 18 May 1999 15 May 2001 20 May 2003	15 May 2001 20 May 2003
Michael Parkinson	Canberra Vice President President Immediate Past President	5	4(a)	20 May 1996 1 March 1998 18 May 1999 15 May 2001	21 May 2002 18 May 1999 15 May 2001 20 May 2003

(a) The Chief Executive Officer and immediate past President attend board meetings by invitation as does the IIA Inc International Conference Chairman 2004 (Michael Parkinson).

**Robert Forbes** CIA CA MIIA(Aust). Gained the CIA qualification in 1996 and is National Director for Queensland, appointed National Vice President 15/5/01. As a partner in the accounting firm of Bentleys MRI Brisbane, he specialises in internal and external audit.

**Vincent Burns** CIA CGAP Grad Cert Internal Auditing FIIA(Aust). Appointed National Director for Canberra Branch in 2002 after several appointments in 1980s and 1990s and National Director for the Northern Territory Branch in 1999. Senior Auditor in the Australian Public Service for 20 years specialising in project/efficiency and IT auditing, best practice and contract management.

**Paul Apps** CPA MACS MIIA(Aust). Appointed New South Wales Director 20 May 2003 Experienced in internal audit management, risk management, IT audit and security. Head of Audit, Reserve Bank of Australia.

**Peter R Brass** CGAP BEc GradDip Mgmt FCPA MIIA(Aust), appointed South Australian Director 1/3/98. Experienced in managing internal audit functions, risk management, financial systems integration and financial information analysis. Principal Advisor, Risk Management & Audit, Primary Industries and Resources, South Australia.

# BOARD MEMBER INFORMATION

The Institute of Internal Auditors-Australia ABN 80 001 797 557

**Malcolm McWilliams** MIIA(Aust) appointed Tasmanian Director 1.6.00. Experienced in operational internal audit, risk management, control self assessment and managing internal audit function. Business Systems Manager, Clarence City Council. Resigned May 2003.

**Peter Wise** CGAP MIIA(Aust) appointed Tasmanian Director 20.5.03. Experienced in both traditional auditing and proactive consultancy approaches, including facilitation and advisory services on risk management and governance processes. Manager Internal Audit, Department of Health & Human Services Tasmania.

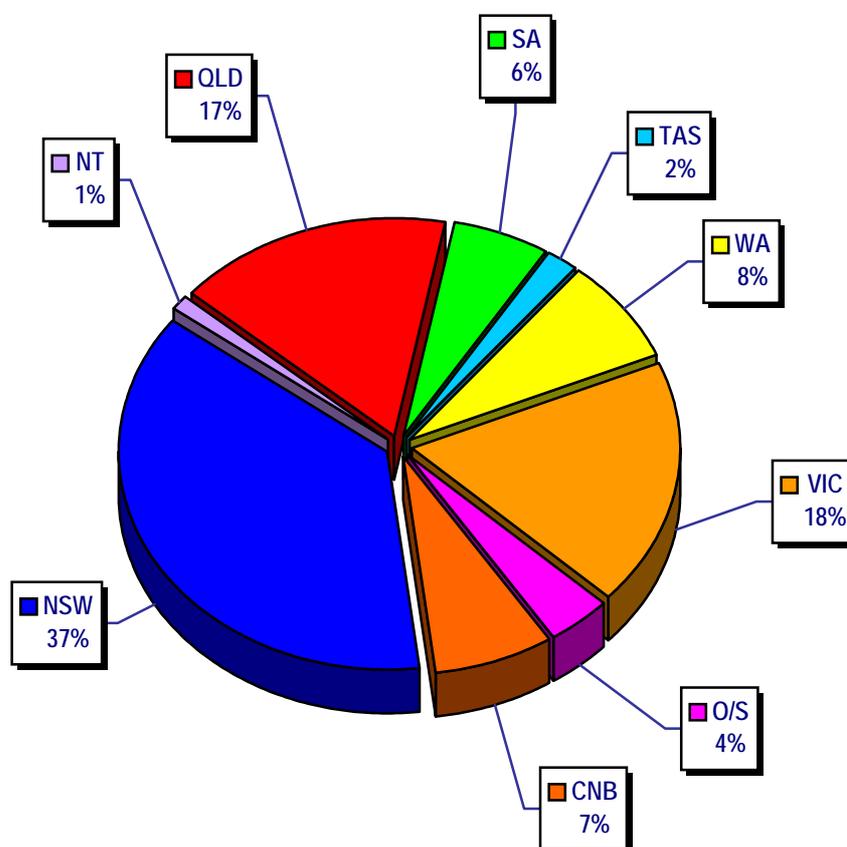
**Wesley Dean Wells** CIA CGAP MBA CPA MIIA(Aust), appointed Victorian Director 22/06/01. Experienced in all aspects of modern internal auditing, management services and consulting, investigation and enforcement, and education and training. General Manager, Simply Progress Pty Ltd trading as Internal Audit Services Australia.

**Mark Toogood** CIA CGAP CPA FIIA(Aust) appointed as Western Australian Director in 2002. Experienced in managing internal audit functions, operational auditing, risk management, corporate governance, information systems and quality assurance. Principal of Audit Services of Western Australia.

**William Middleton** BBus GradDip Mgmt FIIA(Aust) FCPA JP, appointed New South Wales Director 15/5/99, appointed National Vice President 18/5/99. Experienced in risk management assessments, best practice methodologies and corporate governance issues. Director of Audit, NSW Department of Education and Training.

**Michael Parkinson** CIA BSc(Hons) MIIA(Aust) CISA appointed Canberra Director 30/5/96, appointed National President 18/5/99. Experienced in internal audit, project management, system development and development of IT-base audit tools and techniques. Director Information Risk Management, KPMG, Canberra. Resigned 20/5/03.

## Membership as at 31.12.03



# BOARD MEMBER INFORMATION

The Institute of Internal Auditors-Australia ABN 80 001 797 557

## The Board

Under the Constitution of the company there is one Director from each Chapter. Directors are elected by members at the AGM of the company from nominations submitted by Chapters.

Appointments are for a period normally of two years, with entitlement to re-appointment.

Appointments by Chapters are staggered so that not all directors' terms expire at the same time.

There are seven Non-Executive Directors. The chief executive officer of the company (the Chief Executive Officer) performs the functions of the Company Secretary. The Board elects from its members the people to hold office as President and Vice-President. The Immediate Past President attends Board meetings by invitation.

Directors do not receive remuneration for acting in the capacity of director, nor do they receive retirement benefits. They are entitled to reimbursement of expenses incurred in carrying out their duties, in particular travel and accommodation. Directors travel at best available (economy) fare. Directors may carry out other paid roles for the Institute such as lecturing in the education courses. They are remunerated on the same basis as other lecturers.

## Work Undertaken by the Board

### Meetings and Committees

The Board has two scheduled face-to-face meetings each year. Other meetings occur by teleconference as required.

The Board has established a number of committees to assist it in undertaking various aspects of its and the Institute's business. Each of these committees is chaired by a Board member and membership is drawn from Board members and appropriately qualified members and supporters of the Institute.

### Executive Committee

The Executive Committee comprises the President, Vice President, Chief Executive Officer. It has been authorised by the Board to deal with major issues between Board meetings and to assist in the development of policy matters. The Committee met three times during the year.

## Audit Committee

### **Role and Composition**

The Audit Committee assists the National Board with its responsibilities for corporate governance by assuring the appropriate mechanisms exist to monitor probity, governance, efficiency and effectiveness of the

Institute's systems, controls and operations. The Committee's specific responsibilities are to:

- Approve audit plans and review the results of internal and external audits;
- Assess management's programs and policies which maintain an effective system of internal control for the Institute's operations, including accounting and financial reporting systems;
- Review financial statements (including notes and disclosures) and recommend Directors' approval;
- Review and recommend the appointment of internal and external auditors; and
- Review the financial performance of the Institute on a regular basis.

In July 1996 the National Board determined that the Committee should comprise the National Vice-President as Chairman, the Immediate Past National President and the Institute's international representative. In 1998 an independent external member was added. The members of the committee during 2003 have been:

- Vincent Burns, from May 2003 (current National Vice President)
- Richard Norris, to June 2003 (regional director)
- Michael Parkinson, to May 2003 (Immediate Past President)
- Robert Forbes, to May 2003 (President)
- Bill Middleton from May 2003 (immediate Past National President)
- Jenny Parker (external member)

In addition to the permanent members, it is usual for meetings to be attended by the Chief Executive Officer, IIA-Australia accountant, the external auditor and the internal auditor.

## Meetings

The Committee met by teleconference on two occasions during the year.

# AUDIT COMMITTEE/CORPORATE GOVERNANCE STATEMENT

The Institute of Internal Auditors-Australia ABN 80 001 797 557

The attendance of members of the Committee is shown in the accompanying table.

<i>Member</i>	<i>Meetings Eligible to attend 2003</i>	<i>Meetings attended 2003</i>
<b>Richard Norris</b>	2	1
<b>Robert Forbes</b>	1	1
<b>Vincent Burns</b>	1	1
<b>Michael Parkinson</b>	1	1
<b>Bill Middleton</b>	1	1
<b>Jenny Parker</b>	2	2

During the 2002 calendar year the Committee undertook the following activities:

- Provided review and approval of the 31 December 2003 financial statements;
- Liaised with IIA-Australia staff and the National Board on governance issues;
- Reviewed the reports produced by the internal auditor of the IIA-Australia, Michael Harris of the Canberra chapter;
- Maintained contact with the external auditor on accounting and audit issues; and
- Reviewed and provided input into the 31 December 2003 financial budget process.

Vincent Burns CIA CGAP FIIA(Aust)  
Chairman Audit Committee

## Policy Committees

The following policy committees have been established, with their aims as indicated.

### **Professional Issues**

Provide guidance to members and the business community on internal audit issues as they are identified.

### **Profile**

Promote the value of internal control and internal audit and develop membership and marketing initiatives to increase the profile of the Institute.

### **Standards**

Prepare the Institute's response to IIA Inc's draft changes to professional standards and to the AARF'S auditing standards.

### **Education**

Prepare the Institute's education policy and provide guidance and direction in the development and introduction of new educational courses and review existing programs.

### **Certification**

Provide guidance on the development and acceptance of the IIA's certifications.

## Communication with Members

The Institute issued regular email alerts to members. Some Branches also issue newsletters, in hardcopy and via the website. The *Internal Auditor* was distributed to all members regularly.

## Ethical Standards

The Institute has a comprehensive code of ethics to which directors, as members of the Institute, subscribe. The Board has also formally adopted the Statement of Ethics of the Australian Institute of Company Directors for Board operations.

As noted above, all Board members formally declare potential conflicts of interest or the absence of such conflicts at least annually.

# DIRECTORS' REPORT

The Institute of Internal Auditors-Australia ABN 80 001 797 557

The names of the Directors in office at the date of this report are:

Robert Forbes CIA CA MIIA(Aust)  
Vincent Burns CIA CGAP FIIA(Aust)  
Paul Apps CPA MACS MIIA(Aust)  
Peter Brass CGAP FCPA CGAP MIIA(Aust)  
Mark Toogood CIA CGAP CPA FIIA(Aust)  
Dean Wells CIA CGAP MBA CPA FCIS FIIA(Aust)  
Peter Wise CGAP MIIA(Aust)

The strategic focus of the Institute is to enhance and support the professional careers of its members.

The surplus for the year was \$92,875 (2002 surplus \$62,494). In 2004 with the IIA International Conference to be held in Sydney, Australia, the Institute is budgeting for a surplus.

The company is prohibited from paying a dividend and none was paid.

Except for fees paid to Mr V Burns for presenting a course, details of which are at Note 8, no Director has received or becomes entitled to receive during or since the end of the financial year a benefit because of a contract made by the company with a Director, a firm of which a Director is a member, or an entity in which a Director has a substantial financial interest.

During the financial year, the company has maintained insurance coverage for "Directors' and Officers' Liability".

Signed in accordance with a resolution of the Board of Directors.

Robert Forbes CIA CA MIIA(Aust)  
Director, President  
Date: 6 April 2004

# STATEMENT OF FINANCIAL PERFORMANCE

FOR THE YEAR ENDED 31 DECEMBER 2003

The Institute of Internal Auditors-Australia ABN 80 001 797 557

	2003 \$	2002 \$
Revenues from ordinary activities	<u>1,528,824</u>	<u>1,482,783</u>
Expenses from ordinary activities	<u>1,435,949</u>	<u>1,420,289</u>
Including Depreciation	10,483	17,376
Auditor's Remuneration	<u>4,160</u>	<u>3,960</u>
Surplus from ordinary activities	<u>92,875</u>	<u>62,494</u>
Equity: Balance at start of year	167,336	104,842
Surplus for the year	<u>92,875</u>	<u>62,494</u>
Balance at reporting date	<u>260,211</u>	<u>167,336</u>

The accompanying notes form an integral part of the financial statements.

# STATEMENT OF FINANCIAL POSITION

AS AT 31 DECEMBER 2003

The Institute of Internal Auditors-Australia ABN 80 001 797 557

		2003	2002
	Note	\$	\$
<b>CURRENT ASSETS</b>			
Cash assets	3	499,731	223,168
Receivables	4	206,229	192,474
Inventories		6,442	9,077
Prepayments and other		<u>186,393</u>	<u>93,580</u>
TOTAL CURRENT ASSETS		<u>898,795</u>	<u>518,299</u>
<b>NON CURRENT ASSETS</b>			
Plant and equipment	5	<u>15,569</u>	<u>22,743</u>
TOTAL NON CURRENT ASSETS		<u>15,569</u>	<u>22,743</u>
TOTAL ASSETS		<u>914,341</u>	<u>541,042</u>
<b>CURRENT LIABILITIES</b>			
Payables		116,729	119,035
Employee leave provision		36,249	25,283
Deferred income		486,521	213,234
Research Foundation contributions		<u>14,654</u>	<u>16,154</u>
TOTAL CURRENT LIABILITIES		<u>654,153</u>	<u>373,706</u>
TOTAL LIABILITIES		<u>654,153</u>	<u>373,706</u>
<b>NET ASSETS</b>		<u>260,211</u>	<u>167,336</u>
<b>MEMBERS FUNDS (EQUITY)</b>		<u>260,211</u>	<u>167,336</u>

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The accompanying notes form an integral part of these financial statements.

# STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 DECEMBER 2003  
The Institute of Internal Auditors-Australia ABN 80 001 797 557

	2003	2002
Note	\$	\$
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>	<b>Inflows (Outflows)</b>	<b>Inflows (outflows)</b>
Receipts from membership subscriptions and fees	469,023	476,472
Receipts from conferences, seminars and CIA	1,216,681	1,006,990
Payments for the above	(916,590)	(852,259)
Payments for Administration	(645,197)	(538,346)
Interest received	22,647	14,861
Other receipts	78,144	77,014
GST	17,498	5,842
NZ Settlement	(6,282)	1,602
Deposits	(6,921)	(5,582)
Net cash provided by (used in) operating activities	7 <u>282,166</u>	<u>186,594</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Purchases of plant and equipment	(4,102)	(13,934)
Research Foundation Contributions	(1,501)	3,115
Net cash used in investing activities	<u>(5,603)</u>	<u>(10,819)</u>
<b>NET INCREASE (DECREASE) IN CASH HELD</b>	276,563	175,775
Cash at the beginning of the financial year	<u>223,168</u>	<u>47,393</u>
<b>CASH AT THE END OF THE FINANCIAL YEAR</b>	3 <u><u>499,731</u></u>	<u><u>223,168</u></u>

The accompany notes form an integral part of these financial statements.

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2003

The Institute of Internal Auditors-Australia ABN 80 001 797 557

## NOTE 1 STATEMENT OF ACCOUNTING POLICIES

### General

a) The financial statements constitute a general purpose financial report that has been prepared in accordance with applicable Accounting Standards, Urgent Issues Group Consensus Views and other mandatory professional reporting requirements and the Corporations Act 2001.

b) The financial statements have been prepared on the basis of historical costs and do not take account of changing money values or, except where stated, current valuations of non-current assets. Cost is based on the fair values of the consideration given in exchange for assets.

c) The accounting policies have been consistently applied with all expenses and income accounted for on an accruals basis in the period(s) to which they relate.

### Inventories

d) Inventories, which represent publications, are stated at the lower of cost and net realisable value. Costs are assigned on a specific identification basis.

### Plant and equipment

e) Plant and equipment are brought to account at cost. The carrying amounts of plant and equipment are reviewed annually by Directors to ensure they are not in excess of the recoverable amount of these assets. Furniture and fittings are depreciated over 5 years and computer and electrical equipment over 3 years. Assets with an acquisition cost of less than \$500 are expensed in the year of acquisition.

f) Leasehold improvements are depreciated over the lesser of the unexpired term of the lease or the estimated useful life of the improvements.

g) Lease payments for operating leases, where substantially all the risks and benefits remain with the lessor, are charged as expenses in the periods in which they are incurred. Commitments for future years are disclosed by way of note. The Institute has no finance leases.

### Employee entitlements

h) Employee entitlements have been provided for at balance date in accordance with Accounting Standard AASB1028 "Accounting for Employee Entitlements".

### Deferred income

i) Subscriptions and professional development fees relating to the 2004 year but received prior to 31 December 2003 are carried forward in the Statement of Financial Position as deferred income.

j) SOPAC 2004. Revenue received prior to 31 December 2003 relating to SOPAC 2004 is carried forward in the Statement of Financial Position as deferred income. Expenses incurred prior to 31 December 2003 for SOPAC 2004 have been carried forward as prepaid expenditure.

k) Research Foundation Contributions. \$10 from each new member application fee is allocated to the Research Foundation. Receipts for the Research Foundation are shown as a current liability in the Statement of Financial Position. The funds are used to support research into areas of professional interest to members.

### Income tax liability

l) The Institute is exempt from the payment of income tax under Section 50-5 of the Income Tax Assessment Act 1997.

### Revenue

m) Revenue from the sale of goods is recognised upon the delivery of goods to customers.

Interest revenue is recognised on a proportional basis taking into account the interest rates applicable to the financial assets.

Revenue from the rendering of a service is recognised upon the delivery of the service to the customers.

All revenue is stated net of the amount of goods and services tax (GST).

## NOTE 2 LEGAL AND ECONOMIC ENTITY

a) The Institute of Internal Auditors-Australia (The Institute) is a company limited by guarantee; accordingly it has no share capital. It is licensed under the Corporations Act 2001 to omit the word 'Limited' from its name. It is an individual economic entity, without subsidiaries.

b) The Institute has an agreement with the Institute of Internal Auditors Inc. (IIA Inc), incorporated in the USA, for the provision of stipulated goods and services in return for the payment of affiliation fees. Members of this Institute are also members of IIA Inc.

c) The Institute's registered office (which is its only place of business) is at Level 10, 222 Pitt Street, Sydney, NSW. Its operations and principal activities are set out elsewhere in this Annual Report. The average number of employees during the year was 7.

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2003

The Institute of Internal Auditors-Australia ABN 80 001 797 557

## NOTE 3 CASH ASSETS

	2003 \$	2002 \$
Institute Cash at bank and on hand	487,676	207,404
Research Foundation bank account (a)	12,055	15,764
	<u>499,731</u>	<u>223,168</u>

(a) This bank account holds contributions received from members (shown in the Statement of Financial Position as a current liability) until a suitable research project is decided upon.

## NOTE 4 RECEIVABLES

	2003 \$	2002 \$
Term Deposits	182,502	175,581
Trade Debtors	23,283	16,893
Less Provision for Doubtful Debts	0	0
	<u>205,785</u>	<u>192,474</u>

Receivables include term deposits maturing monthly and in October 2004, amounting to \$182,502 (2002 \$175,581). Those term deposits include an amount of \$26,779 (2002 \$26,779) held by the bank as security for the bank's rental guarantee, as required by the lessor.

## NOTE 5 PLANT & EQUIPMENT

	2003 \$	2002 \$
Plant and equipment at cost	56,473	52,371
Less: accumulated depreciation	47,438	40,825
	<u>9,035</u>	<u>11,546</u>
Furniture and fittings at cost	26,369	26,369
Less: accumulated depreciation	20,771	17,028
	<u>5,598</u>	<u>9,341</u>
Library at cost	9,345	9,345
Less: accumulated depreciation	9,345	9,345
	<u>-</u>	<u>-</u>
Leasehold improvements at cost	9,039	9,039
Less: accumulated amortisation	9,039	9,039
	<u>-</u>	<u>-</u>
Software at cost	23,175	23,175
Less: accumulated amortisation	22,238	21,319
	<u>937</u>	<u>1,856</u>
Total plant and equipment at written down value	<u>15,569</u>	<u>22,743</u>

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2003

The Institute of Internal Auditors-Australia ABN 80 001 797 557

## NOTE 6 LEASING COMMITMENTS

Leasing commitments relate in total to lease of premises and office equipment.

	2003 \$	2002 \$
Not longer than 1 year	102,394	88,914
Longer than 1 year but not longer than 5 years	122,266	197,454
Longer than 5 years	<u>                    </u>	<u>                    </u>
	<u>224,661</u>	<u>286,368</u>

## NOTE 7 CASH FLOWS RECONCILIATION

### A. Reconciliation of cash flow from operations with operating surplus (deficit):

	2003 \$	2002 \$
Operating surplus (deficit)	92,875	62,494
Non cash flows in operating surplus (deficit):		
Depreciation	11,275	17,376
Provision for employee entitlements	10,966	6,623
Changes in assets and liabilities:		
Receivables	(13,755)	(1,417)
Inventories	2,635	1,333
Prepayments	(92,813)	(30,253)
Accrued Income	2	(1)
Payables	(2,306)	50,443
Deferred income	<u>273,287</u>	<u>79,996</u>
Cash flow from operations	<u>282,166</u>	<u>186,594</u>

### B Reconciliation of cash

For the purpose of the Statement of Cash Flows, cash includes cash at bank and on hand. Cash at the end of the financial year as shown in the Statement of Cash Flows equals the item "Cash Assets" in the Statement of Financial Position".

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2003

The Institute of Internal Auditors-Australia ABN 80 001 797 557

## NOTE 8 RELATED PARTY TRANSACTIONS

### Directors:

The names of Directors who have held office during the financial year are outlined in the table of "Board Member Information" elsewhere in this Annual Report.

Directors' Remuneration:

Income paid or payable to all the following Directors of the company by the company and any related parties:

	2003	2002
	\$	\$
Mr W Middleton		2,550
Mr D Wells		1,700
Mr V Burns	438	

The income paid includes fees for presenting Institute courses, based on the same terms as other presenters. In addition payments were made in 2002 to Mr D Wells' service firm and professional firm for administrative expenses and professional services as follows:

	2003	2002
	\$	\$
Course administration fees and consumables associated with courses – D Wells *excludes GST		6,230*

The Number of Directors whose income from the company or any related parties was within the following bands are:

	No.	No.
\$0	6	7
\$1-\$9,999	1	2

Retirement and Superannuation payments (Prescribed benefits given during the year by the company or a related party to a Director or prescribed superannuation fund in connection with the retirement from a prescribed office):

- -

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2003

The Institute of Internal Auditors-Australia ABN 80 001 797 557

## NOTE 9 FINANCIAL INSTRUMENTS

The financial instruments used in the Institute's business, and the associated risks, are as follows:

- (a) cash at bank: subject to interest rate and cash flow risk as the prevailing bank interest rate varies. (Note 3)
- (b) cash on term deposit: not subject to interest rate cash flow risk as a fixed interest rate is operative. As at 31 December 2003, the cash on term deposit was \$182,502 (2002 \$175,581) at a weighted average interest rate of 4.2%. (Note 4)
- (c) accounts receivable: subject to credit risk, the extent of which would be disclosed by a provision for doubtful debts. Provision Nil at 31 December 2003, (31 December 2002 provision \$Nil).
- (d) accounts payable -
  - (i) in A\$: no currency price risk.
  - (ii) in US\$: subject to currency price risk, as the amount payable varies with changes in the exchange rate. As at 31 December 2003, there was a liability of US \$3,455 (31 December 2002 USD10,589).  
During 2003 USD 7,007 was remitted at exchange rate 0.6368 on 9/5/03.  
USD 22,353 was remitted at exchange rate 0.6512 on 11/9/03.  
USD 36,539 was remitted at exchange rate 0.6038 on 27/2/03.  
USD 40,024 was remitted at exchange rate 0.5719 on 10/1/03.

## NOTE 10 CONTINGENT LIABILITIES

Contingent liabilities relating to the International 2004 conference exist as per the contractual arrangement between ICMS (the professional conference organiser) and IIA Australia to the extent that in case of a termination of this agreement due to no fault on behalf of ICMS, the minimum fee or an amount being commensurate with the work ICMS has performed in relation to these events is \$75,000 at 31 December 2003.

## NOTE 11 SEGMENT REPORTING

The company operates as a professional association within Australia.

# DIRECTORS' DECLARATION

The Institute of Internal Auditors-Australia ABN 80 001 797 557

The directors of the company declare that:

1. the financial statements and notes, as set out on the above pages:
  - (a) comply with Accounting Standards and the Corporations Act 2001; and
  - (b) give a true and fair view of the financial position as at 31 December 2003 and financial performance for the year ended on that date of the company;
2. in the directors' opinion, there are reasonable grounds to believe that the company will be able to pay its debts as and when they become due and payable.

The declaration is made in accordance with a resolution of the Board of Directors.

Robert Forbes CIA MIIA(Aust)  
Director, President  
6 April 2004

## INDEPENDENT AUDIT REPORT TO THE MEMBERS OF THE INSTITUTE OF INTERNAL AUDITORS-AUSTRALIA

FOR THE YEAR ENDED 31 DECEMBER 2003

The Institute of Internal Auditors-Australia ABN 80 001 797 557

### SCOPE

We have audited the financial report of The Institute of Internal Auditors - Australia for the financial year ended 31 December, 2003. The company's directors are responsible for the financial report. We have conducted an independent audit of this financial report in order to express an opinion on it to the members of the company.

Our audit has been conducted in accordance with Australian Auditing Standards to provide reasonable assurance whether the financial report is free of material misstatement. Our procedures included examination, on a test basis, of evidence supporting the amounts and other disclosures in the financial report, and the evaluation of accounting policies and significant accounting estimates. These procedures have been undertaken to form an opinion whether, in all material respects, the financial report is presented fairly in accordance with Accounting Standards and other mandatory professional reporting requirements and statutory requirements so as to present a view which is consistent with our understanding of the company's financial position, and performance as represented by the results of its operations and cash flows.

The audit opinion expressed in this report has been formed on the above basis.

### AUDIT OPINION

In our opinion, the financial report of The Institute of Internal Auditors - Australia is in accordance with:

- a. the Corporations Law, including:
  - i. giving a true and fair view of the company's financial position as at 31 December, 2003 and of its performance for the year ended on that date; and
  - ii. complying with Accounting Standards and the Corporations Regulations; and
- b. other mandatory professional reporting requirements.

### WATKINS COFFEY MARTIN

Chartered Accountants  
S R Coffey  
Partner, Sydney  
6 April 2004



# BRANCHES CPE RESULTS, NET OTHER EXPENSES AND BRANCH SURPLUS

FOR THE YEAR ENDED 31 DECEMBER 2003

The Institute of Internal Auditors-Australia ABN 80 001 797 557

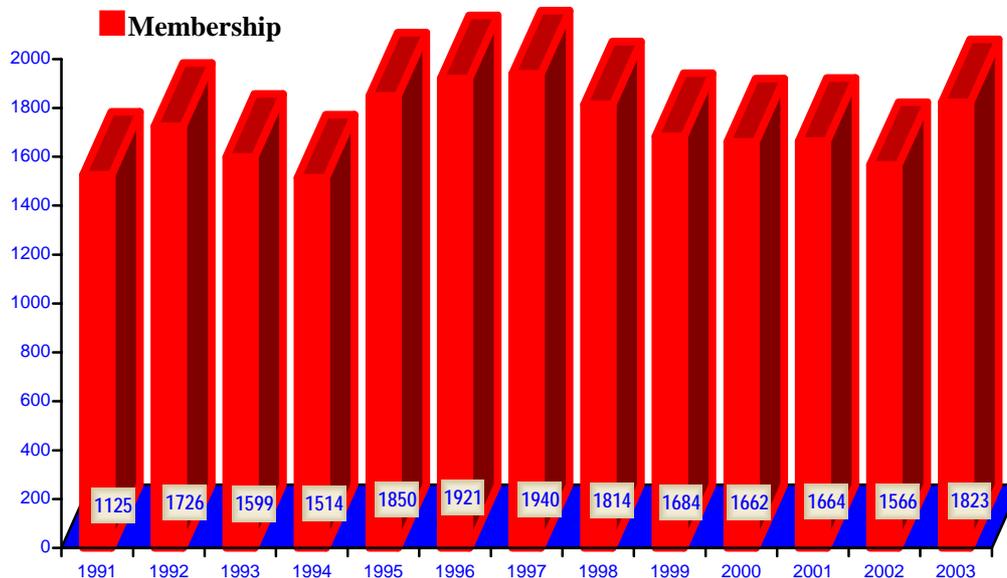
ACTIVITY	QLD \$	NSW \$	CNB \$	VIC \$	TAS &	SA \$	WA \$
CPE Income	58,975	139,740	39,386	26,259	5,349	8,600	42,786
CPE Expenditure	(30,262)	(82,931)	(19,404)	(13,486)	(1,862)	(3,177)	(27,512)
CPE Net	28,713	56,809	19,982	12,773	3,487	5,423	15,274
Others Net	(5,387)	(7,982)	(3,294)	(899)	(969)	(886)	(1156)
Surplus	23,326	48,827	16,688	13,672	2518	4,537	14,118

Note: The National Office also runs national seminars in various Branches and generates revenue, which is in addition to the above.

## INSTITUTE MEMBERSHIP

The Institute of Internal Auditors-Australia ABN 80 001 797 557

Membership Statistics as at 31 May Each Year



As at 31 December 2003 the Institute had 2017 members

# SIX YEAR COMPARATIVE PROFIT & LOSS ACCOUNT

FOR THE YEAR ENDED 31 DECEMBER 2003

The Institute of Internal Auditors-Australia ABN 80 001 797 557

	2003	2002	2001	2000	1999	1998
	\$	\$	\$	\$	\$	\$
<b>Operating Income and Expenditure</b>						
<b>Membership Subscriptions</b>	396,354	368,580	346,348	340,806	362,614	334,839
<b>Members' Services</b>	(123,328)	(114,133)	(110,214)	(108,977)	(124,382)	(104,015)
<b>Continuing Professional Education</b>	362,980	265,519	276,065	262,802	154,372	214,436
<b>Certified Internal Auditor</b>	27,338	62,604	10,243	18,145	14,798	(1,772)
<b>Sponsorship</b>	0	1,803	(247)	25,765	48,976	33,980
<b>Other Programmes</b>	2,657	1,795	3331	(14,176)	(4,061)	(499)
	666,001	586,168	525,526	524,365	452,317	476,969
<b>Administrative Expenses &amp; Non-operating Income</b>						
<b>Boards and Communications</b>	(113,784)	(83,815)	(66,999)	(74,365)	(80,564)	(73,659)
<b>Personnel Expenses</b>	(409,388)	(386,413)	(383,079)	(356,039)	(289,572)	(173,335)
<b>Occupancy Expenses</b>	(90,197)	(92,854)	(103,196)	(122,503)	(117,815)	(64,904)
<b>Corporate &amp; Finance expenses</b>	19,024	12,814	17,076	4,828	(27,908)	(40,837)
<b>Non-operating Income</b>	21,219	26,594	31,527	27,207	27,481	18,808
	(573,126)	(523,674)	(504,671)	(520,872)	(488,378)	(333,927)
<b>Surplus (Deficit) before Abnormals</b>	92,875	62,494	20,855	3,493	(36,061)	143,042
<b>Abnormal</b>	-	-	-	-	-	-
<b>Surplus (Deficit) after Abnormals</b>	92,875	62,494	20,855	3,493	(36,061)	143,042

# CODE OF ETHICS

The Institute of Internal Auditors-Australia ABN 80 001 797 557

## Introduction

The purpose of The Institute's *Code of Ethics* is to promote an ethical culture in the profession of internal auditing. *Internal auditing is an independent, objective assurance and consulting activity designed to add value and improve an organisation's operations. It helps an organisation accomplish its objectives by bringing a systematic, disciplined approach to evaluate and improve the effectiveness of risk management, control, and governance processes.*

A code of ethics is necessary and appropriate for the profession of internal auditing, founded as it is on the trust placed in its objective assurance about risk management, control, and governance. The Institute's *Code of Ethics* extends beyond the definition of internal auditing to include two essential components:

1. Principles that are relevant to the profession and practice of internal auditing;
2. Rules of Conduct that describe behaviour norms expected of internal auditors. These rules are an aid to interpreting the Principles into practical applications and are intended to guide the ethical conduct of internal auditors.

The *Code of Ethics* together with The Institute's *Professional Practices Framework* and other relevant Institute pronouncements provide guidance to internal auditors serving others. "Internal auditors" refers to Institute members, recipients of or candidates for IIA professional certifications, and those who provide internal auditing services within the definition of internal auditing.

## Applicability and Enforcement

This *Code of Ethics* applies to both individuals and entities that provide internal auditing services. For Institute members and recipients of or candidates for IIA professional certifications, breaches of the *Code of Ethics* will be evaluated and administered according to The Institute's Bylaws and Administrative Guidelines. The fact that a particular conduct is not mentioned in the Rules of Conduct does not prevent it from being unacceptable or discreditable, and therefore, the member, certification holder, or candidate can be liable for disciplinary action.

## Principles

Internal auditors are expected to apply and uphold the following principles:

### *Integrity*

The integrity of internal auditors establishes trust and thus provides the basis for reliance on their judgement.

### *Objectivity*

Internal auditors exhibit the highest level of professional objectivity in gathering, evaluating, and communicating information about the activity or process being examined. Internal auditors make a balanced assessment of all the relevant circumstances and are not unduly influenced by their own interests or by others in forming judgements.

### *Confidentiality*

Internal auditors respect the value and ownership of information they receive and do not disclose information without appropriate authority unless there is a legal or professional obligation to do so.

### *Competency*

Internal auditors apply the knowledge, skills, and experience needed in the performance of internal auditing services.

# CODE OF ETHICS

The Institute of Internal Auditors-Australia ABN 80 001 797 557

## Rules of Conduct

### 1. Integrity

Internal auditors:

- 1.1. Shall perform their work with honesty, diligence, and responsibility.
- 1.2. Shall observe the law and make disclosures expected by the law and the profession.
- 1.3. Shall not knowingly be a party to any illegal activity, or engage in acts that are discreditable to the profession of internal auditing or to the organisation.
- 1.4. Shall respect and contribute to the legitimate and ethical objectives of the organisation.

### 2. Objectivity

Internal auditors:

- 2.1. Shall not participate in any activity or relationship that may impair or be presumed to impair their unbiased assessment. This participation includes those activities or relationships that may be in conflict with the interests of the organisation.
- 2.2. Shall not accept anything that may impair or be presumed to impair their professional judgement.
- 2.3. Shall disclose all material facts known to them that, if not disclosed, may distort the reporting of activities under review.

### 3. Confidentiality

Internal auditors:

- 3.1 Shall be prudent in the use and protection of information acquired in the course of their duties.
- 3.2 Shall not use information for any personal gain or in any manner that would be contrary to the law or detrimental to the legitimate and ethical objectives of the organisation.

### 4. Competency

Internal auditors:

- 4.1 Shall engage only in those services for which they have the necessary knowledge, skills, and experience.
- 4.2 Shall perform internal auditing services in accordance with the *Standards for the Professional Practice of Internal Auditing*.
- 4.3 Shall continually improve their proficiency and the effectiveness and quality of their services.



# 2004

## Certified Internal Auditor Program

**The CIA designation is the only internationally recognised certification for professional internal auditors.**

## Why not become a CIA?

The Institute of Internal Auditor's CIA designation has been

awarded to **40,000+** members worldwide. The program is recognised by the top organisations in Australia and throughout the world.



## CIA Study and Exam Format

There are four parts offered:

- Part 1: The Internal Audit Activity's role in Governance, Risk and Control
- Part 2: Conducting the Internal Audit Engagement
- Part 3: Business Analysis & Information Technology
- Part 4: Business Management

For a copy of the CIA Brochure and details regarding registration and fees for 2004, please contact Julie Young – Manager Member Services (02) 9269155 or 1800 236 366 (from outside the Sydney Metro area) or e-mail [julie.young@iia.org.au](mailto:julie.young@iia.org.au)

