



The Institute of
**Internal
Auditors**

Forty Years of the Institute of Internal Auditors in New Zealand

Forward

Much of the early history of the Institute in New Zealand was put together by the late Bruce Baillie of Christchurch. The late Michael Cox, Ross Dunn and I added to this document and filled in much of the missing information. As you will see, there are still significant gaps. I have not had access to paper records from the past (Board minutes, President/Chair Annual Reports), and one thing has become abundantly clear is that as memories fade with time, history only becomes important until it's in danger of becoming lost. **Kia whakatōmuri, te haere whakamua** – I walk backwards into the future with my eyes fixed on the past. This whakataukī (Māori proverb) signifies that the present and future are shaped by understanding and drawing lessons from the past, providing a framework for making informed decisions and creating a better future.

Bruce added details as to the Christchurch branch activities, and some personal records have enabled me to fill in some of the gaps and courses, education days or conferences. The list is not comprehensive, and there would have been others that can be added to as more comes to light. My apologies if some information is not quite accurate. This should be a living document – added to each year, corrected or updated as new information comes to hand. Feel free to contact the office or me directly if you have corrections or further information to add.

I would like to acknowledge the former Presidents, chairpersons, other internal audit leaders and administrative staff for their recollections in compiling this history.

Ngā mihi

Russell Third

Life Member

August 2025

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Institute of Internal Auditors (IIA) New Zealand History

Origin of the international IIA

John Thurston, in 1941, in America, started the efforts towards creating what has become the Institute of Internal Auditors. In Australia, an auditor called Rawson followed Thurston's example. As was the case in America, Australia began with an interest group drawn from the utilities industry but with the difference that Rawson's vision was limited to electricity undertakings in New South Wales. Thurston's effort started out in the same way but quickly shifted to the concept of a national association.

Thurston himself did not think of that original association in world terms, but the Institute had become international in character within its first decade as chapters were established in other countries. First Canada, in 1944 and then England and the Philippines in 1948.

These were followed, in 1951 with Chapters in Denmark, Finland, Norway and Sweden. The Sydney Chapter, in 1952, was the first in Australia and became the focal point of what was later recognised as the South Pacific Region. Through its early history, the Sydney Chapter shed or transferred individuals or group of members first into local discussion groups and much later, into new Chapters. One of these was the Wellington Chapter in New Zealand.

Formation of Internal Audit in New Zealand

IIA members in New Zealand were originally part of the Sydney Chapter. A Wellington Chapter was formed and held its inaugural meeting on 21 September 1972 in Databank House. At that meeting Murray Roberts, who had joined the Sydney Chapter on 6 October 1964, was elected chair for the first meeting, and subsequently as the first Chapter President. He retained the presidency until 1975 and was elected to the Board of Governors of the Chapter in 1975, 1976 and 1977. In his last report as President, to the 1975 Annual General Meeting, he recommended that the incoming committee look to form a second Chapter in Auckland. In recognition of his unique role in the founding of the presence of the Institute in New Zealand he was made an Honorary Member. To continue that recognition, when the National Institute was formed, he was made a Life Member in 1992.



Photo of an early IIA NZ Board.

Back row, left to right. Michael Cox, Tom Stratton, John Gibb, Robin Kirk. Front row left to right: Michael Chivers, Peter Whyte (President), Lindsay Kelynack

The National Institute was formed out of a need for the two Chapters to work together, and following Australia's formation of its own National Institute. The late Peter Whyte and the late Michael Chivers were the prime movers in this. Before becoming a National Institute, New Zealand was required to get dispensation from The IIA because membership numbers were less than the then-required minimum for a National Institute.

Auckland Chapter

The Auckland Chapter was formed in February 1978.

Wellington Chapter

As stated above, Murray Roberts, who had joined the Sydney Chapter on 6 October 1964, was elected as the first Chapter President in 1972¹. He retained the Presidency until 1975 and was elected to the Board of Governors of the Chapter in 1975, 1976 and 1977. Further details of the Wellington Chapter history were lost when all records were destroyed.

A point of interest is that, for historical reasons, Cook Islands members have been part of the Wellington Chapter.

Lawrence B Sawyer

As a means of teaching New Zealand internal auditors, the “new” concept of expanding their audits from finance to include management, the Auckland Chapter arranged for top author Lawrence B Sawyer to conduct training seminars in Auckland and Wellington in May 1983. These proved so successful that the Chapter purchased video tapes of Sawyer’s seminars and ran training seminars in Auckland, Wellington and Christchurch from 1984. These seminars were considered so important for the future of internal auditing in New Zealand that it was decided that experienced presenters should be used. Two experienced lecturers from Manukau Polytechnic, Bob Gilmour and Finlay Hamilton, with technical assistance from Tom Stratton and Mike Chivers presented the initial programmes.

¹ Note the 1991 article says Wellington Chapter was formed in 1974. We have not been able to confirm the actual date.

National Institute & Chronological Development

1984

The following representatives of the various chapters met at the Chateau Tongariro on 30 June 1984 to discuss the formation of a New Zealand National Institute:

Auckland - Peter Whyte, Michael Chivers, Ross Dunn, G.K. Madden; Tom Stratton
Wellington: B.J. Couper; J Dahn; Bert Said, Lindsay Kelynack, Mark Hammond
Canterbury - John Gibb; C Horne Waikato - Robin Kirk

1985

The first national Council meeting was held in Auckland on 22 March 1985.²

The Institute was registered as an incorporated society on 3 December 1985.

1986

The first AGM of the Wellington branch was on 20 March 1986.

IIA NZ was recognised as a National Institute by The IIA on 30 June 1986 with an effective date of 1 June 1986.

Appendix A outlines some memories by Bill Henderson, South Pacific District and Regional Director 1986 -1991 and covers Australia, New Zealand and the Pacific.

Appendix B lists the IIA NZ Presidents/Chairpersons 1985 to the present.

Appendices C.1 to C.9 outline the following awards from 1988 to the present day. Awards are not given every year if the judging committee deems the required standard has not been met, thus preserving the integrity of the awards given.

- C.1 Life Members
- C.2 Fellowships
- C.3 Honorary Fellows
- C.4 Richard Ratliff Award
- C.5 IIA NZ Internal Auditor of the Year
- C.6 IIA NZ Best Contribution to the Profession in NZ
- C.7 IIA NZ Emerging Internal Auditor of the Year
- C.8 IIA NZ Team Excellence Award
- C.9 IIA NZ Pacific Internal Auditor of the Year

Christchurch Branch 1986

Jeremy Bendall (Christchurch City Council) assisted in establishing the Christchurch branch and was the branch chair for a period of two years from 1986 to 1988. He was also on the National Council, serving as Vice President from 1988 to 1989 and held the role of President for one-year 1989 to 1990. He was, more or less, the inspiration for the branch. Before 1987, Christchurch was called a 'club' rather than a branch.

Meetings were held bi-monthly on Fridays at 3.30 pm, at the Christchurch City Council building. Meeting topics covered operational and value for money, financial, IT audits, as well as academic and research topics.

There is a nice story here. On some occasions, they met in the actual Council Chamber and started with afternoon tea. The tea trolley was wheeled into the room by elderly, elegantly attired 'butler' wearing white gloves, who poured the tea.

The branch had its own bank account at this stage. For a few years, from 1987, the National Council gave it a small operating grant to help meet its expenses, although it was generally reasonably well supported at member meetings, for which it made a charge, and usually had a small operating surplus each year.

Brian Burgess was Chairperson of the Christchurch Branch in 1988. There is uncertainty as to who became the branch chair after Jeremy Bendall, but it may have been Steve Eves of Trust Bank Canterbury. Brian Burgess, the Manager, Internal Audit, Department of Social Welfare, was the branch chair again in 1992/1993.

It was during this period that Bruce Baillie started doing the branch newsletter. At first, it was just to advertise upcoming branch meetings and to update members, who were unable to attend, about the previous meeting presentation. If there was any interesting news to relate, it was included. It was called 'Canterbury News' and was issued six times a year.

Many of the presentations during this period were provided by 'outsiders', although some came from members of the branch. Unfortunately, no details of the topics or the presenters are now available.

1987

Michael Cox was President from 1987 to 1989



IIA ran two computer seminars on 27 February and 10 April 1987.

The Wellington AGM was on 10 March of that year. An internal audit seminar followed 3 days later on 13 March.

In May (18-19th), Professor Mort Dittenhofer from the USA ran an internal audit course at the Sharella Motor Inn, Wellington. He co-edited "Sawyer's Internal Auditing", the 1,446-page preeminent reference guide. Professor Dittenhofer headed a group that developed "The Yellow Book", which established for the first time the audit standards practised by governments all over the world. He is the only audit practitioner to receive both the Bradford Cadmus Memorial and Leon R. Radde Educator of the Year award from the IIA, and one of only four recipients of The IIA's Lifetime Achievement Award.



Professor Dittenhofer

Wellington Branch offered a highly successful course in Comprehensive Auditing in the mid-1980s, which was run a number of times, having been over-subscribed initially.

In November, a seminar was run that covered the Sawyer Tapes – videos of Lawrence Sawyer speaking on what the modern internal auditor should be doing.

On 18 November, the Wellington branch hosted a breakfast meeting.

The national office was run out of the National Secretary's home in Birkenhead, Auckland.

1988

The Wellington AGM was run on 21 March 1988 with Michael Cox, Ross Dunn, Irene Corpuz and Russell Third, among others, elected to the branch committee.

9-12 October of that year, an internal audit Performance Auditing course was run at Flock House near Bulls. The Office of the Controller and Auditor-General (Graham Vaughan-Jones) and Helmet von Switzer from the Canadian Office of the Auditor General) delivered the course.

Group Membership Scheme

Bruce Baillie tells another half-remembered story that relates to this period. Social Welfare had an internal audit unit of about 40 members (possibly more), and the department decided it would pay all membership fees for its staff to join the Institute. Mike Chivers had negotiated a reduced fee structure for 'large' audit shops. Everyone joined, and the outcome was that national membership increased by such a large percentage that the IIA awarded NZ recognition of being the national institute with the largest percentage membership increase that year. It probably occurred in 1988. Michael Chivers negotiated the ability to have a corporate membership scheme with the IIA, but the actual financial and operational deal with Social Welfare was agreed between Michel Cox (President) and Loma Quinn (DSW's National Auditor). IIA NZ bestowed its first Honorary Fellowship upon Tom Ball, DSW's inspector-general, upon his retirement in December 1988 (see newspaper article below).

Fellowship bestowed



RETIRING Social Welfare inspector-general Tom Ball receives the first honorary fellowship of the Institute of Internal Auditing from president Michael Cox.

Mr Ball was given the award for his pioneering work in inter-

nal auditing with the State Services Commission and the Department of Social Welfare.

As inspector-general, he was responsible for a team of internal auditors independently appraising the department financially

and in-service delivery.

Mr Ball has been with the department since 1977. He joined the state service in 1949.

The fellowship is the highest professional auditing award given for meritorious service.

South Pacific Regional Fellowship

A joint IIA Aust/NZ new initiative was launched in 1988 to provide a member of the Institute of Internal Auditors residing in the South Pacific area with the opportunity to visit another country in the region to gain knowledge and experience of the state-of-the-art audit techniques, methods and procedures in that country and meet with the local auditors. New Zealand was chosen as the first country.

Ten applications were received for the inaugural fellowship, and the successful awardee, Ross Paul, was announced at the South Pacific Regional Convention held at Jupiter's Casino on the Gold Coast in May 1989. The scheme continued in 1991 at the South Pacific Regional Convention held in Auckland, New Zealand, from 3 to 6 March 1991.

This was intended to enable auditors to research relevant topics. Recipients were responsible for their own research costs but were given a free ticket to the Regional Conference. New Zealand recipient, Gordon Neal, Reserve Bank, won it in 1991, researching performance indicators and their use by Australian companies.

1989

Jeremy Bendall was President from 1989 to 1990

The IIA AGM was run in Wellington on 15 March 1989.

The South Pacific Regional Convention (SOPAC) was held in Surfers Paradise at the Conrad International Hotel, and a number of NZ delegates attended. The conference dinner was held at SeaWorld and included a show and rides. Michael Chivers and Russell Third went on the roller coaster. Michael removed one of his hearing aids to adjust it and dropped it in the car floor just as the roller coaster started to roll. Luckily, he caught it before he went upside down!

NZ won The IIA's 3rd place award for the most membership growth that year.



Education: Diploma in Business Studies endorsed Internal Auditing

IIA New Zealand and Massey University recognised the need for internal auditing practitioners in New Zealand to have a specific academic qualification in internal auditing, and to this end developed, within the University's undergraduate Diploma in Business Studies structure, a specific endorsement. Fin Hamilton from Massey and Michael Cox worked together on developing the course. Jeff Robinson, senior lecturer, assisted with the internal audit papers. The first diploma for the six-paper course was awarded in 1989.

1990

Patricia Lynch was President 1990 to 1992

The Wellington AGM was held on 21 March 1990. Michael Cox, Ross Dunn and Russell Third were elected to the National Council. The IIA Chairman of the Board, Herb Miller and his wife, Marjo, visited the Chapter and dined with the committee at the Plaza International Hotel that evening.

The designation Associate Member was introduced, and members had to apply for it if they qualified as outlined below:

(c) **Associate**

Nominations are to be made in writing to the National Secretary for submission to the N.Z. Council at its next meeting and are subject to the following criteria:-

On the application of a member, the designation of AIIA (NZ) may be awarded by N.Z. Council at its next meeting, to those practitioners who:

- a) have passed the Certified Internal Auditor Examination.
OR
- b) have passed the Diploma of Business Studies (Internal Auditing).
OR
- c) have other qualifications as may be deemed appropriate and approved by all N.Z. Councillors present at a duly constituted meeting of N.Z. Council. Such approved qualifications form part of these Bylaws.

AND

Have completed a minimum of two (2) years practical experience in Internal Auditing.

The classification of Associate carries with it a designation of AIIA(NZ) and such designation will be lost if membership of IIA N.Z. is not maintained.

In 2025, the term Associate, as outlined in our current by-laws, is completely different:

“The classification of ASSOCIATE member of The Institute may be awarded by the Board to those members who are not working in the profession of internal audit but who wish to hold membership of The Institute:

- i. Other professional: Anyone who has been a member of good standing, and who has retired. Retired members may not perform any form of internal auditing and may be required to satisfy membership and/or continuing professional development requirements that are in place at the time they re-apply
- ii. Educator: Those individuals principally employed as educators at Colleges, Technical Institutes and Universities in the field of business, finance, accounting and audit.

No voting rights will be accorded to an Associate Member. The Board may set a reduced membership fee for Associate members”.

The conference in 1990 was held at the Sheraton Hotel in Auckland on 23-25 September. IIR were the conference organisers.

Later in the year, 9-10 November, Council met at the THC Wairakei Resort in Taupo.

1991

The South Pacific Regional Convention was held in Auckland 3-6 March 1991. The opening function was held at the New Zealand Pavilion and the conference at the Sheraton. The conference dinner on the first night was at Corbans Vineyard and on the final day dinner United Theatre Sports entertained us.

On the 7th of March there was a combined IIA NZ/ Australia Council meeting followed by dinner at Cin Cin on Quay.

Wellington's AGM was held on 12 March with guest speaker Professor Gerard Vinton. Bruce Buddicom was elected Chairman, and Russell Third as his deputy and IIA Councillor.

On the 3rd of May, the NZ Council meeting was held at the Lakeland Motor Lodge in Taupo. Patricia Lynch was voted in as President with Russell Third as Vice President.

On 11 to 12 July 1991, an IIA Performance Audit course was run in Auckland by Helmet Von Switzer. Council, Helmet and his wife Pam dined at Cin Cin on Quay.

Patricia Lynch spoke at the 14 August branch meeting, and on 21 September, Herb Miller, former Chairman of the Board of The IIA, visited Wellington. The following day, there was a Chairpersons' meeting in Wellington, with Bruce Buddicom, Patricia Lynch, Russell Third, Brian Smith and Murray Lee in attendance.

The IIR Internal Audit Conference was held in September that year at the Plaza Hotel, Wellington. The conference dinner was held at the Royal Port Nicholson Yacht Club.

Russell Third visited and spoke at the Canterbury Branch lunchtime meeting in November.

Wellington ran an EDP Audit course from 6-8 December.

Meetings were held between the NZ Society of Accountants and The IIA on the subject of disciplinary procedures for the IIA.

IIA NZ Council met again on 16-17 December in Taupo at the Lakeland Motor Lodge. There was fierce debate over the Executive Director's position and remuneration.

INTERNAL AUDITING IN **NEW ZEALAND**



IIA NEW ZEALAND was formed in June 1986, by an amalgamation of the Auckland, Christchurch, and Wellington Chapters. Originally, however, our first association with The Institute was via the Sydney, Australia, Chapter. The first chapter was formed in June 1974, in Wellington, and some who were part of the initial transfer are still members today. The Auckland Branch was formed

in February 1978, and Christchurch followed on the formation of the National Institute. For historical reasons, members from the Cook Island have been part of Wellington.

Membership growth has been heartening — over the period January 1985 to May 1987, numbers doubled from 113 to 226, and as of December 1990 stand at 349. This from a country of 3.2 million people and

62 million sheep! We believe that membership in New Zealand will continue to grow until it reaches 500 over the next two years, and will then level off for some time.

Highlights

The formation of the New Zealand Institute in 1986 really marked the beginning of the recognition of the profession in New Zealand. The three branches working

together have made an enormous contribution to this end. It is doubtful whether such progress could have been made had we retained the old Chapter structure.

The restructuring has also been of considerable assistance in enabling the New Zealand Institute to host, for the first time, the South Pacific Regional Convention in March 1991.

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NEW ZEALAND

Cont. from page 24

Professional Membership

To advance the standing of the internal auditing profession in New Zealand, The Institute recognized the necessity to restructure its membership categories in order to achieve a distinction between professional membership and ordinary members. To be a professional member, internal auditors must have appropriate academic achievement and practical experience. The designation AIIA (NZ) is usually awarded to successful candidates of the Diploma of Business Studies (Internal Auditing), CIA (by examination), or MIIA (UK). A limited number of fellowships and honorary fellowships could also be awarded to deserving recipients.

Professional Education

The Institute was instrumental in establishing, in 1986, a Diploma in Business Studies with an endorsement in internal auditing, offered internally and extramurally by Massey University. This is a six-paper undergraduate Diploma with three compulsory units on strategic man-

agement, the theory, and practice of internal auditing. The curriculum also offers a practical project, which is required (along with sufficient practical experience) for candidates who wish to meet the criteria for professional membership of the Institute. It usually takes three years to complete the Diploma.

The New Zealand Institute awards a prize of \$150 to the top student for each of the two internal auditing papers. The New Zealand Institute is also assisting Manukau Polytechnic in incorporating an internal audit module within its existing accountancy course.

Although we have a Diploma qualification, we are nevertheless continuing to support the CIA examination. Students are encouraged to sit for the examination in Auckland. Study material is made available by the Institute in an effort to promote professionalism through education.

IIA New Zealand is proactive in running its own educational programs, for both members and nonmembers. In addition, it also

runs in-house seminars to meet the specific needs of individual organizations. A two-day comprehensive auditing course was so successful that it had to be repeated four times.

Brochures for Management and Members

IIA New Zealand has recently developed two promotional brochures: one targeted toward management and one toward prospective and new members. The management brochure concentrates on selling organization on the idea of having an internal audit department, and explains why members of the department should be members of the Institute. The membership brochure is aimed at practising nonmembers and at those considering joining the profession.

Both brochures are professionally produced and project a professional image. They have been well received in the marketplace, and other IIA National Institutes have expressed interest in using this obviously winning formula.

Newspaper Supplement

In cooperation with a major daily newspaper,

the Wellington Branch (in December 1990) ran a two-page supplement on internal auditing. This was made possible through selling advertising space to major accounting and staff placement organizations. The two-page supplement has helped to raise public awareness of the Institute and has promoted the professionalism of Internal Auditing.

Internal Auditing in the Public Sector

New Zealand's Controller and Auditor General presented a report to Parliament in 1990 on the state of internal auditing in the Public Sector. He called for an increase in the numbers and professionalism of internal auditors in that sector. The Controller and Auditor General took care to ensure that the thrust of the report did not conflict with The Institute's standards.

Professional Threats

The emergence of chartered accounting and consultancy firms into the internal audit arena has been seen as a threat within New Zealand and worldwide. In addition, the threat is also felt from organizations

representing quality assurance practitioners, who are widening the scope of their members' activities to include systems and organizational management. Our members must convince their managements that they can perform their duties efficiently and effectively and so prevent another profession from establishing a foothold in internal auditing.

The Future?

IIA New Zealand is committed to the continuing internationalization of the Institute and is ready to play its part in the achievement of this objective. We believe that the way forward could be forged by the creation of more National Institutes. Internationalism can be achieved through having a truly international representation of all countries within a governing council. This ultimate objective can and should be achieved if we are to progress through the 1990s!

We look forward to the next 50 years of "Progress Through Sharing." ❧

In September 1991, an agreement to establish the South Pacific Distribution Centre was signed with The IIA and with IIA Australia.

IIA NZ has supported the Fiji and Papua New Guinea Chapters by donating to each a library of books from its former South Pacific Distribution Centre bookshop.

The Centre closed in December 1997.

Certified Internal Auditor Examination (CIA)

CIA Examinations were reestablished in New Zealand in 1991, and IIA NZ has encouraged members to sit this exam since that date.

South Pacific Regional Convention (SOPAC)

IIA NZ organised and hosted the South Pacific Regional Convention in Auckland in 1991. Groundwork started approximately four years before, with Australia, which had hosted the regional conventions until 1989 (they also hosted the very successful 1985 IIA International Conference in Sydney, which was attended by a good NZ representation).

The Auckland organising committee comprised:

Grant Burns (convenor), Patricia Lynch, Michael Cox, Ross Dunn, Neil Hopkins, Jim Harknett, Dhun Kurai. The convention secretariat was provided by Travelworks.

The 1999 South Pacific Regional Conference was held in Wellington in March 1999.

Annual conferences have been held by IIA NZ. Most of these have been organised by IIA NZ staff and members, but for a few years, they were organised by the Institute of International Research (IIR).

Seminars have been held regularly since the beginning of IIA NZ. These have been on topics of relevance to improving the professional expertise of members. Presenters have been from within New Zealand and overseas, within IIA NZ and professionals in their field from outside the Institute.

1992

Russell Third was President 1992 to 1994



Bruce Peters from Australia ran, for IIA NZ, a Total Quality Management Seminar (TQM) on 13-14 February 1992.

In the same month, work was underway on revising the job description of the Executive Director and later negotiating a new contract with Michael Chivers. It wasn't until August that his contract was finally signed after lengthy negotiations.

On 27 February, Michael Cox and Russell Third visited the Department of Social Welfare to discuss a group membership scheme. They now had approximately 60 Internal Auditors.

The first Council meeting of the year was held at the Lakeland Motor Lodge in Taupo, 14-15 March 1992. Patricia Lynch had indicated earlier in the year that she was going to step down from her role as President before her term expired, and on the 29th of May 1992, in a teleconference held at TVNZ in Auckland, Russell Third was elected President.

The next Council meeting was held on the 5th of June 1992 at the Karaka Tree Motels in Taupo. Taupo was chosen as it was roughly the same distance for delegates to attend from Wellington and Auckland.

At this stage, there was a regular newsletter being published called Audit NewZ.

On 12 August, an IIA Fraud Seminar was held in Wellington and run by David McNamee from the USA.

Another IIR internal audit conference was held on 13-14 August at the Plaza International Hotel in Wellington. These were run in conjunction with IIA NZ and were chaired by the President. The committee members acted as the session chairs.

21 September of that year, IIA ran a flowcharting seminar. A Non-Financial Performance Measure seminar was also run by the Institute in October.

A busy year was rounded off with a final Council meeting in November at the Lakeland Lodge in Taupo.

1993

David McNamee, USA, was back in the country in February 1993 for a one-day Advanced Operational Audit course. He ran courses for some government departments during the same visit.

The IIA NZ AGM was held following the Wellington Branch AGM on 18th February.

SOPAC that year was held in Melbourne, 3-5 May and John Flaherty, Chairman of The IIA Board, attended. This was followed by a 2-day Australia board meeting, which Russell Third attended.

In May of that year, Jeff Chapman, Controller and Auditor General, spoke at a Wellington Branch breakfast meeting. Jeff Chapman was to become better known later, but not for a good reason (read on to see why).

Council met in Auckland on 3 June 1993 at the Guardian Trust building. Jimmy Medhora was an Auckland Council Member and worked for them.

Another IIR/IIA conference was held in Auckland at the Sheraton on 22-23 September of that year. This was followed by a Quality Assurance Workshop. The Board (formerly Council) took the opportunity to meet following this.

Papers in those days were faxed, not emailed. The final Board met again in Auckland on 25 November.



Twinning Agreements

Two twinning agreements were signed at the International Conference in Chicago on 21 June 1993 by IIA NZ President, Russell Third. These were between the Auckland Branch and the Phoenix Chapter of the IIA, and the Wellington Branch and the Sacramento, California Chapter of the IIA.



(Above photo, right) Flaherty welcomes Calloway.

(Right photo, left to right) Palm Beach County Chapter member Dwayne E. Jorgensen, CIA; Tallahassee Chapter member Pat Roddenberry; Southeastern Regional Director William P. Hannigan Jr., CIA; Tallahassee Chapter member Kathy A. Carter, CIA; and 1992-93 International Treasurer Jon D. Ward, CIA, live it up during the Fabulous Fifties Bash.



(Left photo) During The IIA's November 1992 Midyear Meetings, Chicago Conference Cochairmen Anderson (second from left); Kokoszka (far right); McPhillimy (third from right); and Chicago Chapter members Dan R. Schueler, CIA (far left); Curtis C. Verschoor, CIA (second from right); and Madison Chapter member Robert A. Hilby, CIA, invited everyone to Chicago.



Twinning agreements were signed between the Phoenix Chapter and the Auckland Branch of IIA-New Zealand, and the Sacramento Chapter and Wellington Branch of IIA-New Zealand.



Awards Galore

A record number of awards (nearly 200) were presented this year during various luncheons and general sessions.

Chairman of the Bradford Cadmus Memorial Award Committee Dennis R. Schueler, CIA, honored two lifelong achievers with the Bradford Cadmus Memorial Award (see page 14). Flaherty presented two Distinguished Service Awards (see page 15). The John B. Thurston Award and Leon R. Radde Educator of the Year Award (see page 16) were also presented, along with the chapter and national institute awards (see page 17).

Attendees also celebrated the 50th anniversary of the Chicago Chapter, complete with birthday cake and song. Many of the chapter's former presidents were honored at the Awards Luncheon.

Wow! What a Conference!

(continued from page 1) for their coordinated efforts in putting on the conference. Betty McPhillimy, William C. Anderson, CIA, and Richard J. Kokoszka, CIA, spent three years readying The IIA for Chicago, and readying Chicago for The IIA... and it was time well spent.

Calloway provided an insightful look into today's global enterprises during his presentation on "Less Control, More Trust: Leading Today's Global Enterprise."

IIA President William G. Bishop III, CIA, gave a rousing welcome on Tuesday morning. "The theme for this conference is 'Audit Fever: Chicago's Got It!' Believe me, I feel the heat and I've got the fever," he said.

Other general session speakers included Robert Galvin, Chairman of the Executive Committee of Motorola, and Ian Brindle, Senior Partner of the United Kingdom Price Waterhouse. The conference also featured two widely acclaimed motivational speakers, John Cassis and Kandy Kidd.

12 IIA Today

(Left photo) Participating in the Phoenix and Auckland Branch twinning are (front row, left to right) Secretary of IIA-New Zealand Michael A. Chivers; Flaherty; Phoenix Chapter President Rudy Hernandez, CIA; (back row, left to right) President of IIA-New Zealand Russell W. Third; Western-South Regional Director Larry Lachey; Bishop; and Phoenix Chapter member Stanley Chang, CIA.

(Right photo) Participating in the Sacramento and Wellington Branch twinning are (front row, left to right) IIA-New Zealand member Graham Burnett; Western South Region District 2 Director David W. McNamee, CIA; Third; (back row, left to right) Flaherty; and Bishop.

Twinning Abound

At the Chairman's International Reception on Monday evening, twinning agreements were signed between the Phoenix Chapter and Auckland Branch of IIA-New Zealand, and the Sacramento Chapter and Wellington Branch of IIA-New Zealand. "Twinning agreements underscore The IIA's motto, 'Progress Through Sharing,'" said Flaherty.

Library Services

An agreement between the Electronic Data Processing Auditors' Association (EDPAA) and IIA NZ for the provision of library services was signed on 20 August 1993.

NZ Organisation for Quality

IIA NZ signed an Affiliate Agreement with this Organisation in December 1993.

1994

Jim Harknett was President from 1994 to 1996

The year started well with a turnout of 188 directors to a talk on Audit Committees at Price Waterhouse on the 1st of February. Bruce McDonald from Price Waterhouse and IIA President, Russell Third, spoke, and the Institute got great publicity from the event.

14-15 February, David McNamee was back in the country running a 1.5-day seminar on Risk Assessments and Outsourcing.

The Institute's AGM was held on the 9th of March, with Jim Harknett taking over the reins as President. Grant Burns (Auckland), Bruce McDonald, Russell Third, and John Sutherland (Wellington) were on the Board. A Board strategy meeting was held in April that year, and work was being done by John Sutherland and Russell Third on a Business Continuity Plan (BCP) for the Institute. The reliance on a single employee was of concern, and the BCP was looking at how to handle this and other situations the Institute may find itself in.

The Internal Audit Public Sector Group continued to have meetings during the year.

On 27 July, an IIA Quality Management Course was run by Dr Richard Ratliff.

Alex Mathieson, Chief Internal Auditor for the Department of Justice, won the global John B Thurston Award. The Board of Directors of The Institute established the John B. Thurston Award in March 1952 as a tribute to the memory of its first international president and an eminent authority in the field of internal auditing. The award is given annually to the author of the article published in the *Internal Auditor* magazine, voted to be the most outstanding paper in the field of internal auditing. Alex's article was on Consultative Panels for Internal Audits. Alex's prize was an all-expenses trip to the upcoming 1995 conference for The IIA in Paris.

On 16 September, the Institute had an article published in the National Business Review. Unfortunately, the records don't show what the subject matter was.

The IIA Internal Audit conference that year was held in Wellington from 20 - 22 September. Alex Mathieson and Russell Third gave a joint presentation on Consultative Panels (see **Appendix D**), and there were several international guests, including Bob McDonald from Australia, Lynn Kulasingham from Malaysia and Andrew Chambers from the United Kingdom.

A one-day Internal Audit course was offered to members and run on 4 October.

The National Business Review published an article on Russell Third's appointment as The IIA Regional Director for the South Pacific on 18 November.

IIA NZ's last Board meeting of the year was held in Auckland on 22 November.

IIA Wellington Committee met to brainstorm next year's lunchtime meeting topics on 23 November.

The Wellington Branch year finished on 15 December with a wine tasting evening.

Christchurch 1994

Branch AGM 18/2/1994: Committee – Heather Harrison - Chair (Mt Cook Airlines), Pauline Mazey (Canterbury Health), Michael Batstone (Milburn NZ Ltd), Greg Beck (AMI), Ian Boanas (TrustBank Canterbury), Bruce Baillie – Secretary/Treasurer (Social Welfare).

Six members' meetings were held during the year. Topics of presentations: Computer auditing, ISO 9000 accreditation, importance of recording evidence in fraud investigations (NZ Police presenter), human resource auditing, controlling toll call fraud (Telecom presenter), 'Challenges and Opportunities in Internal Audit' by John Tongren (USA). The annual Christmas luncheon was at 'Mona Vale'.

Support at meetings averages about 10 over the year from 'local' members. Total membership was about 40 during most of the year.

Up to 1994 and for several years thereafter, attendees paid \$5.00 as an attendance 'fee'. Luncheon was provided at cost (although the branch made a small profit on each one!).

Meetings were held at the Canterbury Centre, then the home of TrustBank Canterbury. They used the Dickson Room rent-free and paid only for the luncheon supplied by the TrustBank caterers. For some years, TrustBank had a team of internal auditors, and the branch chair was Steve Eves. It was through Steve that the Branch came to meet at the Canterbury Centre, where the auditors worked. It continued to meet there for several years after, and changed when the bank changed hands and its policy began to charge a fee for the use of the room. Before 1994 and after leaving the Canterbury Centre, they were always able to hold meetings without cost, usually, but not always, where the Chair for the time being worked. Other meeting venues were: Milburn NZ Ltd, (in Riccarton amongst extensive lawns and gardens – easily the most attractive surroundings they ever experienced); Social Welfare IA Unit, overlooking the Avon River and the police headquarters, the Canterbury Building Society; they moved back to the City Council when Graeme Nicholas became the Christchurch City Council head of internal audit and a member. They met in the Camellia Room. No windows, but large and good facilities, and surrounded by photographs of women city councillors and mayors from the 1880s to the present. AMI provided space for several meetings (Greg Beck).

The meetings were from 12 noon to 2.00 pm from the early 90's. They tried having a 5.00 pm start, but it lasted for only a few meetings.

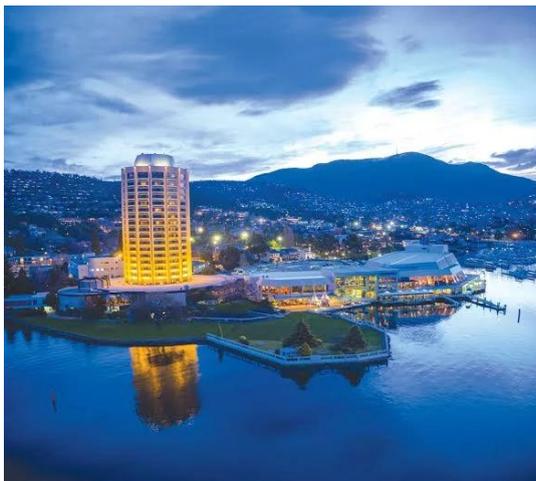
1995

The year started off with Russell Third flying to Orlando headquarters, 26-26 January 1995, to be part of The IIA Nominating Committee. Members from around the world were invited to form this committee, which in turn both proposed and vetted the incoming Executive Committee members, including the Chairperson, for the coming year. Russell said it was an interesting experience, and there were several robust discussions on the suitability of candidates for these high-profile, global roles. Russell spent a day at headquarters following this meeting in discussions with HQ staff.

The Wellington Branch held its AGM on 9 February.

David McNamee ran an Internal Audit course on 14-15 March followed by his facilitating a Manager Forum on 16 March.

The IIA NZ AGM was run in Auckland on 12 April that year. Jim Harknett continued in his role as President. The following day Russell Third ran a one-day Internal Audit course in Auckland.



The SOPAC conference was run in Hobart 16-18 May at the Wrest Point Casino. Several NZ delegates attended, and speakers included Bill Bishop, President of The IIA and David McNamee. Russell Third chaired a number of sessions and later proctored the CIA exams for the Australian Institute. He also was invited to attend the Australian Board meeting on 19 May by Bob McDonald and David Abba, IIA Australia's Executive Director.

A mid-year Board meeting was held in Auckland at Mount Cook Airlines 1 June 1995.

The Public Sector Internal Audit Group continued to meet regularly in Wellington.

Souella Cumming and Russell Third ran a one-day Internal Audit course in Wellington, 9 August.

The IIA NZ Conference was held in Auckland 18-19 September of that year. Michael Chivers, Jim Harknett, Robert Clarke and Russell Third met with Australian Board member Bob McDonald and Executive Director, David Abba. A Board dinner hosted them

at Kermadec Restaurant on the Auckland waterfront following the last day of the conference.

A Self-Assessment Workshop was run the following morning and an IIA NZ Board meeting was held that afternoon.

The Wellington Branch Committee ran a brainstorming meeting, 4 October, on monthly lunchtime meeting topics for 1996.

Souella Cumming and Russell Third ran an IIA two-day internal audit course in Auckland 13-14 November.

Government submissions - Whistle Blowing

IIA NZ (Michael Cox, Ross Dunn and Russell Third) made a submission to the Justice and Law Reform Committee on the Whistleblowers Protection Act in. 15 November 1995. Ross recalls that Roger Douglas chaired the Select Committee and he congratulated IIA on the quality of our submission.

The IIA NZ Board met in Wellington for its last meeting of the year 23 November.

Christchurch Branch 1995

Christchurch Branch AGM 17/2/1995: Committee - Heather Harrison - Chair, Michael Batstone, Greg Beck (AMI), Bruce Baillie - Secretary/Treasurer.

Six members' meetings in the year. Topics were - the Privacy Act 1993 (presented by a Christchurch solicitor), informed choices about career development (presented by a Christchurch professional advisor), positive stress in internal auditor (presenter Heather Harrison), a 'Round Table' (one of the regular meeting events). Michael Chivers, the National Secretary of the IIA NZ, spoke at the AGM (2/95) on the future developments in internal auditing.

Attendance was again around ten people each meeting.

Branch membership was about forty for most of the year and fourteen of the members in 1995 were still members in 2006.

1996

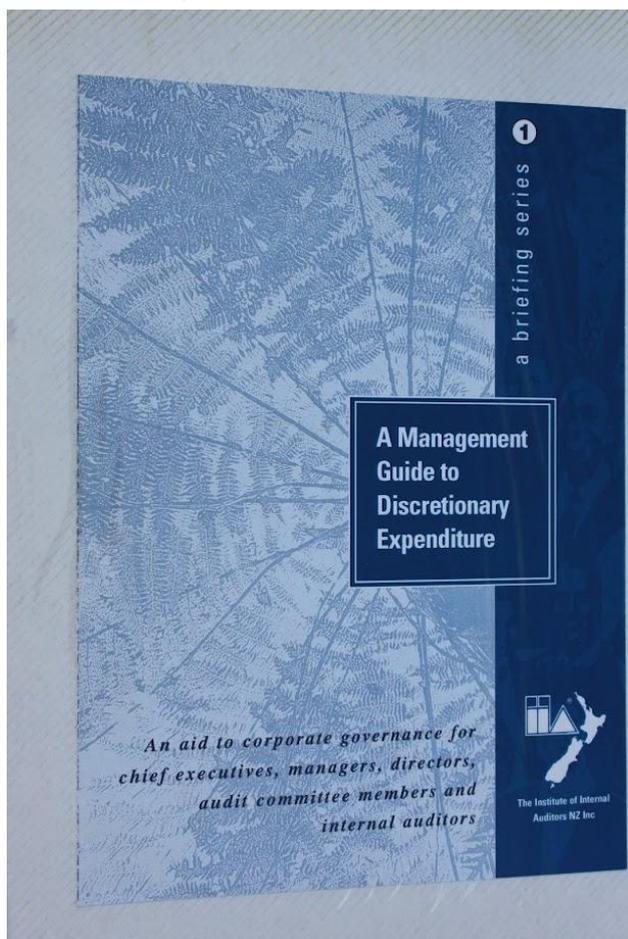
IIA NZ held its inaugural Professional Issues Committee meeting 8 February 1996. A follow up meeting was held 14 March. It is unclear how long this committee lasted.

12 February The IIA advised Russell Third he was to be appointed a Board Director at Large at its 26 June meeting in Los Angeles. This was a world-wide appointment with no district or region under his control.

The IIA NZ AGM was held in Auckland that year on 14 February. John Sutherland was appointed President.

19-20 February Souella Cumming and Russell Third ran an IIA two-day internal audit in Wellington.

21 February 1996 saw the release of the IIA booklet, "**A Management Guide to Discretionary Expenditure**" which was issued after the former Controller and Auditor General, Jeff Chapman, was prosecuted for fraud. He was later jailed. Forty Chief Executives, the media and Internal Audit Managers attended.



The booklet was written by members of the IIA Public Sector Internal Audit and Review Group, led by Russell Third, and was published by the Institute of Internal Auditors.

In preparing it a series of meetings were held identifying a number of non-salary expenditure areas where personal advantage could be gained.

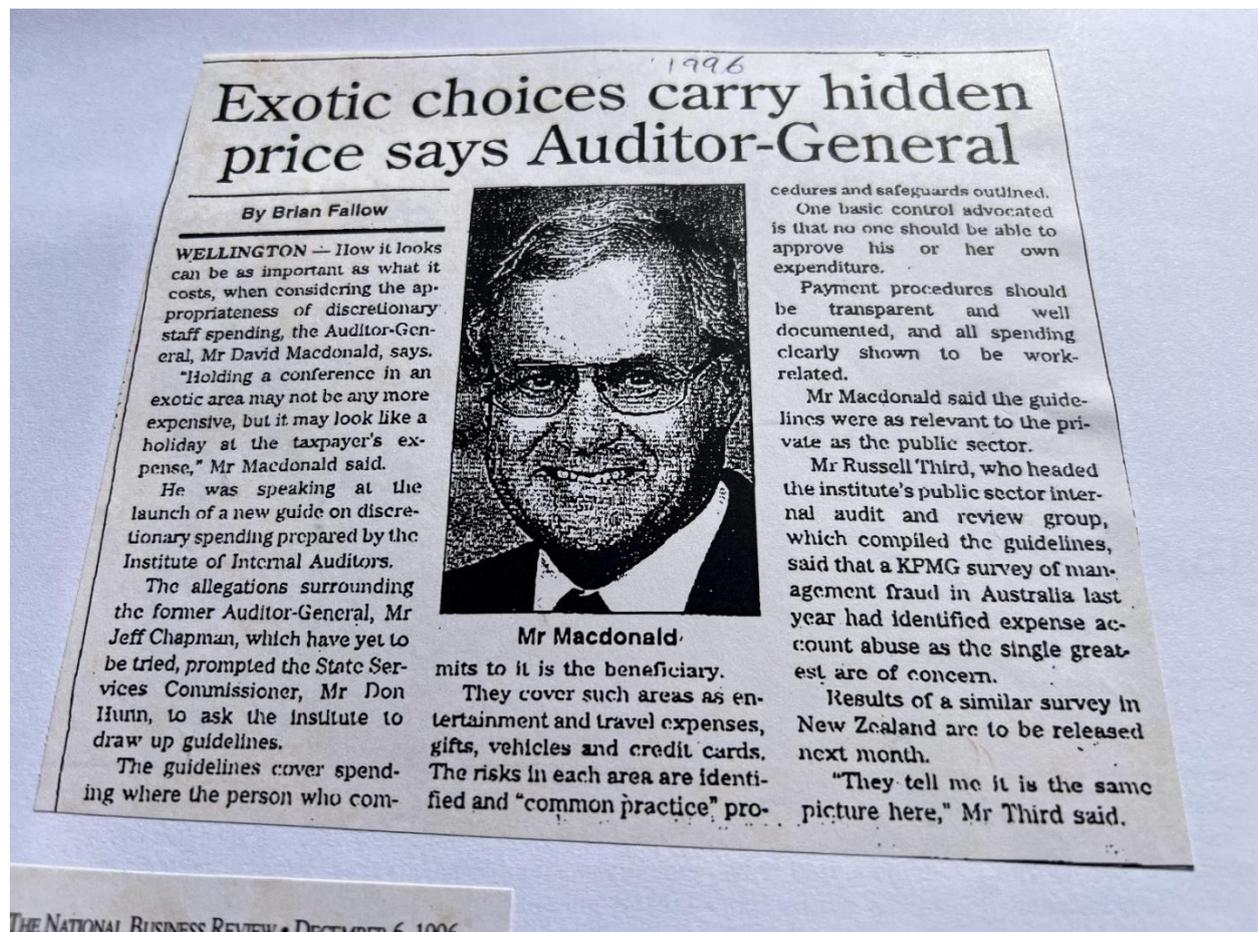
In considering the approval of discretionary or sensitive expenditure the book (see **Appendix E**) outlines there are four elementary tests that can be applied:

1. Does the expenditure support the goals of the organisation?
2. Could the organisation confidently justify this expenditure to a taxpayer, shareholder or other interested party?
3. Would publicity adversely affect the organisation?
4. Does the frequency or significance of the activity warrant the development of a specific policy?

The State Services Commissioner asked the Group to hold off on taking further action until he had the opportunity to sound out Chief Executives to get the opinions of the Chief Executives on what action they considered appropriate and necessary.

The final publication was supported by the State Services Commissioner and the Controller and Auditor General. This book became the benchmark for both Government Departments and the Private Sector to follow in the area of discretionary expenditure.

Feedback on the book was incredibly positive, both from within New Zealand and overseas.



The 22 February Wellington Branch AGM saw Russell Third speak to the Branch on the above subject. Kevin Mead from The IIA attended.

A delegation from IIA Korea visited Wellington 8 March and were hosted for lunch by the local committee.

Russell Third, in his Regional Director role, flew to Sydney for an IIA Australian Board meeting 30 March.

The IIA Board met in Auckland 16 April. A Wellington Branch meeting on the 18th of that month had as a guest speaker - The Rt Hon Winston Peters.

A two-day Internal Audit course was run in Auckland 10-11 June, again run by Souella Cumming and Russell Third. They ran a further course in Wellington 14-15 October of that year. Of note was that two Internal Auditors from Nauru attended.

The IIA NZ Conference for 1996 was held from 16 - 18 September in Wellington. The reception drinks were at Parliament on the first night and the conference dinner on the Tuesday was at the Tugboat in Oriental Bay. A breakfast session with Don Brash as guest speaker was held on the Wednesday morning.

The final Board meeting of the year held on the 4th of November in Wellington. The meeting was an highly contentious one, with board members not at all happy with the President, who had signed the Institute up, inadvertently, into a new rental agreement for an IIA office location, and in doing so, used virtually all our cash reserves. The rental property was above the James Cook Arcade in Wellington. Claire Dawe became the National Secretary.

Christchurch Branch 1996

Branch AGM 16/2/1995: Committee – Heather Harrison (Chair), Pauline Mazey, Christine White (Department of Internal Affairs), Michael Batstone, Greg Beck (AMI), Bruce Baillie (Sec/Treas).

Six members' meetings in the year. Topics were – the Christchurch City Plan, Services provided by New Zealand Post, 'Batstone in China,' (this from Michael Batsone who spent time in China on a joint venture operation in cement production); an education forum, human resource auditing. The majority of these presentations were by local branch members.

Attendance was still around ten to twelve people each meeting.

For a short time, there was an informal group that met in Dunedin. Graham Crombie of Price Waterhouse (as it was then) was the 'leader'. Here are two of his reports and a letter from Bruce Baillie's to him.

Otago Group

An Otago subbranch of the Institute of Internal Auditors has been established. The group was founded to provide a forum to share knowledge amongst those involved in the field within the region. It is intended that the group meet 3 to 4 times a year to share ideas and provide support. The group is seen as being an informal gathering of professionals interested in the internal audit area.

An initial meeting to gauge the level of interest in forming a group was held on 29 February 1996. There was considerable support for the concept, with approximately 30 people

attending or showing support. The group is a mixture of full-time internal auditors, accountants with some responsibility and Chartered Accountants. A wide range of organisations in both the public and private sectors are represented.

A second gathering was held on 12 April. The format of the session was a lunchtime presentation on The Practical Problems of Setting Up an Internal Audit Function. Chris Hopkins of Donaghys and John Jennings of HealthCare Otago both delivered presentations. The material was well received as a number of the group are in the early stages of establishing internal audit functions.

Seventeen people were present and another eleven have indicated an interest in attending future meetings. It is pleasing to see the enthusiasm for the group continuing to grow.

We anticipate future sessions will cover topical problems as well as providing an opportunity to share ideas within the group. We are also investigating the possibility of running some introductory training.

Membership of the Institute of Internal Auditors is not a requirement for involvement in the Group. Anyone interested in being involved in the group should contact Graham Crombie (Price Waterhouse 477 9923). (Received about March 1996.)

In August, John Sutherland presented to a group of eighteen people on the New Zealand Institute of Internal Auditors, current developments in internal auditing, training and study opportunities. John emphasised the benefits of becoming a member of the Institute and the importance of continuing education in the career of an internal auditor. The group welcomed the opportunity to listen to and meet with the President.

The second meeting was held on 21 October. This was a one-day introductory internal audit training course (a condensed version of the two-day introductory course normally offered by the Institute). The course was presented by Russell Third and well supported by the group, with eleven people attending. Even though the attendees had a diverse range of experience and backgrounds, the course content was well received by the group. A stand-out feature of this course for Russell was that one of the participants passed out during it and an ambulance had to be called.

It is intended to have a final meeting for the year in early December. This session will look at issues involved in fraud detection and prevention.

An interesting observation is the attendance. There were six members in Dunedin in 1996 and three others on the newsletter mailing list, so half the attendees in August were 'outsiders,' an impressive effort! Even more impressive was the next meeting with Russell Third, because the main part of the branch, in Christchurch, never had a Russell Third course! Sadly, the group struggled for interest after that and did not meet again..

Christchurch had forty-four members in August 96, nine from outside Christchurch. (In November membership was up to forty-seven). We had a further eight on our mailing list, including 4 from outside Christchurch.

The branch newsletter became *the Mainland Touch* in February 1996. By 'popular demand' it was also sent to members of the National Council (and perhaps a few others). The circulation was about sixty.

In June 1996, the Branch was advised of the resignation of Mike Chivers, and the intention to move the national office from Auckland to Wellington within the next few months.

For several years, the Canterbury Branch gave presenters at meetings a gift of some sort, often a voucher for a book, or similar. For a couple of years, including 1996, they gave a ballpoint pen. The pen casing was made from native wood by a small Otago firm, and we had it embossed with the IIA NZ logo. It was a very nice keepsake. They tried to interest national office in buying a big supply for presentations, but it did not eventuate.

1997

Peter Bonisch was elected President 1997 to 1999.

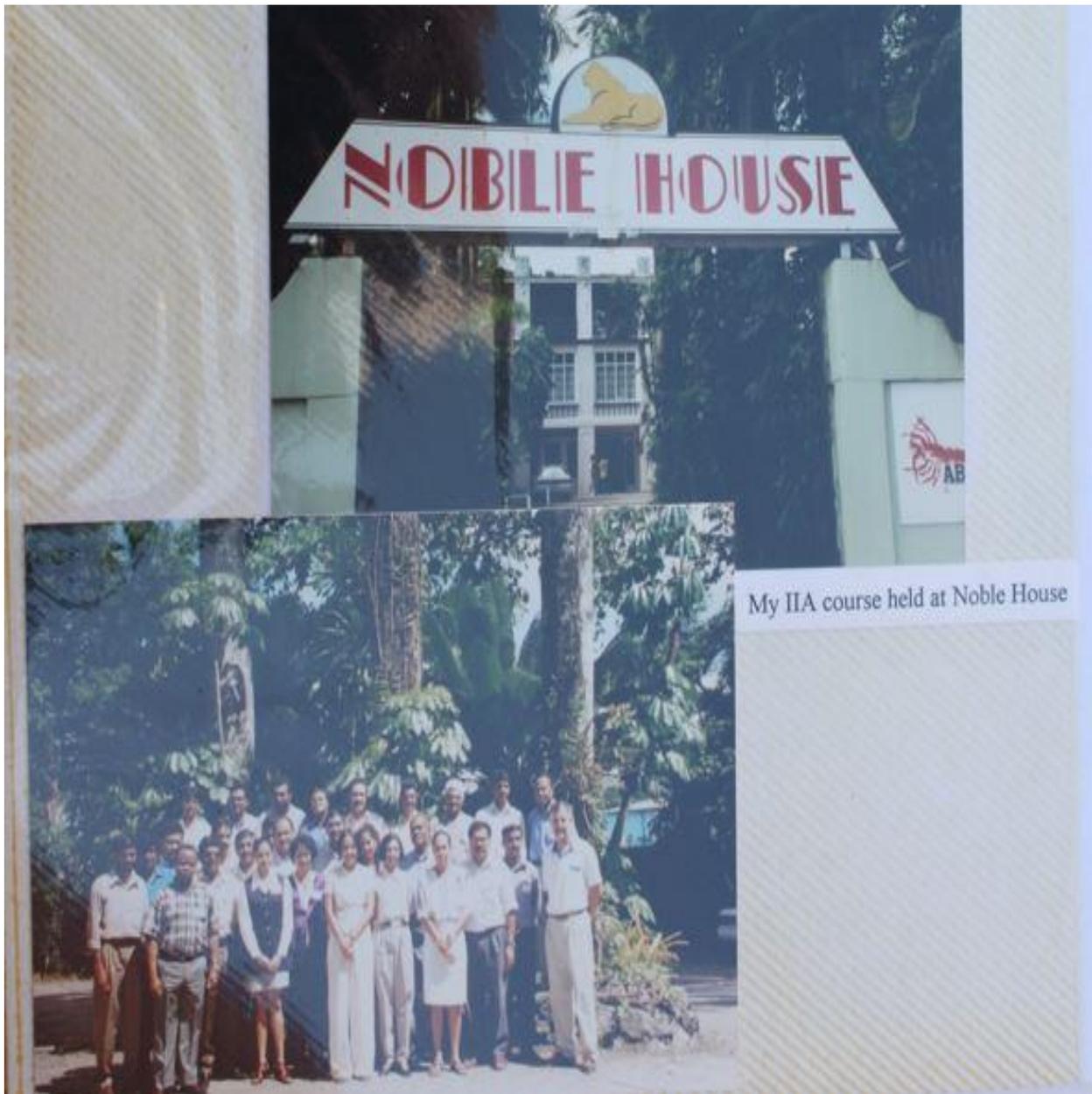


Peter had previously worked for Telecom as Manager, Operational Audit and was encouraged to join IIA by the then Director, Internal Audit, Bruce Buddicom. After Telecom, Peter took up a role with Ernst and Young to head up a new division, Assurance Services. He was in this role when he took over the Presidency.

24 - 25 February - a two-day course ran by Souella and Russell followed by another 13-14 October.

16 April - David McNamee is back in New Zealand and talks at the Public Sector Internal Audit Group. He returned later in the year in September, giving a presentation to members at KPMG.

Russell Third ran an introductory course in Suva, Fiji 24-25 April, 1997.



Bob Ferst from The IIA was in Wellington at the end of May and the Committee had dinner with him at the Tugboat on the Oriental Parade.

Outlined below is "A News Leaf" from June 1997:



NEWS FROM THE C.E.O...

I have returned... Europe in 33 degree Celsius heat takes some beating especially as winter arrived in Wellington while we were away. The wedding was a success and the Honeymoon a whistlestop tour of 6 countries in 8 days. A lot of driving!

The office is still here and was in pretty good shape when I got back. This is no doubt thanks to the hard working efforts of the Institute's two part-time staff and my sister who stepped into the breach during my absence.

Also working hard while I was away was Ross Dunn, a long time member and fellow of the Institute, who, in my absence, completed the 1997 accounts to a point where they could be reported to the Board. Ross has donated a considerable amount of time to this chore and I would like to take this opportunity to thank him on your behalf for his efforts and his conclusion that with prudent management the Board will be able to carry out the Strategy for the Future currently being developed.

Ross did put a rider on his findings stating that his conclusions are based on a successful conference. I ask each and everyone of you to review the brochures for the conference enclosed with this mailout and endeavour to support it and thus the Institute by attending the session if at all possible.

We have endeavoured to focus on a programme which will appeal to a wide variety of managers and organisations, and ask you to forward the additional copy of the brochure to your manager or someone else you think should or would like to attend the conference. Remember that if you sign up a non-member you go in the draw for a mystery prize to be drawn at the Conference Dinner.

CANCELLED SEMINARS

Your Institute has tried to run several seminars this year and the only one which has been well patronised was the Introduction to Internal Auditing course held in Wellington in February. Since then three courses have had to be cancelled due to lack of numbers registering.

We would appreciate hearing from you as to why you don't think these are being patronised. Are they not meeting your education needs? Have you told us what you need? Are we not reaching you in sufficient time to register for the seminar? If there are other reasons as to why these training opportunities are not being well subscribed your advice would mean that we could target better next year or perhaps look at outsourcing some training by giving accreditation to other providers.

UPCOMING EVENTS

JULY 23rd
Auckland Branch Meeting with Diane Horton in attendance. The speaker at the meeting will be advised by flyer the week prior. Come along and have your say as to what you believe the direction of the Institute should be and what it should be doing for its members.

SEPTEMBER 15th & 16th
IIANZ Conference in Christchurch. Hotel Grand Chancellor, Cashel St, Christchurch



INCLUDED WITH THIS MAILOUT!

- 2 Conference Brochures for the HANZ September Conference
- 1 Conference Brochure for a conference on on Derivative Risk to be held in Sydney
- 1 Call for papers for Institute of Internal Auditors - Australia's National Conference 1998

NEWS FROM UP NORTH Messages from Auckland Branch

by Alastair Burrows



Information technology was the theme of our last two lunchtime meetings - a subject always to the forefront of our work. There was plenty of 'food for thought' for those who attended these sessions - even for non-computer buffs.

The May meeting featured a discussion on **software piracy and the law**. The two presenters, Aaron Pedersen (*Business*

Alliance Software) and Phil Webster (*Price Waterhouse*) gave members practical advice on managing and auditing an organisation's software resource; including a methodology and tips on how to implement an internal software review. Software piracy is theft and we were advised that if our organisations are caught with illegal copies of software, they may face criminal and civil charges for breach of copyright law.

Attendance at the June meeting on **Year 2000 issues: Problems and Challenges**, was disappointing. Possibly many of us haven't yet realised the IT implications arising from the start of the new millennium, or perhaps we feel that Year 2000 consultants are out to exploit the latest management buzzword, (like CSA, MBO, TQM etc.) The presenter of this forum, Michael Murphy (*Ernst & Young*) issued a timely warning that appropriate expertise may not be so readily available as we get nearer to 2000AD. It is also worth noting that the Year 2000 is a project with a definite finish date, and since IT projects have a reputation for not being completed on time or within budget, those who aren't prepared will be faced with the prospect of spending even more money on hiring experts to meet the deadline.

Michael provided us with a good insight in to the problems that organisations will face and we came away with a greater understanding of the role internal auditors must play in this process. We should plan and perform an audit of the impact of Year 2000 issues on our organisations as soon as possible, and assess all risk exposures and take steps to ensure that all IT systems are Year 2000 compliant.

The main message from this presentation was that the Year 2000 should be regarded as a project - not as a crisis for our organisations!

There are several useful Internet sites and a very informative article was published in the UK *'Internal Auditing'* journal in March this year which provides a practical guide on Year 2000 issues. This article is well worth reading and anyone who would like a copy should contact me directly.

Finally, I realise that some of our members have had difficulty attending lunchtime meetings due to the short notice. To overcome this I will be working closely with the Branch Committee to provide all members with an **Education Programme** for the remainder of the year. We also intend to change the present format and time of our monthly meetings and plan to run a half-day seminar later this year on a topical audit issue.

I look forward to seeing more of you at our next meeting, when we will introduce you to our new

NEWS FROM THE MIDDLE Messages from Wellington Branch

by Alan McKenzie



Two successful branch meetings have been held since you last heard from the Capital.

The May meeting was addressed by Chris Roberts

of KPMG on year 2000 issues. Chris's address provided plenty of food for thought for members particularly on the sheer size of the issues involved.

The June meeting was addressed by Brian Clewes, of Lloyds TSB bank, currently seconded to the National Bank. Brian spoke on system audits particularly auditing IT projects during development. Again this created a deal of interest and we had an excellent turnout.

Diane Horton attended the meeting also and members were invited to

participate in an information gathering exercise which will be used in determining the strategic direction of the Institute when the Board meets at the end of July.

It was great to present membership certificates to two new members, and note that five new members have joined.

The Wellington branch committee are actively encouraging non members to attend the monthly meetings, and have reduced costs for guests. So please plan to come to the July meeting (24/7/97) and bring a colleague or prospective member.

We have been fortunate in that the National Bank has sponsored our last two branch meetings, which is greatly appreciated.

Also in June, Bob Ferst of GAIN (Global Auditing Information Network) made a presentation to

members which was well supported.

The important educational event for IIA in 1997 is the conference so I look forward to a good turnout in Christchurch.

As a branch we are planning to hold an education day in January 1998, (hopefully some of our out of Wellington City members will be able to participate). This education day will be based loosely on the successful ISACA days that many of you will have been to. It is intended to cover a reasonable range of internal audit topics over 1 day at reasonable cost. I will keep you posted on this during the year.

Please keep the ideas and support coming as getting value from your branch is directly related to the level of participation from members.

INFORMATION GATHERING!

Thank you to those of you who took the time to complete last newsletter's survey. We have got some good information to use when I discuss the membership's needs with the Board and next issue of the NEWs LEAF should be able to report on the decisions taken for the long term future of the Institute. Also, thanks to those who have been at recent Branch meetings and assisted me with the information gathering exercises.

The Board is currently reviewing several options to revive the magazine. We are discussing the options of access to some pages of the Australian Magazine versus having a local publishing house provide us with a magazine. We just have to see how the proposals stack up on paper! Pardon the pun! Don't forget your views on the subject are welcome so please feel free to write to me

CIA Examinations NOVEMBER 1997 Looming Fast!

- ♦ DO YOU WANT TO / ARE YOU SITTING EXAMS IN NOVEMBER?
- ♦ HAVE YOU STARTED STUDYING?
- ♦ HAVE YOU REGISTERED FOR THE EXAMS WITH IANZ?
- ♦ HAVE YOU BOUGHT THE BOOKS?
- ♦ HAVE YOU GOT THE TAPES!

CONTACT THE SOUTH PACIFIC DISTRIBUTION CENTRE c/- NATIONAL OFFICE NOW TO ENSURE THAT YOU HAVE EVERYTHING YOU NEED TO COMPLETE A SUCCESSFUL COURSE OF STUDY.



NEWS FROM DOWN SOUTH

by Heather

Harrison

Murray Trounson, of Trounson and Gallagher Ltd, spoke at the June meeting on the Challenges and Risks in the Computer Area.

With the changes in computer technology and the high reliance of computers in the commercial environment the topic was timely.

Murray outlined the risks of large organisations who are even more vulnerable to the risks of something going

wrong in the computer systems. There is often a high reliance on two or three key people who control the systems and due to the high turnover rate in the computer industry there are the constant costs of retraining. The taxation environment means there are high penalty rates if the organisation does not get it right.

There are sometimes problems with new technology when it is first released to the market and often organisations would be better to wait for a period of time before purchasing new products, thus allowing others to iron out the bugs.

The year 2000 is also causing a lot of problems for

some firms and this may not have been adequately addressed in many organisations. A recent example was a product which had a 3 year guarantee period but the computer would not allow the salesman to input the year 2000 as "00".

Disaster recovery is another issue which has not been adequately addressed in many companies. Often back-up tapes are only held in another building on the same site or are not backed up at all. Murray gave some very practical tips on how to address the issues raised and gave great examples of the consequences of not having adequate controls in place.

Diane Horton also attended the meeting to seek information for the Board's Strategic Planning Session at the end of July. The meeting was well attended so Diane was able to get the views of a good cross section of the Canterbury membership.

Next meeting, 15 August. Miles Trent speaking on Computers and Information.

CONFERENCE 1997

With this mailout you will find two conference brochures, one for you to use to register and one for you to give to someone else who may wish to attend. Remember, anyone you give the form to who joins as a non-member qualifies you for the Mystery Prize Draw! Put your name on the spare form before giving it to them! More forms are available if you wish to enter more than once.

An accompanying persons' programme has not been developed. If you require information for someone accompanying you about what to do in Christchurch while the conference is on please drop us a line when registering and we will send you an information pack of what is available to do in Christchurch. Day tours to Akaroa, Hanmer Springs and around the city are readily available. Skiing packages are also available by the day. For those who prefer to shop, Christchurch has several shopping areas of note.

The conference is being organised by your very own Chief Executive (in her spare time!) because she used to do it professionally. However, the decision to do it this way is fundamentally based on the financial health of the Institute. It means that more of the conference revenue will hopefully become profit - but only if there is sufficient attendance. Please consider your attendance as an indication of support for your organisation. It is primarily a voluntary organisation and if you haven't volunteered for much this year consider attending the conference as your contribution!

New BOOKS



The South Pacific Distribution Centre is pleased to advise that we have the following new books for members to consider.

Bk # 322

Audit Customer Satisfaction: Marketing Added Value

\$100 to members

Cindy E Cosmas

The purpose of this marketing study is to present a collection of marketing methods which have been successful in furthering the reputation of many internal auditing departments. The techniques are not promoted as being all things to all people, but the study is primarily aimed at these audiences.

- Existing internal auditing departments who want to expand their services and increase the quality and quantity of contributions they provide to their organisation.
- Contract auditors who are seeking expansion of their services for greater marketability.
- Company management contemplating the feasibility and value of creating an internal auditing department.

Bk # 320

The Auditor's Guide to Internet Resources

\$100 to members

Jim Kaplan, CIA

A book meant to be used as a desktop reference guide to using the Internet in auditing. Written in plain English it gives guidelines on where to go for what on the Internet starting with basics such as how to get connected. The book focuses on providing the reader with information specific to audit professionals from their perspective and how the Internet can be used as an auditing tool. All the information you need to join the AuditNet Revolution!

Bk # 812-972

Professional Practices Pamphlet

- Assessing and Reporting on Internal Control

\$25 to members

A new professional issues pamphlet from the IIA provides, for the first time ever, codified guidance for reporting on internal control systems.

The guidance provides:

- Details on how to prepare management's report and what information to include.
- A sample opinion statement with examples of language to use when presenting exceptions, scope limitations, qualified opinions and adverse opinions.
- Factors to consider when assessing business risk
- Typical practices used in an internal control assessment

The document does not represent authoritative guidance from the IIA, but is expected to serve as reference material for internal auditing practitioners according to IIA Inc's President, William G Bishop.

INTERNET - WEB SITE

Oops, got it wrong... The person who installed the page gave us the wrong address information. Fortunately Ted Christiansen discovered our error so thanks Ted, and apologies to anyone who has been browsing at the wrong place! Hope you

UPCOMING SEMINARS AND CONFERENCES

IIA (NZ) Inc Courses

SEPTEMBER 15 & 16

IIANZ Conference 1997

OCTOBER 13 & 14

Introduction to Auditing - Wellington

One role Peter Bonisch had when he joined the IIA Board was to address concerns over the National Secretary's performance. Peter met with Michael Chivers in Auckland and after a cordial discussion it was agreed Michael would step down. Little did we know at the time, but Michael was later diagnosed with a brain tumour. Michael had been totally committed to internal audit and the Institute, for many years, had been a true champion of the profession and it was now time for someone new to take over the role.

Claire Dawe was hired to take over running the administration for IIA NZ, based in Wellington July 1997. Later Diane Horton³ took up the role assisted by Sue Carson.

The IIA Conference for 1997 was run in Christchurch at the Grand Chancellor Hotel 15-16 September. One speaker fainted during their presentation which added a bit of drama to the proceedings. Luckily, they recovered okay.

Christchurch Branch 1997

Branch AGM 21/2/1997: Committee – Heather Harrison (Chair), Christine White, Greg Beck, Graham Stopforth (Social Welfare), Bernard Toner (City Council), Bruce Baillie (Sec).

Six members' meetings in the year. Topics were – Control Self-Assessment; using the internet; 'yardsticks' in using computers effectively; '360 degrees feedback'. Once again most of the presentations were by local branch members.

Attendance fluctuated between ten and eighteen attendees.

Diane Horton, the recently appointed CEO of the IIA NZ, was a guest at the June branch meeting.

There were 47 members as at May 1997.

Heather Harrison was elected an Associate of IIA NZ, having completed the business studies course (with internal audit) at Massey in 1996. She was the first to do so from the branch. One or two others were also studying at Massey (by correspondence).

Heather stood down as the branch chairperson in August and Chris White was elected in her place.

The secretary also stood down in December. He had retired from Social Welfare at the end of 1996 and had been Secretary/Treasurer for nine years. He continued to do the newsletter and attended branch committee meetings as the 'reporter'.

³ The records and memories are not clear as to whether Diane Horton or Claire Dawe took over from Michael Chivers

During the year, the Branch Committee met two or three times to plan the year's events. This had been the pattern for several years before and was to continue thus for the future. There were no 'spectacular' issues, or surprises at these meetings (i.e. we did not have any special guests from 'Head Office' or the like).

A minor feature of the way Canterbury did things at this time was the annual calendar issue to members who attended the AGMs. They printed a calendar on medium density card (A4), with meeting dates highlighted and a bit of promotional information. That was done for a few years, until 2001, at least.

1998

Norman Marks had been a regular visitor to New Zealand running courses through IIA NZ, but this ended under Peter Bonisch's leadership.

One controversial move Peter made was to propose a name change of IIA NZ to something he felt was more suitable. Peter had never been a fan of the term "internal audit". He believed then (and still does) that by juxtaposing external audit, which has a specific, statutory role, it presented an overly narrow view of the role of a modern, properly focused assurance function. He advocated for renaming the Institute as the Institute of Management Assurance and Control (IMAC). He felt that this offered a clearer explanation of the role and the specialisms attached to it. His view was that term "audit" was indelibly associated with external attest audit of financial accounts, and his view was that there was an inadequate focus being given by most internal audit groups to the non-attest related elements of finance and to the other areas of non-financial control.

This advocacy for a name change brought Peter's ideas to the attention of then international President of IIA, Bill Bishop. Apparently some interesting "debates" took place between the two with the result being that, if a name change were to be adopted (by a vote of membership as required by the Constitution) IMAC would certainly not remain affiliated with IIA internationally. In the end, the proposal was rejected by a national vote.

Souella Cumming and Russell Third continued running IIA courses. The first in 1998, was run in Wellington 9-10 March followed shortly thereafter by a one-day version in Auckland on 20 April.

In May we learned, via David McNamee, that our former National Secretary, Michael Chivers, had been diagnosed with a brain tumour. Michael had kept quiet about that. Michael and wife Gail moved from Auckland to Kaikoura and Russell Third made a special trip south to see him in Kaikoura hospital in September.

Details are sketchy but some recall the IIA Conference was held in the Michael Fowler Centre around this time.

An IIA Education Day was run in Wellington mid-November.

The Public Sector Internal Audit Group continued to meet regularly.

Peter Bonisch had an article published in *Internal Auditor*, the global IIA magazine, where he described the rush to claim risk as a discipline of internal audit to be an “unjustified professional land grab by internal audit that was neither disciplinarily nor practically justifiable”. He felt it made no sense then, and Peter has advised he still holds that view today.

He had other views that sparked debate, but his greatest controversy came when he proposed the winding down of the Wellington office and the absorption of IIA NZ to be a branch office of IIA Australia. He had become convinced that, given New Zealand’s scale and financial precariousness, an independent IIA Institute in New Zealand could not be viable as a professional body. In his view scale was essential and amalgamation with IIA Australia offered that scale.

Discussions were held with IIA Australia senior officers where the proposal was considered both practical and desirable. IIA Australia were willing to provide assurances that IIA New Zealand would continue to receive the support necessary to operate effectively with the most important protection being the rotation of conferences for Australia and New Zealand on a once every three- or four-year basis. Peter reasoned that such a proviso would make IIA NZ recognised and valuable regionalised part of IIA Australia on par with the other Australian states.

The details of when the actual changeover occurred are unclear, but Peter thinks the administrative handover was completed under the watch of incoming President, Alan McKenzie.

Christchurch Branch 1998

Branch AGM 20/2/1998: Committee – Christine White (Chair), Rose Cowie (Canterbury Health), Heather Harrison, Graeme Nicholas (City Council), Bernard Toner (Secretary).

Six members' meetings in the year. Topics were – Edward de Bonos 'Six Thinking Hats', about understanding the kinds of persons we might be; Control Self-Assessment; using the internet; 'yardsticks' in using computers effectively; '360 degrees feedback'; CAATs in auditing; performance management; the changing face of internal audit – the City Council experience; an internal audit philosophy. Once again most of the presentations were by local branch members.

Attendance was around ten for most meetings

At the beginning of the year we had fifty members, fifteen of whom were outside Christchurch. A later clean-up of the membership at national office reduced the number to forty-one.

Heather Harrison was presented with the CIA certificate. This was the first CIA achieved by a branch member. (11/1997 exams).

1999

Alan McKenzie was elected President 1999 to 2000. Prior to this Alan was employed by the then State Services Commission to provide leadership to the public service internal audit function. He moved to the Department of Conservation as their Chief Internal Auditor in 1998 and remained there until 2007 when he moved into operational leadership. Interestingly, he now manages the Kauri Protection programme – Tiakina Kauri Management Agency.

Some of his Board members at the time included Tim Shaw, Margaret Baker and Brian Robb.

In January planning was well underway for New Zealand to host, in Wellington, SOPAC 1999.

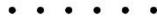
15-16 February – an Internal Audit course was run in Wellington followed by an Auckland one 12-13 July and another Wellington one 4-5 October presented by (you guessed it) Souella and Russell.

SOPAC was run at Te Papa, 28-32 March. John Sutherland, among others, did a great job ensuring this event ran smoothly and was a great success. Jean Paul Garitte, Chairman of the Board from The IIA and wife Hedwig, were here.

A Wellington Education Day was run at KPMG 30 July.

Later in the year there was an IIA Conference run by IIR, 6-7 September, in Wellington.

On the 20th of November it was with sadness that we learned that Michael Chivers had passed away. Michael had made an enormous contribution to the establishment and running of the Institute in New Zealand and overseas during his tenure.



Russell Third

South Pacific Region District Director

*Senior Consultant
Management
Assurance Services
KPMG
PO Box 996
Wellington
NEW ZEALAND*

District Director Report to October 1999 covering New Zealand

1. Membership in the NZ Institute as at 21 September is 410. This is made up of 227 in the Wellington branch, 127 in Auckland, 36 in the Canterbury (Christchurch) branch and 20 overseas. Membership has dropped slightly (418 in January 1999). We would expect membership numbers to stay the same for 2000.

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2. The financial position of the Institute is sound with around \$28,000 excess income over expenditure and assets of \$70,000.

3. The major conference of the year was the South Pacific Regional Conference held in Wellington 28-31 March 1999. 127 delegates were registered. 37 Australians attended and 15 others from overseas. These included the (then) Chairman of the Board, Jean-Pierre Garitte, Joan Pastor and John Tongren from the USA, John Mitchell and Sarah Blackburn from the UK and Bob McDonald, South Pacific Regional Director. Despite the disappointing turnout the conference made a profit, part of which is shared with IIA Australia.

4. Education Days run by the Wellington branch continue to be very popular and great value for money. One was held in July with a 107 attendees. This was run in conjunction with ISACA. Another is planned for December and will be run exclusively by the branch. Auckland branch have problems getting members to meetings. They are going to try running a half day Education Day in November.

5. Three Introductory Internal Audit courses have been run this year with 43 attendees in total. I run these courses (with my KPMG hat on). Two courses were held in Wellington and one in Auckland.

6. A 'Professional Week' was run in August following on from a very successful week run in 1998. Unfortunately this year the week's activities did not run at a profit and IIA had to contribute its share of that loss (approximately \$4,000). The Professional Partnership Network, whose aim is to promote networking for professionals, runs the week. This group is made up of the:

- Institute of Internal Auditors, NZ
- Chartered Institute of Corporate Management
- Human Resource Institute of NZ
- Institute of Chartered Accountants, NZ
- NZ Institute of Management
- NZ Strategic Management Society
- Wellington District Law Society
- Wellington Regional Chamber of Commerce

A number of high profile guest speakers addressed breakfast, lunch and other seminars.



7. Four new CIAs passed the May exams. Registrations for the November exam are unknown as participants now register direct with IIA Inc.

8. The major issue facing this Institute at present is the proposal to have the administration of the New Zealand Institute done by the Australian office. Approximately 90% of the NZ Institute's membership income goes on administration and office rental. This leaves little for development in other areas. I would hope this is only an interim measure. The proposal to amalgamate both Institutes and Fiji (and other South Pacific nations) into one South Pacific Institute makes sense and

should be moved on.

9. The next Board meeting is in mid November, when the above will be discussed.
10. The landlord of the IIA office has advised rental is going to increase approximately \$3,000 per month. This will be a further drain on Institute finances. Attempts are being made to sublet the office.
11. Ross Dunn is the current acting Chief Executive (contracted to the Institute) and he is assisted by Gary Robertson.

Russell Third
22 October 1999

Branch AGM 19/2/1998: Committee – Christine White (Chair), Rose Cowie, Heather Harrison, Graeme Nicholas, Bernard Toner (Secretary).

6 members' meetings in the year. Topics were –The Privacy Act; Fraud and evidential evidence; legislative requirements audits; IRD compliance changes; promoting internal audit to managers.

2 presentations were by 'outsiders', the others were by members.

Attendance was around 10 for most meetings.

Membership was 41 for most of the year.

2000

Tim Shaw, Auckland, was elected President 2000 to 2002. Tim had been on the local committee including as its Chair from approximately 1997 to 2003.

The first Board meeting of the year was held in Wellington on the 11th of February where books were being sorted out for the IIA Fiji Library.

On the 27th of May 2000 there was a memorial service in Auckland for Michael Chivers, former National Secretary.

The Internal Audit Public Sector Group continued meeting.

On the 16th of October there was an IIA Education Day held in Wellington.

Christchurch Branch 2000

AGM 18/2/00. Committee – Chris White (Chair), Rose Cowie, Heather Harrison, Michael Moore (Health Benefits Ltd), Graeme Nicholas, Miles Trent (Lincoln University), Bernard Toner (Sec). Bruce Baillie was acting secretary from 1/7/00.

Six meetings in the year. Topics were: CAPEX review/update on IIA Australia liaison; QA reviews if IT projects; integrating IA and risk management; the 'wellness audit' – presented by Audit NZ; a 'roundtable' rounded off the year. Breakfast at 'Strawberry Fair' completed the year in December.

Branch membership was forty-one (twelve outside Christchurch).

Attendance at meetings was again around ten.

2001

Tim Shaw, Auckland, was President 2001 to 2003

Little information on this period is available at present.

Russell Third ran a two-day seminar 7-8 May 2001 at IIA Fiji's Conference held at Suva's Holiday Inn. The conference was opened by interim Finance Minister Ratu Jone Kabuabola. The conference was chaired by IIA Fiji Chapter President, Jone Koroi. Forty-five members attended.

Fiji Sun
Tuesday 8/5/2001

National News e-mail

Auditors - corporate brain

By VERONICA HOWARD EVANS

EFFECTIVE internal auditors are any organisation's corporate brain and professionals the nation undoubtedly needs to steer us through these trying times. Interim Finance Minister Ratu Jone Kabuabola said yesterday.

Ratu Jone was opening the Institute of Internal Auditors Annual Conference at the Holiday Inn, with the conference theme being "Producing quality audit to meet your customers needs." Customers for the Internal Auditors are the management of a particular organisation.

"The above theme demands professionalism, knowledge, integrity and leadership qualities of today's internal auditors," he said.

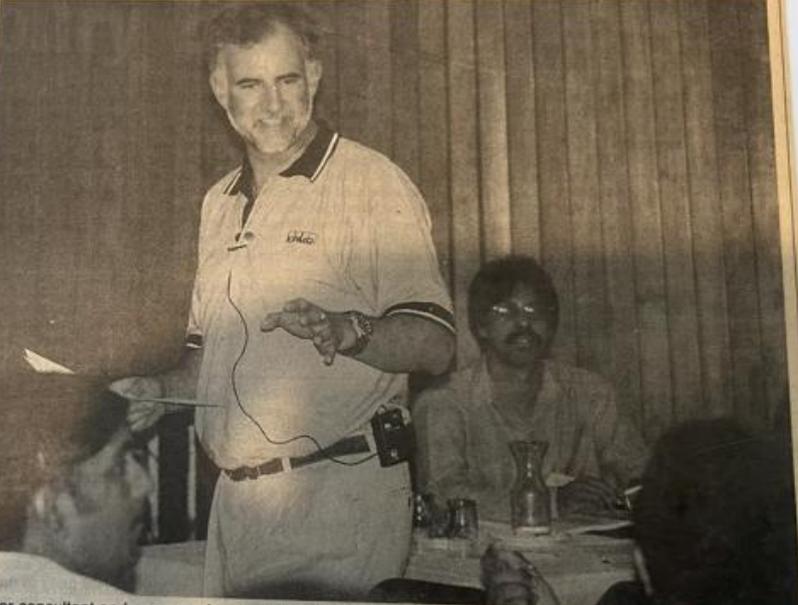
"Effective auditors serve as the organisations corporate brain and they champion operational efficiency, internal control and risk management," he said.

Ratu Jone said, "Sitting on the right side of management, modern-day internal auditors are consulted on all aspects of the organisation and must be prepared for just about anything."

"I do commend the high aspirations of the profession and of course, the hard working internal auditors; our nation undoubtedly needs you to steer us through these trying times," Ratu Jone said.

The conference will see a seminar conducted by an international certified Internal Auditor Russell Third, who is the senior consultant for the Management Assurance Services Division of KPMG in Wellington, New Zealand. Mr Third is a United States certified internal auditor and fraud examiner.

President of the Institute's Fiji Chapter, Jone Koroi, who is also the Audit Manager of Post Fiji, said the



Senior consultant and manager Assurance KPMG at the Wellington office NZ Russell Third speaking at the Internal Audit conference that was held at the Holiday Inn in Suva yesterday. Photo: JONE LUVENTOGA

seminar would be like "a refresher course for those who've been in the business for so long, and a learning experience for those that have only been in the field for a couple of years."

Mr Koroi said the theme of their seminar was chosen so that the participants could brainstorm ways "they could improve their work for their customers, who in our case are the management of any organisation."

The seminar is attended by 45 internal auditors from Government departments such as the Ministry of Finance, the Auditor General's office, Land Transport Authority, institutions such as the Fiji Development Bank, Fiji Electricity Authority, Public Works Department and private sector organisations such as Post Fiji, Carpenters, Courts Fiji, ANZ, Williams and Goslings, Colonial and Telecom Fiji.

Christchurch Branch 2001

AGM 16/2/01. Committee: Graeme Nicholas (Chair), Rose Cowie, Heather Harrison, Chris White, Michael Moore, Miles Trent, Bruce Baillie (Sec).

Six members' meetings were held. Topics included - E commerce; the revised IIA standards; IT - logical security; managing information - the email factor; outsourcing information systems. The presentations were by branch members.

In June, Christchurch had a one-day seminar on 'Facilitated Self-Assessment' with Dr John D Tongren. He had presented a seminar in Wellington the previous day. It was the first major 'outside' seminar to be held with the Canterbury Branch. It was with the special assistance of the National Council.

Membership at the beginning of the year was forty, according to our local records. By August this was reduced to twenty-eight. Many people did not renew membership during the year, with a number having left the profession. There may have been some retrenchment in IA in the South Island, as well to account for the big drop.

Branch members continued to provide most of the presentations at meetings. Miles Trent (Lincoln University) often presented on computer security and the like; one of his specialties. Numbers declined significantly and often there were only three or four present.

Heather Harrison and Miles Trent received their 10-year membership pins.

2002 to 2004

Brian Robb was elected President 2002 to 2004. His President's Report for 2004 gives an account of that year's activity.



“President’s Report

This AGM not only brings to an end my term as President of the Institute, but also my 5 years as a Board member and almost 10 years as a Wellington Committee member. I have enjoyed my time within the Institute serving you and I believe that together we have achieved a lot with the limited resources available to us. There is however some unfinished work and incomplete initiatives that were not able to be completed within my term as president, and I have passed these onto the new Board for their consideration.

The highlights over the last two years include:

- Establishment of a good financial base for the future
- Continuation of a relevant and structured annual education programme (thanks to Ernst Le Roux and co)
- Increase in membership
- Involvement with the other professional groups based in Wellington that has increased our profile amongst these groups
- Input and discussions with the Securities Commission and the Controller and Auditor General
- Increase in people sitting and passing the CIA exam
- Forging a closer relationship with the Australian Institute and providing practical assistance to our Fijian colleagues (thanks to Russell Third)
- Participation in the IIA Global Council putting forward NZ's thoughts on where IIA Global should be investing its time and resource to support its global members

Financial Base

Since closing the Wellington IIA NZ office and establishing a structured annual training plan, the NZ Institute has built up a respectable cash reserve, which allowed us to enhance value to members by providing complimentary subscription to the Internal Auditor magazine and the subsidising of core training courses that would otherwise be considered marginal or unviable. The Treasurer will talk more about this year's finances, however I just want to point out that we were budgeting for a loss this year, as we realised that we would not obtain the revenue we normally receive from a SOPAC conference in 2004 due to it being replaced by the International Conference.

International Conference – Sydney 2004

The conference was considered a success by The IIA and IIA Australia and was attended by over 70 New Zealanders including many Board/committee members. The International

conference contained many extra meetings such as the Global Council and various IIA international committees. I represented IIA NZ in the Global Council meeting and Ernst Le Roux in the International Committees. There was an opportunity for the Global Council delegates to mix, swap ideas and to help IIA to prioritise its services (to us the members). We also received an update on what has happened within the governance/assurance environment and heard how IIA have responded and will respond to these challenges.

The main topics to be addressed by the IIA include corporate governance, ethics, enterprise risk management, technology, advocacy and business sustainable development /corporate social responsibility.

The next Global Council meeting will be at the next International Conference in Chicago.

Education

The 2004 program once again contained a mix of core and non-core courses with most courses on the programme being successfully run (but not always financially) as per member feedback. The Tools and Techniques, CIA preparation and the Wellington Education Day courses continue to be very successful. I am pleased to note that once again a good number of members are sitting parts of the CIA exam this year.

The right balance/mix of courses is an ongoing challenge that the new Board has commenced reconsidering.

Profile

As already stated, we have commenced discussions with interested organisations/groups that could assist us in influencing business/government. This has included hosting a Wellington Professional Partnership Network (PPN) lunch on information security. More recently we have hosted another PPN lunch on Corporate Governance in New Zealand.

Change to IIA NZ

As I have already indicated earlier this year, I support and welcome the commitment of the 'Platform for Change' IIA members who will be taking IIA NZ forward with a pledge of their time and other resources. Also, as I have already indicated, a number of initiatives have not been completed yet. The initiatives the previous IIA NZ Board now leave to the new Board to review/continue include:

- Governance questionnaire
- National sponsorship of IIA NZ
- Quality assessment
- Core Government Department Audit Committee questionnaire
- Discussions with other professional institutes
- Consideration of control frameworks

- Raising the IIA NZ profile
- Ensuring IIA NZ has a presence in the NZ education sector

Personally, I remain committed to the purposes of IIA NZ and will continue to offer my assistance however in a reduced quantum.

I would like to once again thank my fellow IIA NZ Board members, the Wellington, Auckland and South Island Chapters and IIA Australia for all their assistance and support provided over the many years I have been involved in IIA NZ.

Thank you for your past support and best wishes for the future

Brian Robb
President IIA New Zealand"

Christchurch Branch 2002

AGM 15/2/02. Committee – Graeme Nicholas (chair), Chris White, Michael Moore, Bruce Baillie.

Six meetings which topics were: Telecommunication fraud (a Telecom presenter); Control Self-Assessment; Information security standard ISO 17779 – an introduction; and another ‘round table discussion.

Attendances were sometimes only two or three members (including the presenter).

The Branch Committee discussed discontinuing meetings, even merging the branch with Wellington. The national council encouraged the continuation.

Membership was twenty-five at the lowest point of this year.

Bruce Baillie received a 15-year membership pin

The following extract from the August 2002 issue of the *Mainland Touch* sets, under the headline **Membership matters**, sets out the membership situation –

The latest list of branch members from our HQ in Sydney makes rather alarming reading. Our present roll is now just twenty-five, of whom seven live outside Christchurch. Perhaps that is why at the June meeting only four people attended, including the presenter.

This newsletter has covered the membership situation often enough in the past to make a repetition of it both boring and, well, repetitious. Members are undoubtedly aware of the value of their membership to themselves and their organisations. They also know how easy (or difficult) it is for them to attend the branch meetings, so belabouring the point is, well, pointless. However, it needs to be stated that such minimal responses make it difficult to ask people, usually branch members themselves, to put time and effort into presentations for just a handful of members who turn up.

The branch committee has canvassed members in the past for ideas on presentations as well as the format of meetings. If the branch is to continue as a viable organisation it must provide worthwhile activities and must attract a reasonable number of people to make them successful.

It is possible to have useful meetings with two or three members. We can talk together over lunch and solve a lot of practical auditing problems. It may be a bit like extended networking. Members could do this sort of networking over the telephone and avoid leaving their offices, of course, but there is a lot to be said for meeting face to face, on

neutral ground, and talking. In any case, the art of networking is enhanced, made possible even, by actually meeting our colleagues in person. It would be a pity if this were to cease because the branch cannot continue with its programme of meetings.

Some members may not feel they have a need for other areas of contact. Such exclusiveness does not really help members who have no other organisation than the IIA. There is obviously a need to develop a branch programme that will attract the attention of a wide range of members, including those who may not be exclusively employed in 'normal' internal auditing work.

Branch activities must compete with the professional duties of the members. Time is not a commodity that can be squandered on things that have little relevance to work in the 'real world.' Even though the Canterbury branch has meetings only every two months, it may not be easy for members to fit them into busy work schedules. If the timing of meetings is not very helpful, we should look for something that is more appropriate. This, too, has been the subject of some recent research and the outcome was that no change seemed desired.

We may have come to the situation rugby referees apply to the ruck (or is it a 'maul,' this is coming from a former AF player): 'use it or lose it.' It would be a pity to lose something that has given members much help in the past, just because we are not using it at present. But it is difficult to see any new direction ahead for us to follow, without having some indication that members will 'use it' in the future.

Members might like to consider the future direction of the branch. Any ideas will be welcomed by the branch committee. The branch committee has discussed some already. They include -

- Having fewer meetings but making them more in the nature of seminars taking, say, half a day.
- Having two meetings each year, with the emphasis on professional training.
- Changing the time of meetings from midday to late afternoon.
- Meeting informally, without any preprogramme, for 'networking' purposes.
- Finding other organisations with similar aims, with which we may establish a suitable liaison for meetings.
- Joining the Wellington branch by way of telephone linkages. (The NZ Society of Risk Management has such an arrangement for its Christchurch members).
- Merging totally with another branch (presumably Wellington).

Clearly, there are many possibilities for our future development. There may be opportunities that we have not thought of, which should be investigated. It is clear that the small pool of members at present, presents a problem for the branch in fulfilling its role of supporting the continuing development of internal auditors. Some serious thought about the future is warranted. 'Use it or lose it' may become a serious matter for our long-term

future.

(Note: There was very little response to these comments and meeting attendance continued to be at low numbers, as future notes will show.)

We did a breakdown of branch members' employment in August 2002, to show the following -

Total membership.	25.
Private enterprise (Accounting).	7 (2)
Private enterprise (Other).	6 (2)
Central government.	7 (2)
Local government.	1
Hospital boards.	1
Universities.	2 (1)
Retired.	1

Christchurch Branch 2003

AGM 21/2/03. Committee: Graeme Nicholas (Chair), Ailsa Milner (Environment Canterbury), Michael Moore, Bruce Baillie.

Six meetings. Topics – efficiency auditing; legal compliance; using the internet; ‘when internal auditing fails.’

Christchurch had an extra meeting during the year to discuss and comment on the draft standard on risk management – AS/NZS 4360. We sent a submission to NZS. There was quite a response to the request for comment.

In 2003 they began to distribute the Mainland Touch by email, instead of by post. It now went to all NZ members, not just those in the Canterbury Branch. IIA Australia (the distributor) also put it on the Christchurch portion of their website.

The branch committee decided to have meetings each month. 5 meetings would have the usual presentations and 5 would be for ‘networking’ and would be at a restaurant, around 5 pm on a Friday. These would be quite informal and the first few were reasonably well attended, but thereafter that fell away. However, they went on into 2004 before they were finally dropped.

2004 to 2005

Gus Cummings was President 2004 to 2005. Gus was the Director of Global Assurance for Fonterra, based in Auckland. Unfortunately, we were unable to contact him to get his

recollections of his time in the role.

Russell Third ran an Operational Audit Course for IIA Fiji, 1-2 July 2004, at the Holiday Inn, Suva.

Christchurch Branch 2004

AGM 20/2/04. Committee – Graeme Nicholas (Chair), Ailsa Milner, Michael, Bruce Baillie.

Six meetings. Topics were on the general subject of ‘risk’, they were: Risk: what it is and what internal auditors should know; AS/NZS 4630 – what auditors should know; ‘how do we know we have a well-controlled organisation?; control: a case study on stress; auditing HR recruitment.

They had to cancel one branch members’ meeting due to lack of support. Membership was 27 (NZ total was 337). Average attendance at meetings was four.

Tim Bergin completed the CISA examinations, the first current member to do so. Angela Stevenson (Ravensdown) completed the CIA examinations (11/03) and received her certificate.

On 10/12/04 they had a breakfast meeting in Deloitte’s offices. They discussed the ‘Platform for Change’ and other things and met some national councillors. The meeting (12 attended, including 4 non-members) increased the level of enthusiasm in the branch, which was carried on into 2005 and has led to an re-invigorating of the Institute that has been a national phenomenon.

Graeme Nicholas became the branch secretary in February 2005.

Bruce Baillie had done a great job recounting early IIA history and particularly that of the Christchurch Branch. The following pages give some brief recollections by past Presidents and Chairpersons. As new information comes to light it can be added to.

2005 to 2007

Geoff McRobie was President 2005 to 2007.



Geoff was on the Wellington Branch Committee and National Committee 2003-2007 and was involved in education and engagement with other bodies.

He developed and organised Wellington Education Days in the early 2000's.

Some fellow Board members included Gus Cummings, Andy Wotton and Jeff Galt.

Geoff recalls some of his biggest issues at a national level were:

- Bringing back administration from Australia
 - Developing a NZ National Office
 - Getting IA on a sound financial footing
- Organising running the first IIA annual conference (at KPMG) 2003 or 2004.

The administration of the Institute was brought back from Australia in September 2005 with Judy Third taking over the role of Executive Director.

The 2006 Conference was held at Te Papa 20-22 November. Guest speakers included Hamish Carter and Frankie Stevens (pictured below with Souella Cumming).







(Conference 2006 above)

2007 to 2009

Andy Wotton was Chairman 2007 to 2009.

It is not entirely clear when the term President was dropped and changed to Chairperson.



Andy was a Partner at PwC at the time. Board members at the time included Geoff McRobie, Souella Cumming, Aloysius Teh, Ernst Le Roux, David Nalder and Paul Mahan.

The most noteworthy events Andy recalls were the Annual Conferences which were held alternately in Auckland and Wellington based around the location of most of the members. During his tenure one was held at the Sky Tower in Auckland 19-20 November 2007 and the Wellington one was in 2008 at the Stadium 17-18 November with a half day Public Sector focus on 19 November. The 2009 Conference (called the IIA NZ Forum that year) was held at the Novotel Ellerslie 16-17 November.

His main recollection was balancing the role of the CA firms and that of the in-house teams. The CA firms had more resources and so could push things along, but they then needed to work together. Andy really enjoyed the opportunity to get to know the other partners as people rather than competitors and see how they were as people which was really positive in his experience. The likes of Geoff McRobie and Ernst Le Roux were very clear about leveraging the resources but not allowing it to be a marketing avenue for the CA firms which was a useful balance to have to strike but a necessary one (Andy notes probably more in hindsight).

The 2008 Conference, sponsored by Deloitte, at the Stadium, Wellington:





(Andy Wotton and the late Bruce Baillie of Christchurch.)

An IIA Tools and Techniques for the Audit Manager course ran in Wellington in August 2008 and was facilitated by Russell Third.



2009 to 2011

Paul Mahan was Chairman 2009 to 2011.

Paul is currently the EY Global Client Services Partner, based in Auckland.

Fellow Board members included Aloysius Teh, Erica Jenkin, Tim May, Souella Cumming, Wayne Powell, Ernst Le Roux, Richard Leverington, Charl Weber and Geoff McRobie.

Presidents Report



2010 was a year of “creating a foundation” for the members of IIA NZ through the formal implementation of a Strategic Plan for 2010 – 2013. The plan builds on the previous strategic plans and provides a clear focus for the coming three years.

A key driver of the Strategic Plan is to gain universal recognition of internal auditing as a profession. The elements that underpin an internal auditor’s professional credibility include displaying high quality technical and interpersonal skills and expertise; maintaining widely recognised IIA qualifications with continuing professional development; and working within the framework of the IIA’s International

Standards and Code of Ethics. Therefore the investment strategies identified in the Strategic Plan focus on:-

1. Advocating and promoting internal audit, IIA Standards and professional certifications.
2. Enhancing our member’s careers and value to their organisations.
3. Formalising strategic alliances with complementary organisations and work together to achieve mutual beneficial objectives.
4. Attracting and retaining internal audit professionals.

The journey to achieve our “vision” will be challenging and strong collaboration and cooperative partnerships underpin the way forward and are fundamental. The National Board is committed to working in partnership with Branches and ensuring a consistent and co-ordinated membership approach is taken to achieve our investment strategies.

Education

The IIA NZ Board made a conscious decision to keep the membership fees consistent with previous years and invest in our education programme and annual conference through more favourable pricing. At the same time we increased the quality of presenters and the range of courses offered. This proved to be successful as the number of attendees who undertook training through the IIA increased on the prior year. We aim to once again build on this in 2011 through offering more courses that continue to be of the highest quality.

In 2011 we also intend to encourage more members to pursue the Certified Internal Auditor designation through our CIA study courses.

Infrastructure

During the year we launched our new look website to provide members with the ability to interact more easily with the Institute, greater access to more up to date information and the ability to share information online with fellow members. Feedback to date has been really positive and we will continually look to improve our offering and communication to members.

Our back office function continues to provide outstanding support to our members, National Board and Branches, thanks Judy and Anne for all your efforts.

2011 Outlook

We remain in a sound financial position with a strong supporting infrastructure and an active membership base. This is a great opportunity to grow our membership base, increase the services that we offer and in doing so foster closer working relationships with the wider business community.

I would like to thank the tremendous efforts from our volunteer base in Auckland, Wellington and Christchurch. I would also like to encourage you all to use the networks provided by the Institute to continually promote the profession of Internal Auditing.

Thank you.

Paul Mahan
National President

Board minutes from the March 2009 meeting noted that:

“With a view to investing in members through the CPE Programme, it is proposed to have an make an investment for 2009. We will be paying for a greater number of presenters and venues than in previous years. The projected budget for all courses for the year is to make a loss of \$50K. The Board discussed and approved the loss to equate to a maximum loss of \$50K with the view that there is to be ongoing monitoring of each course. In order to monitor how the Programme is being received there needs to be a clear view of trends, we need to keep a watch on numbers and encourage growth in membership. If there are not sufficient numbers registered for a course, a decision will be made not less than two weeks prior to the Course as to whether to go ahead or cancel.

Local Branches will take an active role in marketing the courses. If the reality is that organisations have less to spend in their budget, then there will be less interest shown.

Alternative planning for lack of numbers in courses;

- a) Core courses will be run or combine with another centre, and we will pay/ subsidise the airfares and accommodation of members who have to travel
- b) Non-core Courses – will either cancel or combine with another centre and we will pay/ subsidise the airfares and accommodation of members who have to travel”.

They also noted: “The resignation letter from Bruce Baillie as editor of IIA Newsletter **IIA North & South** was accepted with regret. As we move to a web-based newsletter it is hoped that Bruce will be happy to assist in the role of sourcing articles”.

2009 IIA Conference

Lara Hillier from PwC was leading the 2009 Conference Committee. The conference programme is outlined below:

Session
Registration & Coffee
Opening Remarks: Lara Hillier – Business Assurance Partner, PricewaterhouseCoopers
Keynote Speaker
Looking Back, Looking Forward - Nick Tuffley Chief Economist ASB Bank Get an understanding of how the recovery is shaping up and what it will mean for your organisation, based on current data and the bank’s analysis of how the global financial recession started. Nick will give you an insight into the likely path through the risks on the road to renewed growth.

Morning Tea	
How Boards Have Adapted to Change - David Jackson, Chairman of Audit Committee Fonterra Fonterra's adapted, as your board would have - albeit without reference to the choices made by leaders such as Henry van der Heyden and John Waller. David will give you an opportunity to compare, contrast and report back for your Board or Audit Committee's advantage.	
Panel Sessions	
Panel 1 - Heads of Internal Audit (public sector)	Panel 2 - Heads of Internal Audit corporate sector)
The panel discussions will tease out the detail underneath Nick Tuffley and David Jackson's presentation and consider: <ul style="list-style-type: none"> • What trends are Heads of Internal Audit seeing in their own organisations, and does this mirror broader trends discussed? • What level of interaction is being seen between Internal Audit, Management and Boards? • Are participants seeing changes to the requirements and expectations placed on Internal Audit • What impact is this having on the scope of IA within different organisations 	
Lunch	
Workshop Session: Communicate the bad news and live to tell the tale Janine Gould offers a practical toolkit you can use to truth-test your communications advisor. Ensure you're experienced as the honest internal audit expert not perceived as a spinner of bad news.	

Concurrent Sessions	
My First 100 Days As Telecom's New Head of Audit & Risk - David Sutton Head of Audit and Risk Services, Telecom Be assured he wasn't scratching those days off the calendar one by one. Take David's learnings from a role as change-leader and adapt and apply them to your own circumstances.	Round Table Discussion - Andy Wotton, Business Assurance Partner, PricewaterhouseCoopers and Roy Tiffin Audit Committee, Department of Labour Take the opportunity to discuss the adaptations public and private sector audit committees are making in concert with the Executive teams who authorise some of the country's largest audits. Would you have made the same calls?
Afternoon Tea	
Keynote Speaker and Closing Presenter Shareholders' Views: Audit Carefully And Carry a Big Stick - Bruce Sheppard You are an internal audit leader. Whistle blowing is something for the Hollywood scriptwriters. Isn't it? Bruce Sheppard, the non-politically correct agent provocateur has a view you can enjoy without having to whistle for it.	
Closing Remarks: Lara Hillier – Business Assurance Partner, PricewaterhouseCoopers	
Pre Dinner Drinks	
Dinner	

DAY 2

Registration & Coffee	
Opening Remarks: Lara Hillier – Business Assurance Partner, PricewaterhouseCoopers	
IIA NZ President Session – Paul Mahan – Partner, Ernst & Young	
Opening Keynote Speaker	
<p>Personal Leadership for Unprecedented Times - Bruce Sullivan, Red Hot Relationships Learn practical, easy-to-use strategies to ensure that you and your team will quickly and easily move through from endings to new beginnings.</p>	
Morning Tea	
Keynote Speaker	
<p>Initiatives Within Law Enforcement To Combat Serious Financial Crime - Gib Beattie, Assistant Director Serious Fraud Office As an internal auditor, you know how your cautionary explanations of penalties can chill. Make sure they are accurate and up to the minute with one of the key men at the sharp edge of enforcement.</p>	
Concurrent Panel Sessions	
<p>Fraud in a downturn – Alex Tan, Director Advisory Services Your investment of time is with Alex Tan will deepen your understanding of current trends in fraud and crime.</p>	<p>Balancing Risk and Performance – Eric Williams, Senior Manager KPMG Join Eric Williams for fresh ideas on how smart organisations balance risk and performance and use technology-based applications to manage performance and key areas of risk and control.</p>
Lunch	
Concurrent Panel Sessions	
<p>Taking A Contemporary Look at Information Protection - Ian Perry, Senior Partner and Anu Nayar, Senior Manager, Deloitte Ian and Anu will take a fresh look and information protection and offer an insight into how to avoid information security becoming an over-burdensome compliance activity.</p>	<p>Top 10 Risks Facing Global Financial Services Chris de Wit will look out into the newly formed landscape that is the world after the Global Financial Crisis and chart the new Top 10 in risks for Financial Services sector today.</p>
<p>What I Saw at the Revolution: The Cool Stuff That Will Change Internal Audit Forever - Tom McLeod, Board Member of the Institute of Internal Auditors Australia. Tom will take you on an engaging and entertaining tour of wikis; virtual worlds; social networking and microblogging (Twitter). Sightsee some highlights in their application in Internal Audit and exactly which internet-based tools Audit Committees are expecting your peers to use.</p>	
Closing Remarks and next year’s forum – Lara Hillier, Partner PriceWaterhouseCoopers	

2010 Conference

22-23 November at Victoria University City Campus, sponsored by KPMG followed by a half day Public Sector Workshop.



A hilarious and highly entertaining evening with the Top Twins. Roy Tiffin, Audit Committee Chair and later winner of the 2015 Richard Ratliff Award joins in the fun.

2011 - 2013

Souella Cumming ONZM, FCA, Life Member IIA New Zealand was President 2011 to 2013.

The 2011-12 Board included: Souella Cumming (President); David Sutton (Auckland Branch chair); Wayne Powell (Auckland); Brett Ormsby (Auckland); Aloysius Teh (Wellington); Robbie Green (Wellington); Tim May (Christchurch).



Souella is a Life Member of the Institute of Internal Auditors in New Zealand following a long-term commitment to the profession which began in the mid-1990's.

Over that time the profession and membership grew significantly as business and public sector organisations recognised the value that a strong internal audit function could provide.

Souella served in a variety of roles for the Institute including presenting on the Institute's introductory Internal Audit Course (delivered jointly with fellow life member Russell Third) for over 10 years from the mid-1990's. Souella was involved with a number of committees and was a board member before being elected President in 2011.

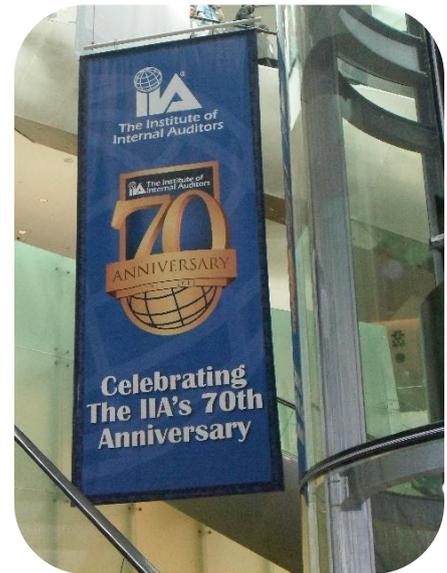
During this period, the profession was experiencing growth and change. From the mid 1990's the 'big four' professional services firms (KPMG, Deloitte, PwC, and EY) had started providing 'outsourced' or 'co-sourced' services and this created some tension with 'in-house' internal audit teams. Souella's philosophy was 'stronger together' and she worked closely with internal auditors in businesses, public



sector organisations, and the professional services firms to promote collaboration. During this time, the biannual national conferences were reintroduced with each of the firm's taking responsibility for the delivery of the conferences. An especially memorable conference in 2010 featured the Topp Twins at the gala dinner – a hilarious night was had by all.

Souella reflects on highlights during her term as President including:

- The development of the 2012 – 2014 Strategy for Institute of Internal Auditors New Zealand which pulled together various areas such as advocacy, education, and members benefits.
- Key elements of the Strategy included:
 - Advocating and promoting internal audit, IIA standards, and professional certifications
 - Attracting and retaining internal audit professionals
 - Enhancing our members careers and value to their organisation
 - Formalising strategic alliances with complementary organisations, including IIA Australia
- Enhancing the relationship between internal auditors working within organisations and those in professional services firms – fostering collaborative relationships and promoting best practice sharing.
- Enhancing support for members through the team based at the administrative office.
- Attending the IIA Global Conference in Malaysia for IIA’s 70th Anniversary.





During Souella's first year as President, Judy Third, who had been Executive Director for five years, passed away following her battle with cancer. Judy was well known to our many members, and her loss has been felt by us all. Judy was posthumously awarded the 2011 Best Contribution to the Profession.

Another special part of the profession in New Zealand is the contribution that is made by members who volunteer their time, experience, and expertise for the benefit of the profession. Souella made many lifelong friendships and feels privileged to continue her involvement with the profession.



David Sutton's Annual Reports for 2011 and 2012 on the Auckland Branch give a good outline of branch events for those two years:

Auckland Branch 2011

I am pleased to present the annual report of the activities of the IIA Auckland chapter for 2011. The Auckland chapter has remained extremely strong in 2011 with our regular networking events, education programme supported by the National Office, National conference, and access to the global IIA network.

Membership

Auckland branch membership has increased from 155 last year to 176. This is a record number of members and demonstrates the increasing profile and relevance of the IIA.

Membership is one of our core strategic objectives. A lot of work is being done, led by Brett Ormsby, to better formalise our approach to membership and provide better service and value to all of our members.

National Conference “Rattle the Cage”

This year’s conference at the Pullman Hotel in Auckland was a fantastic event with a large number of high quality and interesting speakers. This was illustrated by the attendee feedback showing 96% of people rated the conference as either good or excellent and 98% indicated that they would attend again next year.

Congratulations to the Deloitte team, led by Rodger Murphy, who did such an outstanding job organising this event.

Next year’s conference will be held in Wellington and hosted by Ernst & Young.

Networking Events

The Auckland branch continued to provide high quality networking events and Education Days in 2011. I would particularly like to thank Wayne Powell who continually puts his heart and soul into delivering this programme.

Events included:

- PwC 2011 Global Information Security Survey
Richard Tims (PwC)
- The changing roles of Internal Audit in dealing with Fraud (Hamilton)
Reenesh Bhana and Amanda Harman (Deloitte)
- Business Continuity Management – Revisited
Kevin Maloney (KPMG)
- Keep your recipe secret: Ingredients to safeguard your confidential information
Barry Foster (Deloitte)
- Financial markets and economic update
Christina Leung (ASB)
- Internal Audit Software – the Real Story
David Sutton (Telecom)

Our networking events were well attended, and we continually receive positive feedback for these events which are free.

I would like to thank all the CA firms and organisations who either hosted or supported these events during the year.

Education Days

Two Education Days were held in 2011. The programme is subsidised by the IIA and delivers outstanding value as summarised below:

April 2011

- Successful Project Management
Perry Woolley (KPMG)
- Project Audits & Quality Assurance
Jane Farley (Auckland Council)
- Project Management - Denial, and the Death Zone
Grant Avery (KPMG)
- Project Health Checks
Reuben Levett (Auckland Council)
- Forensics: "Diving deep into the business"
Jason Weir (Deloitte)

August 2011

- Approach to Fraud Risks
Sasha Lockley (Auckland Council)
- Auckland Council's approach to RWC Risk Management
Natalie Verdouw (Auckland Council)
- State of Technology Risk Management in NZ
Shahvez J David (SJD Consulting)
- Securing the Cloud
John Martin (IBM)
- Where Your CIO is Going
Kevin Maloney (KPMG)

The August Education Day was a joint event hosted by IIA and ISACA. We look forward to working more closely with ISACA in 2012 and holding other joint events.

Auckland Branch Committee

I would like to thank and recognise Brett Ormsby for his service as Chairman over the past two years. Brett has done an outstanding job in that role and is a standout contributor to a number of Auckland and National IIA initiatives.

I would also like to thank the other Auckland committee members: Wayne Powell, Rodger Murphy, Lara Hillier, Philip Whitmore, and Julie Fisher-Somervell. All of these people put in a significant amount of time and energy into the IIA and deserve a lot of credit for their passion and drive.

IIA Strategic Plan

The IIA Strategic Plan 2011-2014 is the key driver for IIA activities at Board and Branch level for the next few years. The Plan incorporates the following four key objectives:

1. Advocate and promote internal audit, IIA Standards and professional certifications.
2. Enhance our member's careers and value to their organisations.
3. Formalise strategic alliances with complementary organisations and work together to achieve mutual beneficial objectives.
4. Attract and retain internal audit professionals.

A significant recent development is the recruitment of Joanne Lentfer as Executive Director for IIA NZ. Joanne will have a key role to help deliver the Strategic Plan and provide direct assistance to the National and Branch Committees.

Long Service

The following members have reached the respective membership milestones, and I recognise their commitment to the IIA Auckland Branch below:

30 Year Members	25 Year Members
Hoe Hong	Stan Westcott
15 Year Members	10 Year Members
Tim Shaw Peter Munro	Eifion James Michelle Theron

Looking Ahead

I'm very excited about the future and actions planned in the IIA Strategic Plan for next year. The addition of Joanne Lentfer will make a significant difference to our ability to move initiatives forward, given we have historically had to rely on people who already have "day jobs".

In addition, I would like to encourage members to contribute back to the IIA and help us increase the profile and reputation of Internal Audit within NZ. Please indicate your interest to any of the Auckland Branch Committee members.

On behalf of the Auckland Branch Committee, thank you for your support in 2011.

My best wishes to you all for the Christmas season and we look forward to seeing you at Auckland Branch events in 2012.

Auckland Branch 2012

I am pleased to present the annual report of the activities of the IIA NZ Auckland chapter for 2012.

The Auckland chapter has continued to focus on our regular networking events and on supporting the National Office with the implementation of the Strategic Plan.

There have been some significant developments with the IIA NZ during the year that will continue to strengthen the organisation and the internal audit profession.

Membership

Auckland branch membership is currently 149 and has benefitted from an active referrals programme and a focus on organisations that did not previously have any members of IIA NZ.

A very recent development has been the creation of organisation memberships with set prices for 5, 10, 15 or 16+ members. This membership category provides significant financial and other benefits to organisations, such as discounted job vacancy advertising and education activities. The ownership of the membership also allows the organisation to transfer membership from departing staff to new staff, creating further financial benefits.

National Conference *Change, Adapt, Thrive*

This year's conference at Te Papa in Wellington was a fantastic event with excellent feedback being received across the board.

Thank you to everyone who helped to organise such a great event.

Next year's conference will be held in Auckland and hosted by PwC.

Awards

The awards programme was revamped this year with the addition of a Professional Excellence award and the inclusion of Ralph Chivers, CEO of the Institute of Directors, on the judging panel.

Congratulations to the Air New Zealand team who won the Professional Excellence in Internal Auditing award and Christine Young from the Ministry of Justice who was awarded the Internal Auditor of the Year award.

A very special congratulations to Wayne Powell from Auckland Council, who is also an Auckland Branch Committee member, for winning the Best Contribution to Internal Auditing. This is a very well-deserved award for Wayne who has done a huge amount for the IIA over many years of service.

Networking Events

The Auckland branch continued to provide high quality networking events in 2012. Events included:

- Finding the Inside Thief: What's the Fraudster Thinking?
Stephen Drain (PwC)
- Taking a Contemporary Approach to Information Protection - A Sensible Approach to Security
Raj Pradham & Anu Nayar (Deloitte)
- Internal Audit – An important Component on a Lean Journey
Dietmar Dold (KPMG)
- Productivity in the Workplace – Risk & Opportunity
Braden Dickson (Ernst & Young)
- Developing an Integrated Assurance Model
Garth Hinton and Phil Brickell (ASB)
- Does Internal Audit give an ROI When it Comes to Value?
David Sutton (Telecom)

Our networking events were very well attended, and we continue to receive positive feedback for these events which are free.

Education Days

Two Education Days were held in 2012. The programme is subsidised by the IIA NZ and delivers outstanding value as summarised below:

June 2012

- Business Continuity Management – The Essentials
Matthew Collins (FastTrack Solutions)
- Using Data Analytics Effectively in Internal Audits
Kelvin Chandran (PwC)
- Navigating Risks and Achieving Procurement Objectives – Probity in Action
Wayne Powell (Auckland Council)
- Disaster Recovery - Practical Considerations
Ken Wallace (Ernst & Young)
- Project Failure Starts and Ends at the Top - Common Governance Issues
David Sutton (Telecom)

September 2012

- Serious Fraud Office: Themes from 2012
Nick Paterson (Serious Fraud Office)
- Risk Management and Internal Audit: Working Together
Thom Thornton (KiwiRail)
- Cloud Computing – A Journey Between Trust and Obligation
Matthias Kraft (Ernst & Young)
Linden Vazey (Ernst & Young)
- Building Great Working Relationships
Penny Harrison (Communicate Consultants)
- COBIT5: Directing Governance and Management to Create Value

Dr Brian Cusack (AUT)

- Re-imagine Risk: Strategies for Success
Philip Whitmore (KPMG)

The September Education Day was a joint event hosted by IIA NZ and ISACA.

Sponsors

As always, we are very grateful to our sponsors who have provided venues, facilities and support free-of-charge:

- Ernst and Young
- PwC
- KPMG
- Deloitte
- Telecom
- ASB

And all the speakers who gave so willingly of their time and expertise.

IIA NZ Strategic Plan

The Strategic Plan 2012-2014 continues to be a key driver for IIA NZ activities at Board and Branch level. The Plan incorporates the following four key objectives:

1. Advocate and promote internal audit, IIA Standards and professional certifications.
2. Enhance our members' careers and value to their organisations.
3. Formalise strategic alliances with complementary organisations and work together to achieve mutual beneficial objectives.
4. Attract and retain internal audit professionals.

Significant developments during the year included the successful launch of our Advocacy Policy Agenda and Call to Action. This is along with the appointment of relationship managers to work with key stakeholder groups, such as the Institute of Directors.

In addition, the implementation of our new membership system provides a very efficient and effective platform to support our membership, the benefits of which are already being realised.

We also completed a strategic review which has recommended a way forward and changes that will contribute to our long-term sustainability. The National

Board will review the recommendations at its December meeting, taking into account feedback we have received from members. Thank you to all who did make comment on the report and recommendations.

Auckland Branch Committee

I would like to thank all of the Auckland Branch committee members who have put in a huge amount of effort this year. IIA NZ is still very reliant upon volunteers, without whom it would struggle to keep pace with the extent of change in our profession.

Current members include: Wayne Powell, Rodger Murphy, Lara Hillier, Philip Whitmore, Bineeta Nand, Joanne Ogg, Simon Broome, and Brett Ormsby. I would also like to thank our co-opted members including Garth Hinton, Phil Brickell, and Julie Fisher-Somervell.

I would also like to thank Joanne Lentfer, Executive Director, for her fantastic work this year. Joanne has made a significant contribution to IIA NZ during the year and has led a large number of key initiatives, which could not have been completed without her hard work and dedication.

Long Service

The following members have reached their respective membership milestones, and I recognise their commitment to the IIA NZ Auckland Branch below:

25 Year Membership	20 Year Membership
Jim Clough	Ivan Lee
15 Year Membership	10 Year Membership
Ian Cowley	Pey Hwa Ng

Looking Ahead

2013 is likely to be one of the most important years in the history of IIA NZ with the potential implementation of the recommendations from the strategic review. I personally believe that it is critical that we embark on this journey if we are committed to realising our strategic objectives.

This direction will only be successful with the buy-in and commitment from our members, so I would like to encourage everyone to contribute to the IIA. I would particularly like to see younger internal auditors getting involved in IIA NZ as the changes we are making now will have a significant impact on their careers. If you would like to be involved, please contact any member of the Auckland Branch Committee.

My best wishes to you all for the Christmas season and we look forward to seeing you at Auckland Branch events in 2013.

David Sutton
Chair Auckland Chapter
Institute of Internal Auditors (NZ)

2013 - 2017

David Sutton was Chairperson 2013 to 2017.



The National Board in 2016 consisted of David Sutton (Chair), James Jong, Joanne Ogg, Shaun Dowers, Liz Buttimer, Melissa Bailey and Sylvester Shamy.

One meaningful change that occurred during this period was the changing of the Constitution to create one National Board and to dissolve the Auckland, Wellington and Christchurch branches. This was led by Souella Cumming and really helped to create focus.

The recruitment of Joanne Lentfer as Executive Director and then Steve Downes as our first Chief Executive Officer, which was followed by the recruitment of Alison Delaney. This was a large step at the time given that there was a lot of financial risk around the increase in budget required to cover his remuneration along with the National Office.

David recalls the conference theme for 2016 was “From Insight to Impact” which was held in Wellington and sponsored by EY. The 2014 conference had a theme of “Ahead of the Game” and was held in Wellington with over 160 attendees. Brian Roche gave the opening address, and the conference was sponsored by PWC.

KPMG also sponsored an IIA conference around this time. The theme was around fraud, and we had Nick Leeson speak in relation to what he did at Barings Bank. The Organising Committee weren’t sure whether we had been scammed until they saw Nick walking up to the venue that morning.

2017 to 2019

Sylvester Shamy was Chairperson 2017 to 2019.



Sylvester first joined the Board in April 2016.

Fellow Board members were Joanne Ogg, Sean Dowers, Victoria Craig, Deb Peach, James Rees-Thomas, Stewart Glynn, Sonja Healy, Chris de Wit, Crespo Gao and Bernie McKendrey.

IIA NZ at that time was transitioning from what he perceived to be an introverted organisation to becoming an extroverted one that was interested in its member and public profile. Through the various Board sub-committees and volunteers, we made a significant effort to engage with organisations and universities at the same time as we were looking at ramping up member meet-and-greet opportunities. We also wanted to modernise. This led to us bringing on ONZL Ltd (ONZL supports organisations with their board secretariat, governance, operations, meeting management, communications and infrastructure) to provide secretariat services which took a load off the National Office staff. The Board also:

- Created the Board Mentor role, as a pathway to transition out Chairs and Deputies
- Reinvigorated the concept of regional working groups
- Reimagined the role of the nominations committee
- Created a new IIA NZ website

2019 to 2021

James Rees-Thomas was Chairperson 2019 to 2021.



Board members included: Sylvester Shamy, Deb Peach, Victoria Craig, Stewart Glyn, Melissa Bailey, Shaun Dowers, YY Lee, James Jong, Bernie McKendrey and Joanne Ogg.

Key features James recalls were Covid happened while he was chair of Board and all the disruptions associated with that and that IIA ran the largest Internal Audit Conference to date.

The Australian Institute issued some questions for internal auditors, management and Audit Committees during COVID:

AGENDA / KEY QUESTIONS



- How does the control/risk environment change as people work from home?
- How is internal audit working: auditing remotely; placing audits on hold; redeploying resources – and what does this mean for objectivity?
- Are audit plans changing – more advisory vs assurance?
- Audit vs Risk vs Fraud – what to prioritise?
- Employee engagement, security, health and wellbeing?
- Data privacy/security – how can this be maintained?

Connect > Support > Advance

2021 to 2023

Yoonyoung (YY) Lee was Chairperson 2021 to 2023.

YY is a Partner with PwC New Zealand and drives their internal audit practice.



Key highlights YY recalls were:

- 80th anniversary of IIA Global
 - Membership growing to 799 in 2022
 - The appointment of Sally Dunbar to replace Steve Downes on his retirement after 9 years in the role.
 - NZ membership grew again to 821 in 2023
 - Achieved regional, public and private sector representation, and skills diversity on our Board
- Built IIA NZ's presence at Global Assembly and the Global International Conference, including liaisons with the Global IIA Executive Vice President of Global Strategy & Affiliate Relations and a Memorandum of Understanding entered with IIA Australia
 - Governed IIA NZ's submissions on Global IIA's International Professional Practices Framework (IPPF) project and proposed changes
 - Sustained the National Office to be fit for future (i.e. unforeseen medical circumstance where IIA NZ lost continuity of our only other team member), so rapidly rebuilt the team
 - Endorsed the opportunity for IIA NZ to modernise our Constitution (Rules), in line with the Incorporated Societies Act 2022

YY also expressed condolences on the passing of past members in 2024:

- December - attended Mark Maloney's funeral in Auckland who served on the Board when she was Chair, and to pay her respects to his family and echo the contribution he made to IIA NZ. Mark had also been a member of the Advocacy Committee
- May - connected with respective family and shared warm memories as part of the IIA NZ Newsletter on the passing of Terence George McKelvey (IIA Auckland Chapter) and Michael Cox (IIA NZ Life Member).

YY's Annual report for 2022 follows on the next page:



IIA NZ Annual Report 2022



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Chair's Report



Yoonyoung (YY) Lee

Board Chair
CA, CISA, PRINCE2, ICP

What an amazing year 2022 has been and it is always a challenge to synthesise the key impact we have made together.

To me, the focus as your Chair has been to govern how we revolutionise and sustain our Institute of Internal Auditors New Zealand (IIA NZ).

This is simply about ensuring our profession continues to expand our reach as trusted advisors and to be ambitious on how we elevate our relevance.

Myself, the Board and the National Office are deeply passionate about ensuring every single one of our 799 members (and yes, we have grown again) are proud of what we do as a collective.

After all, if we stand back, we hold a pivotal role in society and this is why our profession is globally represented in approximately 200 countries and with a loyal membership of over 218,000.

So, what have we done so far to revolutionise and sustain?

Successful appointment of our new Chief Executive, Sally Dunbar, who commenced her role in March after a handover from Steve Downes who chose to retire after leading our profession for over nine years. The Chief Executive role was publicly advertised and a recruitment sub-committee of the Board navigated through a pool of high-calibre applicants for over six months. It was Sally's Chief Executive experience with membership associations, track record of driving sponsorship and partnership relationships and collaborative nature which demonstrated the right fit to take IIA NZ forward. Early days yet, but it is fair to say Sally has already started driving deeper synergy with The Institute of Directors and Chartered Accountants Australia & New Zealand whose office premises we now sub-lease.

Financial sustainability has been an ongoing challenge for us, in part due to the lingering disruptions from COVID on educational forums and conference events, which have historically been our area of reliance for cost recovery. Aside from the pandemic, the Board importantly recognised that we could not sustain a sixth successive year of deliberately not lifting the membership subscription fee. As with all

organisations, expenses have increased over the past 12 months with a rent increase with our change in premise, the mandated Affiliation fees to IIA Global, and the less-than-budgeted revenue return from our educational programmes. By being transparent, we are pleased with the continued loyalty from our members who have been supportive of the justification to revisit subscription fees.

Active participation in Global IIA's transformation of the International Professional Practices Framework (IPPF) including the Standards which was sparked by a desire to prepare our profession for the future. IIA NZ has shared communication and organised complimentary webinars to help our members learn more about the major changes to IPPF and how to participate in the public comment period, which opened on 1 March and will continue through to 30 May. The push for our involvement (and also those of other professional bodies) is to ensure we voice our support or objections to any proposed changes, given IPPF is planned to be finalised and released by the end of this year and become effective late next year.

Also, what are the upcoming interactions to look forward to?

- Global Assembly 7-9 July in Amsterdam which Sally will attend as our representative as we need to input into this valuable platform where Affiliate leaders discuss future strategies and initiatives that will impact our members and profession worldwide.
- International Conference 10-12 July in Amsterdam which any of our members are welcome to register to attend and which aims to broaden skills, embrace new technology and, effectively respond to shifting business and risk landscapes.
- Internal Audit Awareness Month in May for which we will offer up a diverse range of online classrooms, our AGM, Education Days and networking events across all our megacities across Auckland, Wellington and Christchurch.
- Conference in September which will be held in Auckland and is the first one we will have in person since 2019.

I would like to end by expressing my heartfelt gratitude to the National Office, Board, volunteers, members and partners for their ongoing service, engagement and dedication towards IIA NZ.

Let's keep pressing forward!

Yoonyoung (YY) Lee

Chair

Chief Executive's Report



Steve Downes

Chief Executive

As I write my last report, I reflect on the past 9 years as your CEO.

Commencing my tenure in late 2013 with a membership base of 474, the focus was on providing training delivered in person with the only tool at the time being a PowerPoint presentation. Today we live and operate in a virtual world which is second nature spurred on by a large degree by the disruptions caused by the Covid-19 pandemic.

In 2013 the Board approved an ambitious strategy coupled with a radical change to the constitution. I was employed to drive this change through.

I attribute the evolution of the Institute to what it is today to David Sutton Chair of the Board 2013 - 2017. I wish to pay special tribute to David for his vision, drive, and unselfish commitment to the Institute and to the profession which has brought about the change and provided the platform for what the Institute has become today - an internationally recognised and respected Affiliate in the IIA Global organisation.

This vision was carried on with the insight and passion of James Rees-Thomas (Chair of the Board 2019 - 2021) and has continued to grow with the current Chair and Board.

With the thought of lockdowns behind us and a strategy to deliver more in-person training courses and networking events, we were brought back to reality with the advent of the Omnicom variant. This disruption required us to revert to providing a range of virtual events. Details of these are reported in the Education summary later in this report.

Unfortunately, this has had a detrimental impact on the finances of the Institute.

However, it was not all doom and gloom, and the silver lining to the Covid cloud has been the adaptation to deliver events, training and SIGs virtually. This has allowed more members to interact with the Institute and for the Institute to provide more value for membership, especially to those members in the provinces.

We closed the 2022 year with 799 members the highest ever recorded by the Institute.

I have been privileged to represent the Institute on the international stage, as the representative at Global Assembly, Asian Confederation of Institutes of Internal Auditors (ACIIA) and the Global Executive Leaders Team.

It has been an honour to have met and worked with so many members on the National Board, Committees, Special Interest Groups, and the many members who have supported the Institute within the regions.

A special thank you to Kate Blakeley. I have valued her support and commitment and her personable engaging manner and passion for the profession are assets to the Institute.

I have been humbled by the many messages of well wishes on my retirement. I have enjoyed meeting so many members and I thank you all.

I leave the Institute in good hands and wish the Board and the new Chief Executive Sally Dunbar and all the members the best for the future.

Noho Ora Mai

Steve Downes



Governance

The Board is responsible for the stewardship and future wellbeing of the IIA NZ. The Board exercises leadership, enterprise, integrity, and judgment in directing IIA NZ to ensure its continuing ability to serve its members as the pre-eminent body of internal audit professionals. The Board pursues and applies a high standard of corporate governance. The Board will always act in the best interests of the IIA NZ and in a transparent, accountable and responsible manner.

In discharging their Board responsibilities each Director has a duty to act in the best interests of the IIA NZ as a whole, irrespective of personal, professional, commercial or other interests, loyalties or affiliations. Under the Rules of the Institute, Directors are elected by members at the AGM of the Institute.

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

Directors' appointments are staggered so that not all Directors' terms expire at the same time.

There can be up to seven Directors, with the ability to co-opt up to further three non-elected

Directors. The maximum number of Directors shall not exceed 10 in total.

The Board appoints the office holders of Chair and Vice Chair.

Directors do not receive remuneration for acting in the capacity of Director nor do they receive retirement benefits. Directors are entitled to reimbursement of expenses incurred in carrying out their duties, in particular travel and accommodation.

The Board



Yoonyoung (YY) Lee

Board Chair
CA, CISA, PRINCE2, ICP



Grace Nunn

Deputy Chair,
Education Committee Chair, CIA



Victoria Craig

Small Practitioners Interest Group
Chair, Education Committee, CA



Natasha Flavell

Membership Committee,
Mentoring Programme Lead



Sonja Healy

Membership Committee Chair



Rob Marshall

Advocacy Committee Chair



Tee Chow Lee

Advocacy Committee,
Conference Committee



Shaun Dowers

Treasurer
Education Committee, CIA

Finances

Our 2022 financial performance was primarily affected by the ongoing pandemic, our office move and website costs associated with rebranding and changes to the group invoicing structure.

Our budget for the year assumed a small growth in membership and subscriptions and again held optimism that our conference would be able to proceed and perform well. Unfortunately, our conference required a virtual delivery due to Covid, but this was balanced by our education training performing well. As a board, we again faced the reluctant decision to approve an unsustainable budget deficit. But we did so after our subscriptions were set, knowing that our reserves exist for this very reason. We brought forward our 2023 strategic planning and budgeting to explore our financial options and success more proactively.

As a membership organisation, we are again reminded of our amazingly loyal subscription, and as a Board, we feel incredibly proud and obligated to recognise this loyalty and best serve our members' interests.

Strategic spend was budgeted to progress initiatives with Advocacy (Otago University MOU), Education (Ethics course development), and Membership (Mentoring programme).

Our predominant contributors to budget variances for the year included:

- Conference running virtually and not achieving a budgeted return.
- Education training performed better than budget.
- Our office move, with higher rent and furnishing requirements.
- IIA rebranding and a change to group invoicing discount structure costing website design.

Our reserves continue to be at a healthy level, and the board remain acutely aware of the need to maintain a sustainable outlook. Our shift in timing for 2023 strategic and budget planning enabled us to challenge our bottom line, our subscription levels, and our reliance on conference performance. Our budget for 2023 is back in surplus, but we remain vigilant for changes to our environment and assumptions.

Advocacy

It has been a privilege to be involved with the Advocacy sub-committee in 2022. Following several years of disruption due to Covid impacts, we are excited about our planned initiatives and existing strong foundations. This is because we think it will allow us to continue advocating successfully for internal auditors and the NZ Institute of Internal Auditors.

The Advocacy Committee, apart from some necessary support from National Office, is 100% volunteer-based and reliant on dedicated people freeing up their busy schedules to contribute. From the Board and the NZ IIA, we thank you for your contributions and support over 2022. Long may it continue.

Overview of our purpose, strategic priorities and operating activities

Our striving purpose is to advocate for and help uplift the profile of IA and NZ IIA. By doing so, we hope to positively influence the future demand and supply of IA Professionals in NZ. This purpose is linked to NZ IIA's five strategic priorities, which are the foundation of NZ IIA's Board approved strategy. Everything we do is linked back to these and checked for alignment before it commences to ensure that we are directing our Advocacy efforts to the most relevant activities and projects.

Under this purpose, we have three driving imperatives that we perceive to be important in our current environment. These are:

1. IIA NZ needs to influence the internal audit talent supply problem.
2. IIA NZ needs to lift its brand and profile post the Covid impacts.
3. Modernising NZ IIA's engagement approach so that we can successfully all existing and emerging audiences.

To give readers and members some insight into what the Advocacy Sub-Committee focuses on, below is an overview of our regular and repeating activities:

- Developing and managing Advocacy material for presentation on the NZ IIA website (articles, awareness content, and other material);
- Regular meetings and joint initiatives with chosen and like-minded organisations (e.g., Institute of Directors, CAANZ, NZX, Office of the Auditor General, Transparency International NZ);

- Preparing and working through submissions or articles on key matters affecting IA (e.g., immigration lists and conditions, governance code requirements, Global Internal Audit Standards);
- Events and presentations (e.g., NZ IIA Conference, Learning from Leaders, Education Days, Facilitated Discussions); and
- Working with NZ Universities to support ongoing interaction and uplift their interest in delivering IA-related guest lectures and special topic papers.
- We also do specific projects linked to our driving imperatives, some more information on these is below.

Notable achievements in 2022

Through submissions and regular interactions with decision-makers, we successfully advocated for internal auditors to be added to the approved immigration lists. This is a major achievement because it allows internal audit teams to practically attract overseas internal audit talent into NZ. This is important given the shortage of skills being experienced in NZ currently.

Healthy relationships with our chosen organisations and partners continued. Highlights were a dedicated IA presentation/webinar with the Institute of Directors members in October 2022 and re-signing a memorandum of understanding with Transparency International NZ. We also made progress, albeit smaller than desired, in our attempts to re-connect and re-engage with NZ Universities

Advocacy played a significant role in helping to organise the successful 2022 NZ IIA Conference. This was our third attempt at a conference, the previous two were fully planned but cancelled due to Covid impacts. This was a pleasing result because it was delivered with the help of a dynamic Committee of NZ IIA and Deloitte professionals. Feedback on the contents was positive from members and the financial result were in line with the budget. We are looking forward to getting back into in-person events in 2023.

Advocacy played a significant role to help evolve the clarity and collaboration of the three sub-committees (Advocacy, Education and Membership). This included developing improved processes for prioritisation that reflected our new strategic priorities, working with the sub-Committee members to develop project prioritisation processes and improving reporting content that flows back to the full NZ IIA Board. Achievements included an endorsement for budgets to speed up project activities and far more collaboration between sub-committees than ever before.

Advocacy has led a project to review the proposed Global Internal Audit Standards. This is a global evolution project aimed at refreshing the current standards known as the International Professional Practices Framework. The new standards will impact IA methodologies, IA qualification content and IA Quality Assurance Processes. Due to these reasons, this project is seen as an important opportunity to review them while in the draft to ensure that they are practical and reasonable to apply in NZ.

Connected several times with Global Advocacy representatives so that we can take part in their refreshed advocacy programme. Examples include contributing to white papers and re-using global content to help advocate the excellent potential and insights that internal auditors can bring to businesses and organisations.

Looking Forward into 2023

Our focus projects for 2023 include improving our engagement model with NZ universities and completing research papers that will help us to understand the NZ environment for IA better. By taking this approach and improving our data sources significantly, we hope to continue building our progress and land some notable achievements under our three driving imperatives in 2023.

Thank you to the members of the Advocacy Committee for their continued support: Tee Chow Lee, Shaun Dowers, Jeff Galt, Bernie McKendrey, Russel Third, Angel Alchin and Swati Joshi.

Thanks

Rob Marshall (Advocacy Committee Chair)

Education

2022 continued to prove that a multi-delivery approach is necessary to ensure that our members continue to engage with our educational offerings. A mix of virtual and in-person events and courses were held throughout 2022, aimed at delivering CPE hours across a range of disciplines. In the first half of the year, most courses were delivered online given the continued hesitancy to meet in person due to Omicron. Regardless, this year we offered and delivered over 90 hours of training and 90.5 hours of CPE hours. The main delivery of courses were in-person Fundamentals courses, Ethics courses held both online and in-person and webinar/networking events. Supplementary to this, we continued to promote courses provided by other Institutes including 49 online courses and over 25 webinars (Australia and Singapore).

Following two years of disrupted training provision, we now see that members are starting to express more of a desire to attend in-person events, having not done so in recent years. Education and training courses provide us not only with the ability to upskill but also the opportunity to engage with like-minded members in-person. Over the course of 2023, we will seek to re-engage with our members face-to-face, delivering more training in person where possible and providing opportunities to reconnect and learn together.

This focus also extends to serving our regional members and expanding our service offerings beyond the main hubs of Wellington, Christchurch and Auckland. Working closely with the Membership Committee we will look to identify opportunities to deliver in-person training to those who cannot attend events in the main centres. In the absence of this, the Institute has embraced virtual delivery and will continue to engage with members across the country online.

Though not formally delivered through the Education Committee, in 2022 the Institute pleasingly held the IIA Conference, the first since 2019. 2023 will bring a further opportunity to embrace in-person attendance and promises to provide our members with a provocative and meaningful event! The Education Committee also attempted to hold the Learning from Leaders however due to a lack of registrations, this had to be cancelled. In 2023 we will provide our traditional Education Days to members across the country to share insights across the internal audit profession, reflecting on common challenges and supporting each other with lessons learned and ways of working.

Looking forward to 2023, we will work more collaboratively with the Advocacy and Membership Committees to leverage our understanding

of IIA NZ members to provide tailored training that aligns with member needs. The Committee would like to acknowledge the time and dedication of its members and those who have put in countless hours to develop the proficiencies of our internal auditors across New Zealand. It is through their voluntary time commitment and dedication, hard work, and passion for the profession that enables members to continually grow and develop.

Thank you to the members of the Education Committee for their continued support: *Tania Charles, Shaun Dowers, Victoria Craig, Kim Chavez, Yuliya Gultekin, Georgia Francis and Grace Nunn.*

Thanks

Grace Nunn (Education Committee Chair)



Membership

Report

In 2022, our membership grew to 799 members; this is the highest membership has been and represents a 5% growth from the previous year. The majority of our membership continues to come from the group category, with 70% (560) of our members registered through their organisations.

This category is successful in allowing organisations to have a larger number of members at a lower cost. Additionally, group membership allows people to move during the year without any impact on the organisation's group membership. A further 21% (or 167) of our members are registered as an Individual, with 7% (53) registered as Associates. We are also very privileged to have eight IIA NZ Life Members and ten members located outside of NZ, mainly in Tonga and Samoa.

14 networking forums were held in Christchurch, Waikato and Wellington. The Small Practitioners Interest Group continued to meet, and end-of-year functions in the main centres gave members another opportunity to connect. Appreciation is extended to all those that have assisted in organising, presenting and hosting, as well as attending, these events.

Following the successful pilot of the IIA NZ Mentoring Programme in Auckland, The Institute is gearing up for the rollout of the IIA NZ Mentoring Programme nationwide (including our members in Tonga and Samoa). We will be advertising for mentors and mentees over the next few months and are looking forward to connecting more of our members.

Our LinkedIn Member Connect group continues to grow. Members can engage at their own pace, in their own way (i.e. informally), collaborate and extract value when they need it most. Member Connect also serves as another way to engage and contribute to IIA NZ, such as providing feedback and discussion for future events/topics. Members may feel apprehensive engaging in the "open" digital setting, but the Board encourages the use of Member Connect as a valuable tool for the shaping of influencing the 'Internal Auditor of the future'.

We acknowledge and thank *Natasha Flavell, Sonja Healy, Theo Cheung and Kate Blakeley* for being members of the Membership Committee this year.

Thanks

Sonja Healy (Membership Committee Chair)

Membership

cont.

IIA NZ Outputs:

- Networking Forums
- Special Interest Groups
- AGM
- IIA NZ Annual Conference - One Day Monthly E-Newsletters
- Situations Vacant Advertising Learning from Leaders
- Online traing courses
- Facilitated Training Courses Submissions to Government/ Agencies

Actual This Year	Budget This Year	Actual Last Year
14	19	17
6	12	6
1	1	0
8	12	13
76	60	79
0	3	3
1	1	1
52	30	
5	8	7
2	3	2

Additional Output Measures:

On ongoing effects of the Covid-19 pandemic lingered on with the Omicron variant putting pay to the range of educational courses and networking planned for 2022.

Many events reverted back to virtual delivery including the Institute flagship event – Conference. Having postponed Conference for 2 years this was to be an occasion to reconnected in person with our members. The partnership with IIA Australia it allowed the Institute to deliver over 49 online courses and 39 webinars coupled with those in-person courses delivered by our local facilitators provided opportunity for our members to meet their CPE requirements.

Conference 2022

With the disappointment of postponing our flagship event in 2021, it was with excitement we planned Conference 2022.

With the theme of “Believe – Adapt – Thrive”, the two-day hybrid conference is in the making with a line-up of impressive keynotes and industry-related presenters.

With the ongoing effects of Covid-19, the two-day extravaganza was truncated to a one-day virtual event. Notwithstanding the change in structure and delivery, attendees were treated to a range of insightful and practical presentations. Of note was Sir Ian Taylor on his journey from a tech firm operating out of a garage to the mogul in international sports graphics, and Gary Shaw with his emotional story of investigations into cases of modern slavery.

The Institute is most grateful for the continuing support of the host sponsor, Deloitte.

Having committed as sponsor for the 2020 conference which was cancelled due to Covid, and then again for the 2021 conference which again was postponed, their continued commitment to hosting the conference in 2022 was greatly appreciated. Congratulations and a huge vote of thanks go to the organising committee of David Sinkins (conference lead), Hannah Brook, Melisa Bailey, Rob Marshall, and Kate Blakeley.

IIA NZ Awards in Professional Excellence

In support of our mission to empower members for success, the IIA NZ awards programme acknowledges outstanding performance within the Internal Audit profession in New Zealand. It promotes the consistent application of international standards and encourages internal auditors' pursuit of professional excellence.

The IIA NZ recognises the achievements of Internal Audit professionals and those who champion our work each year in the following categories:

- Internal Auditor of the Year
- Emerging Internal Auditor of the Year
- Team Excellence in Internal Auditing
- Best Contribution to the Profession in NZ
- Richard Ratliff Award

Having postponed Conference in 2021 it was exciting to acknowledge those who have excelled within the profession.

A special acknowledgement to the judging panel of Sonja Healy (Board representative), Russell Third (past recipient and life member,) and Chris Fox - General Manager, Institute of Directors and independent judge - who had the task of selecting the worthy recipients.

This 2022 recipients are:

- Team Excellence in Internal Auditing:
Guardians of New Zealand Superannuation
- Best Contribution to the Profession in NZ:
Tania Charles

Global Representation

Global Assembly

The core purpose of the Global Assembly is to inform the global strategic plan by advising the Global Board on strategic priorities and significant matters impacting the profession and the Affiliates on a global basis. Global Assembly serves as the liaison between the Global Board and the Affiliate boards to help facilitate the alignment of global and local strategies.

The Global Assembly provides a forum for global leaders to stay informed, contribute ideas, share information, and collaborate to advance the internal audit profession and The IIA globally.

IIA NZ is represented by Yoonyoung (YY) Lee (Chair of the IIA NZ Board) and Steve Downes, Chief Executive.

Global Executive Leadership Team (GELT)

The Global Executive Leadership Team (GELT) is made up of CEOs of The IIA's largest 25 Affiliates; a group of senior staff from The IIA Global Headquarters who manage critical day-to-day operations; and the Global Board of Directors, which has been guiding the overall strategy.

IIA NZ is represented by Steve Downes, Chief Executive.

Asian Confederation of Institutes of Internal Auditors

New Zealand is represented on the Asian Confederation of Institutes of Internal Auditors (ACIIA).

ACIIA is a confederation of 17 IIA Affiliates in the Asia Pacific region comprising: IIA-Australia,

IIA China, IIA Hong Kong China, IIA India, IIA Indonesia, IIA Fiji, IIA Japan, IIA Korea, IIA Malaysia, IIA Mongolia, IIA Papua New Guinea, IIA Philippines, IIA Singapore, IIA Sri Lanka, IIA Chinese Taiwan, IIA Thailand and IIA New Zealand.

ACIIA's vision is to be the regional voice of the internal auditing profession: advocating its value, promoting best practices and providing exceptional service to its members.

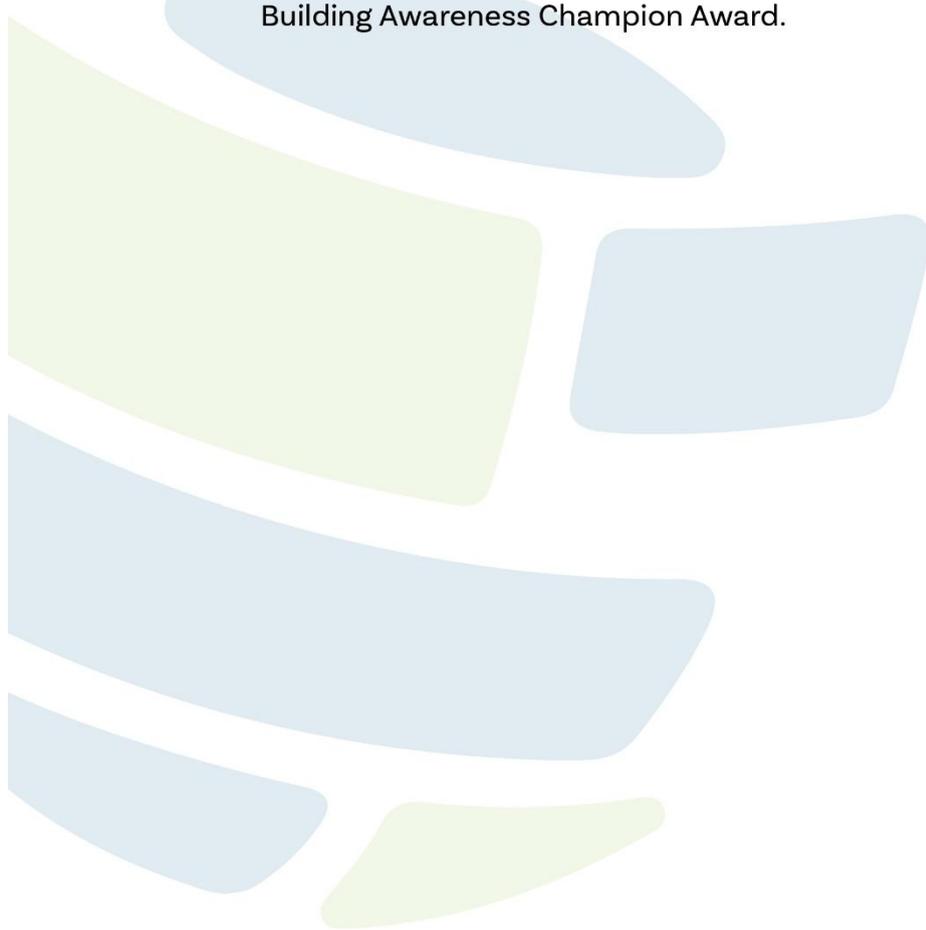
IIA NZ is represented by Steve Downes (Chief Executive).

IIA International Internal Audit Awareness Month

Each May is International Internal Audit Awareness Month. This provides for the opportunity to recognise our members, celebrate, and promote the internal audit profession and the value it adds to an organisation.

Rising to the challenges continued by a global pandemic, IIA NZ promoted the internal audit profession in May 2022. Through a variety of events and awareness campaigns designed to inform and engage, members and the Institute shared their passion for internal auditing, raising awareness of the profession and helping stakeholders understand the value of internal audit in their organisations.

In recognition of the achievement IIA NZ was awarded the coveted 2022 Building Awareness Champion Award.



Life Members

Life membership is awarded by the Board to those members who have contributed significantly to the cause of internal auditing in New Zealand.

It was an honour to award Bernie McKendrey as a life member this year. Bernie has been a stalwart of the Institute in New Zealand and overseas.

She was elected to the IIA NZ Board in 2018 and held the position of Deputy Chair for 3 years before retiring from the Board in 2022. She held the position of Chair of the Education Committee and is an active member of the Advocacy Committee. She is a passionate advocate and educator and lead in the introduction of a special topic paper at Otago University as a blueprint to promote internal audit to all universities in New Zealand.

The Institute is proud to acknowledge the contribution made over the years by the following members who hold Life Membership to IIA NZ:

Michael Cox • **Bruce Baillie** •
Ross Dunn • **Brian Robb** •
Russell Third • **David Sutton** •
James Jong • **Souella Cumming** •
Bernie McKendrey

Honour Roll

Without the commitment of volunteers, IIA NZ could not have achieved what it did in 2022. We are proud to honour the following volunteers. We also thank our supporters and other contributors throughout the year.

KPMG • Deloitte • EY • PWC • Grant Thornton • Waka Kotahi NZ Transport Agency • YY Lee • Grace Nunn • Rob Marshall • Victoria Craig • Mark Maloney • Tee Chow Lee • Shaun Dowers • Natasha Flavell • Theo Cheung • Sonja Healy • Bernie McKendrey • Brian Robb • Jeff Galt • Yuliya Gultekin • James Jong • Kim Chavez • Tania Charles • Melissa Bailey • David Sinkins • Hannah Brook • Tony Arnold • Philip Whitmore • TeamMate • Wolters Kluwer • Daniel Kent-Royds • Monika Wakeman • Russell Third • David Sutton • Joanne Ogg • Jessica Rodger • Ferdinand Balfoort • Gary Shaw • Greg Nicholls • Lisa Henderson • Curtis Morton • Kavita Khanna • Philip Riley • Ray Dowman • Andrew Simpson • Deb Peach • Helen Franklin • Melissa Robinson • CA ANZ • Institute of Directors • TINZ • RiskNZ • ISACA • Georgia Francis • Georgia Davies • Claire O'Brien • Mary Mwangi • Frank Faesen • Bineeta Nand • Aaron Steele • Benn Jordan • Angel Alchin • Swati Joshi • Department of Writing • Sir Ian Taylor • Emma O'Keefe • Meena Patel • Myles Perry • Liz MacPherson • Kaharoa Manihera • NW Group • Venues Wellington

Statement of Financial Performance

The Institute of Internal Auditors New Zealand

For the year ended
31 December 2022

Notes:	2022 Actual \$	2022 Budget * \$	2021 Actual \$
Income			
Advertising & miscellaneous	7,648	8,000	10,597
Interest Received	10,174	6,000	5,062
Magazines, books, CIA kits	50	2,000	2,258
Subscriptions	171,372	175,000	168,029
Total Income	189,244	191,000	185,945
Less Operating Expenses			
Accountancy Fee	2,000	1,500	1,805
Affiliation membership	10,033	25,500	16,088
Audit Fees	10,750	9,500	9,500
Bad debts	-	300	460
Board travel and meetings	1,917	3,100	2,975
Depreciation	4,245	4,000	4,555
Finance Charges	2,815	4,000	2,832
IIA App	2,758	3,036	2,879
Insurance	3,054	3,000	2,932
Magazines, books, CIA kits	-	1,000	754
National Office Expenditure	209,769	181,131	180,603
Prizes & Awards	1,121	4,300	-
Tax penalty	413	-	-
Website maintenance	14,034	4,500	3,473
Total Operating Expenses	(262,910)	(244,867)	(228,855)
Operating Profit / (Deficit)	(73,666)	(53,867)	(42,910)
Education & Training			
Education Income	78,645	-	68,668
Education expenses	(24,409)	-	(51,011)
Net education & training	54,237	17,000	17,657
Conference			
Conference income	55,954	-	-
Conference expenses	(55,143)	-	(626)
Net conference	812	14,306	(626)
Regional activity			
Regional income	2,018	-	5,622
Regional expenses	(2,871)	-	(5,041)
Net regional activity	(853)	(1,500)	581
Strategic committee spend	14	(11,081)	(22,687)
Net Profit / (Deficit)	(30,551)	(35,361)	(47,986)

* The budget was not subject to audit

Statement of Financial Position

The Institute of Internal Auditors New Zealand

As at 31 December 2022

	Notes:	2022	2021 \$
Assets			
Cash and Bank Balances			
ANZ Call Account	9	4,133	4,094
ANZ Cheque Account	9	140,231	123,389
Total Cash and Bank Balances		144,365	127,483
Current Assets			
Accounts Receivable		4,622	9,294
Accrued Interest		4,382	772
Investments	10	339,454	396,844
Prepaid Expenses		11,690	7,324
Trust Account		5,162	5,129
Total Current Assets		365,309	419,363
Non Current Assets			
Fixed Assets	11	7,997	12,384
Total Non Current Assets		7,997	12,384
Total Assets		517,671	559,230
Liabilities			
Current Liabilities			
Accounts Payable		355	726
Accrued Annual Leave		8,375	17,166
Accrued Expenses		9,750	8,500
Debtors in credit		3,141	7,753
GST		(3,756)	(5,273)
Total Current Liabilities		17,864	28,872
Total Liabilities		17,864	28,872
Net Assets		499,807	530,358
Accumulated Funds			
Retained Earnings		499,807	530,358
Total Accumulated Funds		499,807	530,358



IIA NZ Annual Report 2023



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Chair Report



Yoonyoung (YY) Lee

Board Chair
CA, CISA, PRINCE2, ICP

This will be the last Annual Report I contribute to, in my capacity as Chair of The Institute of Internal Auditors New Zealand (IIA NZ), Te Kaiarotake Matua o Aotearoa. As I stand down, I realise the enhanced criticality of our role in society today. As Internal Auditors, we are in significant demand as our expertise is paramount in helping stakeholders navigate conscious risk taking, stabilise the foundations in an economically rife condition, and keep an eye on uncertainty as organisations venture towards strategic change.

Having served our Board since 2020 and then appointed as Chair of the Board annually from 2021 to 2024, I feel privileged to have overseen the governance of IIA NZ during times of unprecedented change. Reflecting back on my tenure, proud evolutionary shifts which come to mind includes:

- **Representation on our Board** – having started off as the only Auckland voice around the Board table, I look around today and am thrilled with the diversity of public sector and corporate perspectives, range of experience, and national geographic that is presented on behalf of our IIA NZ profession (which has grown again to 821 members). In recognition of the regionalised nuances of our Internal Audit communities and the diverse capabilities required to play our role, I felt strongly that this needed to be established at a governance level for us too.
- **Resilience through and post covid** – together we navigated through a two-month nationwide lockdown (March to May 2020) and where Aucklanders in particular were in two subsequent tranches of lockdowns (August to September 2020 and again February to March 2021). During this time, our Board consciously endorsed keeping our subscriptions static to financially support our members, negotiated a sub-lease with Chartered Accountants Australia & New Zealand at short notice to preserve the welfare of our National Office, and hosted our first ever virtual conference.
- **Strength of our partnerships** – we needed to enhance our affiliate relationships and therefore invested more into IIA NZ's presence at Global Assembly and the Global International Conference in July 2023, established liaisons with the Global IIA representatives, including the newly appointed Global IIA Executive Vice President of Global Strategy & Affiliate Relations, and entered into a Memorandum of Understanding with IIA Australia. Synergies with fellow professional bodies, Head of Profession, and Auditor General continue, too.

- **Voice and influence into the Global Internal Audit Standards** – given Global IIA's International Professional Practices Framework (IPPF) project sought to promote consistent Global Internal Audit practice, IIA NZ ensured we were an active participant in collating our country's submission on the proposed changes through our complimentary forums and webinars. With the new Global Internal Audit Standards becoming effective from 9 January 2025, IIA NZ will provide continued support to help organisations conform.
- **Sustainability of the National Office** – the successful appointment of our new Chief Executive Officer (CEO) in March 2023 was a monumental change, as IIA NZ had until that point been dutifully lead by Steve Downes for over nine years. Not only this, but soon after, there was an unforeseen medical circumstance where IIA NZ lost continuity of our only other team member, namely our National Office Manager. With the Board's endorsement, there was a critical need to invest imminently to establish a new National Office, and one fit for future.

Standing back, it is notable how far we have come as a profession since our inception in New Zealand in 1986. There is, however, always more to be done and I feel the Incorporated Societies Act 2022 also provides an opportunity for IIA NZ, governed by our Board, to modernise our Constitution (Rules) to what is better aligned to practices for our future. I have every confidence that IIA NZ will continue to serve Internal Audit professionals from an advocacy, educational and community standpoint. Even with evolution, as aforementioned, I encourage us to stay committed to our fundamental purpose of being the valued and “leading providers of assurance and advice on risk management, internal control and governance for the benefit of organisations and their stakeholders”.

A big thank you to all our IIA NZ members who have entrusted me to govern our strategic advancements, to our partners whom I have collaborated with on like-minded initiatives, to the National Office that acts as the engine for all we do, and to our Board for teaming with me through our multitude of governance matters over the past few years. The two terms, constituting four years, has been a worthwhile investment of voluntary time, it has been an absolute honour and I will passionately vouch for the continued success of our amazing IIA NZ profession.

Ngā mihi,
Yoonyoung (YY) Lee
Chair

Chief Executive Report



Sally Dunbar

Chief Executive Officer

In 2023, my tenure as the new IIA NZ Chief Executive brought forth a year characterised by excitement, evolution, and elongation. We embarked on a journey of change, bidding farewell to Steve Downes, our former CEO, and his daughter Kate Blakeley, Office Manager, due to medical reasons. However, from these challenges arose opportunities, leading us to split Kate's role into two distinct positions: membership/office management and event management. This restructuring paved the way for the appointment of Shannon Conaglen as the IIA NZ Office Manager, Zac Lorenz as our new IIA NZ Visual Communications Officer in May 2023, and Nyssa Edgecombe as our IIA NZ Events Manager in July 2023. All team members of the IIA NZ National Office work part-time. This strategic expansion solidified our commitment to providing enriching experiences and value to IIA NZ members.

Throughout 2023, the IIA NZ Board 2023 - 2024 remained deeply active and engaged with various committees, including Advocacy, Membership, and Education. Each committee was dedicated to pursuing its unique goals, contributing to our overall mission. In addition to these existing committees, I established two new ones: the Constitutional/Policy Committee and the Strategy Committee, further enhancing our organisational structure.

Listed below are some of the key initiatives that I, along with the IIA NZ National office team and IIA NZ board/committee members, personally championed and executed throughout 2023:

- **Strengthening Advocacy Efforts:** The Advocacy Committee worked tirelessly to advance our advocacy agenda, fostering closer relationships with key stakeholders and advocating for the interests of our members.
- **Membership Enhancement:** The Membership Committee focused on expanding our membership base, implementing innovative strategies to attract new members and retain existing ones.
- **Education Enrichment:** The Education Committee spearheaded numerous educational initiatives, including workshops, training sessions, the new training programme with Massey University and events, aimed at enhancing the professional development of our members.
- **Strategic Planning:** The Strategy Committee played a pivotal role in charting the course for our organisation's 5-year future vision, developing strategic plans and initiatives to ensure long-term success.

- **Constitutional and Policy Review:** The Constitutional/Policy Committee undertook the crucial task of an initial review of the IIA NZ Constitution (Rules) in alignment with the changes outlined in the Incorporated Societies Act. This comprehensive review process aims to strengthen our governance framework and will enhance our organisational effectiveness moving forward.

These priorities, among others, underscore our commitment to driving positive change and innovation within the organisation. As we look ahead to the future, we remain dedicated to advancing the mission of IIA NZ and empowering our members to thrive in the dynamic field of Internal Auditing.

Below you will find some of the key initiatives that were undertaken in 2023:

Membership:

- Increase in membership from 799 (31 December 2022) to 821 (31 December 2023)
- Launched the new regional IIA NZ Ambassador Programme
- Implemented a new membership renewal process and revamped Terms and Conditions
- Successfully concluded the IIA NZ Member App project
- Enhanced member engagement through regular newsletters and extensive social media activity

Education:

- Developed and implemented numerous events, including IA Awareness Month 2023 and IIA NZ Education Day 2023
- For IA Awareness Month (May 2023) National Office successfully orchestrated 22 events, both in local settings and in partnership with Global Affiliates, including Australia and Singapore.
- Winner of Global IA Awareness Month 2023
- Developed the IIA NZ Training Programme 2024 framework in partnership with Massey University of New Zealand, career pathway and mentorship forums, including the Emerging Auditors, Auditor in Charge and Heads of Internal Auditors.
- Introduced new workshops and training sessions, including launching new Ethics workshops and continuing to run the Fundamentals of Internal Auditing in-person workshop three times in 2023.

Advocacy:

- Strengthened key stakeholder relationships with government agencies, through Head of Profession, James Jong and established new partnerships with various membership organisations and likeminded organisations, strengthening our connection beyond our profession.
- Implemented a new MoU with IIA AU and gained permission to co-brand white papers/factsheets.
- Facilitated extended collaboration for the reintroduction of CIA and CRMA certifications in NZ

- Created the new IIA NZ Student Roadshow to enhance Internal Audit awareness across all New Zealand universities, set to commence in early 2024.

- Implemented new video content and other marketing collateral for IIA NZ.

Global IIA:

- Strengthened relationships with other IIA affiliates, in particular with IIA AU, IIA SA and IIA SG.

- Attended ACCIA AGM and other affiliate online meetings.

- Collaborated with the newly assigned IIA NZ dedicated Global IIA representative and the newly appointed Global IIA Executive Vice President of Global Strategy & Affiliate Relations.

- Heightened IIA NZ's presence at Global Assembly and their International Conference in July 2023.

National Office:

- Established a cohesive National Office team and implemented regular meetings and health and safety checks.

- Conducted comprehensive reviews, including insurance, procurement, and IT risk analysis.

- Transitioned to a remote work environment and implemented new processes and technologies.

- Closed out outstanding liabilities and optimized asset management.

Overall, the year presented its challenges, but the team's unwavering dedication and passion resulted in significant achievements. We ended the year with an incredible uplift in membership and solidified our position as a leading professional association.

I extend my sincere gratitude to everyone who supported me during my induction period, including the IIA NZ Board 2022-2023 members, YY Lee, Shaun Dowers, Sonja Healy, and Grace Nunn, for their invaluable support and guidance at that time. I also want to acknowledge the current Board and the IIA NZ National Office team, with whom it has been a pleasure to collaborate. We make a fantastic team!

*Ngā mihi nui,
Sally Dunbar
Chief Executive Officer*

Governance

The Board is responsible for the stewardship and future wellbeing of the IIA NZ. The Board exercises leadership, enterprise, integrity, and judgment in directing IIA NZ to ensure its continuing ability to serve its members as the pre-eminent body of Internal Audit professionals. The Board pursues and applies a high standard of corporate governance. The Board will always act in the best interests of the IIA NZ and in a transparent, accountable and responsible manner.

In discharging their Board responsibilities each Director has a duty to act in the best interests of the IIA NZ as a whole, irrespective of personal, professional, commercial or other interests, loyalties or affiliations. Under the Rules of the Institute, Directors are elected by members at the AGM of the Institute.

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

Directors' appointments are staggered so that not all Directors' terms expire at the same time.

There can be up to seven Directors, with the ability to co-opt up to further three non-elected

Directors. The maximum number of Directors shall not exceed 10 in total.

The Board appoints the office holders of Chair and Vice Chair.

Directors do not receive remuneration for acting in the capacity of Director nor do they receive retirement benefits. Directors are entitled to reimbursement of expenses incurred in carrying out their duties, in particular travel and accommodation.

The Board



Yoonyoung (YY) Lee

Board Chair
CA, CISA, PRINCE2, ICP



Tee Chow Lee

Board Deputy Chair,
Advocacy Chair



Shaun Dowers

Treasurer, CIA



Grace Nunn

Education Committee Chair, CIA



Ramon Manzano

Education Deputy Chair, CIA,
CA, ACDA



Jocelyn Ooi

Membership Committee Chair



Rob Marshall

Strategy Committee Advisor
(Resigned December 2023)



Julie Tweedie

Membership Deputy Chair
(Resigned December 2023)

Treasurer Report

Our 2023 financial performance has again been primarily affected by abnormal or unusual circumstances.

Our budget for the year concluded on a small profit before accommodating for planned strategic spend. Key assumptions and considerations included a small increase in membership, a return to IIA Global Assembly attendance (mandatory attendance requiring international travel), and key expense increases in office lease/rental and IIA affiliation fees. As well, we assumed cautious net results from conference and education/training, at a time when COVID was causing periodic disruptions.

Unfortunately, our CEO resigned, and shortly after our new CEO assumed office, our National Office Manager required extended medical leave and subsequently resigned. This severely tested our office's resilience, affecting our expenses in various ways. Flights for the IIA Global Assembly were booked late due to CEO recruitment timing, amidst a high-priced travel market. Office resourcing was impacted by administrative and system support resources engaged at consulting rates.

As these unforeseen circumstances played out, our Board and new CEO deferred strategic spend and focused on controllable mitigations including improving conference and education results, and making reductions within our office expenditure (chiefly the decision to shift into a virtual office environment).

The situation also provided an opportunity for the Board, along with our new CEO, to strategically rebuild our office administration team. We swiftly gained a clearer understanding of our office's workload, which had not always been easily visible. Leveraging the deliverables in 2023, the office team was better equipped to manage member administration, event management, publications, and strategic initiatives.

As a membership organisation we continue to be reminded of our amazingly loyal subscription, and as a Board we feel incredibly proud and committed to recognising this loyalty, and best serve our member's interests.

Our predominant contributors to budget variances and our unplanned deficit for the year included:

- The conference performing well, yielding a modest net return, but not achieving the anticipated budgeted return. This was hindered by external factors, including delayed planning and challenges with securing adequate support and resources.
- Education training performance better than budget.
- Consultant and system support costs increasing during periods of recruitment and medical leave, due to the establishment of a new team, coupled with the loss of in-house knowledge and reduced staff.
- The CEO transition leading to the late booking of attendance for the IIA Global Assembly at high prices.

Our reserves continue to be at a healthy level, and the Board remain acutely aware of the need to maintain a sustainable outlook. Our budget and strategic planning cycle remains well-timed and enables robust challenge of our bottom line, our subscription, expense levels, and our reliance on conference and education performance. Our budget for 2024 is in surplus, but we remain vigilant for changes to our environment and assumptions.

Ngā mihi,
Shaun Dowers
Treasurer



Advocacy Report

Purpose

The Advocacy Committee has a key purpose to uplift the profile, reputation and value of the Internal Audit profession and the Institute of Internal Auditors NZ (IIANZ) within NZ. Also, where possible, to represent NZ internationally. Specifically, we aim to enhance the recognition of the value and significance of Internal Audit within the business community. This endeavour will foster greater demand and support for Internal Audit activities, as well as offer insight to prospective students and skilled professionals regarding the opportunities and career paths available in Internal Auditing, thereby influencing both supply and delivery.

Measures of Success

Advocacy is a highly qualitative field where understanding and measuring performance and success is difficult. Part of our work this year has been to explore and understand what success looks like. Though we have not quite finalised these mechanisms, the foundational work has begun and is ramping up. For example:

- Understanding the number of Internal Auditors in New Zealand and how that trends over time. Work is underway to obtain and analyse the 2023 Census data to establish a baseline.
- Understanding the employment landscape, such as vacancies and demand. We have begun analysing job advertisement data over time, and discussing with Internal Auditors what skills and capability do they need to better support business' and their experience in getting those right skills in the market.
- Understanding the perception of the Internal Audit profession in New Zealand. Planning is underway to determine what key questions that need answering, who we ask, and how. Some will go to IIANZ members, while others may be more targeted or distributed with other member organisations.

Other success measures also overlap with other committees such as student membership, increasing the number of IIANZ members, number of qualified CIA members, etc. So coordination and collaboration with our other Education and Membership Committees is vital.

2023-2024 Delivery

As we understand and establish a baseline of success, we continue to be busy engaging in the business community, with other membership and corporate organisations, with Universities, with our members, and with Global IIA (The IIA).

Our initiatives spanned multiple channels, approaches and forms throughout year with support from our volunteers in our Committee, the National Office, and members within the IIA NZ. Over 2023, we have:

1. Partnering with IIA Australia with co-branded Internal Audit factsheets.
2. Provided a submission to the IIA on their draft Policy Position paper.
3. Held a IIANZ panel with an international delegation of risk and assurance professionals from Indonesia, hosted by Massey University.
4. We organized and held numerous member-specific workshops focusing on the submission and feedback regarding the new "Global Internal Audit Standards." Additionally, we interacted with key stakeholder groups to discuss the changes and their associated benefits.
5. We launched and carried out a membership drive targeting tertiary students ahead of the 2024 Student O-week presentations. Prior to this, we established connections with all universities across New Zealand in preparation for delivering a series of presentations in early 2024 about I IANZ and the Internal Audit profession.
6. Published a joint paper on "The Value of Internal Audit to Prevent Fraud and Corruption" with Transparency International, co-authored by James Jong, Jeff Galt, Bernie McKendry, and Julie Haggie.

Our relationships continue to go from strength to strength with Sally Dunbar and the Advocacy Committee positively engaging with a number of different organisations, in particular, with the Institute of Directors, the Office of the Auditor General, Audit NZ, Risk New Zealand, Transparency International, IIA Australia, IIA Global, the NZ Association of Certified Fraud Examiners, ISACA NZ, Workforce Development Council, NZX, MBIE, Governance NZ, DATACOM, Consumer NZ, CAANZ, BDO, Massey University, Waikato University, and Victoria University, to name a few.

Looking to the Future

We have a full list of projects to continue this momentum and reap further benefits for our profession and members. A number of our projects require continued and sustained efforts over longer time horizons to be able to see our ambition and shift the market to better recognise our profession. As a snapshot, we intend to

- Strengthen our engagement with Universities and spread the word about the Internal Audit career path
- Utilise new approaches and channels such as developing a series of videos and increasing our utilisation of LinkedIn and other social media channels.
- Connect and offer services and support as we approach the date for compliance to the Global Internal Audit Standards
- Provide feedback and input into the OAG Annual Plan and other key national and wide-impacting plans.
- Provide better resources for Internal Auditors and business professionals to educate and support strong Internal Audit execution.

- Obtain more survey information to tailor our efforts and understand our reputational position.

Final Remarks

After the AGM in 2023, we asked our membership for volunteers to join in this journey and efforts. We have been fortunate to add several new volunteers to our Advocacy Committee, injecting some fresh perspectives, ideas, and energy to compliment our existing Committee members. Also a huge effort from our National Office does not go unnoticed, as they continue to support and drive our Advocacy efforts.

A big thank you to our National Office: **Sally Dunbar, Shannon Conaglen, Nyssa Edgecombe, Zac Lorenz**; and to our Advocacy Committee members: **Irina Kiseylova, Tejot Bhasin, Georgia Yenge, Swati Joshi, Jeff Galt, Shasa Lawrence, and Russell Third**.

It has been a truly rewarding experience and privileged to Chair the Advocacy Committee and work alongside this group to take our profession and institute forward.

Ngā mihi,

Tee Chow Lee

Advocacy Committee Chair

Education Report

2023 has been a pivotal year for the Institute, marked by a comprehensive reassessment of our role in the education and training landscape. Several factors triggered this review, including the aftermath of the COVID-19 pandemic, a change in leadership with our new Chief Executive Officer (CEO), and the realisation that this might be my final year on the board. It was essential to ensure that our education and training initiatives fulfilled the ambitious goals I had envisioned three years ago.

In 2023 we delivered and facilitated over 130 training and education events to our members, which is, on average, 10 events a month. Our busiest month was Internal Audit Awareness Month this year where we delivered 22 educational events to over 200 of our members. We have continued our alliances with other Global Affiliates, widened our pool of highly qualified trainers and strengthened our relationships with key educational partners who are poised to deliver incredible things in 2024. A brief overview of the key events we have provided in 2023 is below but this only represents a snapshot of what we achieved throughout the year!

- We began the year by running our introductory Fundamentals of Internal Auditing training course in March and conducted several additional sessions throughout the year. These courses garnered substantial interest and were very well-received. In fact, our training course in October was completely sold out. Thank you to Brian Robb for supporting us with this.
- What some of you may have traditionally known as our Friday Forums have been revitalised and rebranded as the new Lunch 'n' Learn series, which now takes place on Thursdays. The change in the day of the week was prompted by the evolving work patterns of our members and to accommodate remote workers who may not typically be in Wellington on a Monday or a Friday.
- We also reinstated the Small Practitioners Special Interest Group which is dedicated to providing a supportive platform for our members who work within smaller teams, addressing the unique issues and challenges that they may face.
- We hosted two successful in-person Education Days in Wellington and Christchurch. These events provided a platform for deep learning, where Internal Auditors came together to enhance their knowledge, share experiences, and grow their professional network. The enthusiasm and passion displayed by our members during these events were fantastic.

As a result of the hard work of Sally Dunbar, our Chief Executive Officer, Shannon Conaglen, our Office Manager, Nyssa Edgcombe, our Events Manager, and Zac Lorenz, our Visual Communications Officer, we were also incredibly proud to accept the prestigious 2023 Building Awareness Champion Award from Global IIA. This international recognition is bestowed upon Global IIA Affiliate organisations that exhibit unwavering dedication to advancing the Internal Audit profession, particularly during Internal Audit Awareness Month in May.

We are ready to move into an even more incredible year in 2024 with the implementation of our education and career pathway, supported by our Training Programme. The Training Programme aims to provide extensive and meaningful training options for Internal Audit professionals in New Zealand. It caters to various career stages, including graduates, those transitioning into the profession, advanced professionals, Auditors in Charge, and executives seeking training and networking support.

The path ahead is filled with exciting possibilities. We are committed to further expanding our training and educational offerings, catering to the evolving needs of our members. The IIA NZ Board, National Office and I look forward to making a meaningful impact on the Internal Audit profession in New Zealand. I want to express my gratitude to all our members, sponsors, and partners who have supported us in this journey. Your dedication and enthusiasm remain instrumental in the success of these educational initiatives. To our Committee Members, Ramon Manzano, Melissa Wilson and Karen Razon – thank you for your support and dedication over the year! And finally, being part of the Education Committee has been hugely rewarding. If you do want to get involved, have a chat with Sally, who would be thrilled to facilitate this.

Ngā mihi,

Grace Nunn

Education Committee Chair

Membership Report

IIA NZ is delighted to announce that our membership numbers remained robust in 2023. Our membership grew to 821 members (compared to 799 members in 2022), representing a 2.8% growth. This growth is a testament to our members' recognition of the IIA NZ's multitude of benefits and resources.

Membership with IIA NZ offers many benefits and resources for Internal Auditors seeking to enhance their skills, advance their careers, and stay connected with their professional community. From resources and factsheets to training programmes and professional development opportunities, IIA NZ provides valuable support and advocacy for its members. The IIA NZ is committed to ensuring its members have access to the tools and opportunities needed for success. By maintaining an active membership, you can ensure you continue to avail yourself of the benefits and support offered by IIA NZ.

As a member, you will have the opportunity to network with fellow Internal Auditors and professionals in related domains, fostering collaboration and knowledge-sharing opportunities. You will also gain access to professional development initiatives such as training programmes and continuing education courses, further enriching your expertise. In addition to these benefits, IIA NZ membership ensures that you receive advocacy and representation on matters affecting the Internal Auditing profession in New Zealand, such as the Global Standards submission, to address the evolving needs and challenges of the industry.

We extend our gratitude to all our Regional Ambassadors: Tejot Bhasin, Irina Kiselyova, Mary Mwangi, Georgia Yenge, Sonja Healy, Aaron Steele and Grace Ng. Their commitment and efforts have been invaluable in enhancing membership engagement and experience through strategic initiatives. These initiatives include involvement in various networking events, as well as being involved in the Advocacy-led student orientation events held at various local universities. We commend their dedication and contributions to the IIA NZ community.

We acknowledge and thank Sonja Healy, Irina Kiselyova, Mary Mwangi and Georgia Yenge for being members of the Membership Committee this year.

Ngā mihi,
Jocelyn Ooi
Membership Committee Chair

Membership

Outputs

IIA NZ Outputs:	2023	2022	2021
Networking forums	25	14	17
Special interest groups	4	6	6
Monthly E-newsletters	11	8	13
Situations Vacant Advertising	42	26	79
Learning from Leaders	0	0	3
IIA NZ Online training courses and events	20	-	-
Overseas Online training courses and events: Global, IIA AU, IIA Singapore, etc	74	52	-
Facilitated training courses	12	5	7
Submissions to government/agencies/Global IIA	1	2	2

Additional Outputs

In 2023, the IIA NZ National office placed significant emphasis on encouraging members to emerge from behind their desks and actively engage either in-person or online in a post-COVID environment. Starting from March 2023, we transitioned to a hybrid event format, ensuring that all IIA NZ members across the country could participate in networking and events, regardless of their location.

We were thrilled to host the IIA NZ Conference 2023, our flagship event, after a hiatus of 3 years. Held at the Aotea Convention Centre in Auckland in November 2023, the Conference was conducted in a hybrid capacity, featuring both in-person attendance and online participation. We extend our gratitude to all who supported this event, and special thanks to EY for their invaluable sponsorship. The Conference provided an opportunity for us to reconnect with our members in person.

Our partnership with IIA Australia reached new heights with the signing of our first Memorandum of Understanding (MoU). Additionally, in collaboration with other IIA Affiliates, we successfully facilitated over 74 online courses in 2023. In total, throughout the year, we organised and managed an impressive total of over 130 events.

I would like to extend my sincere appreciation to Sally Dunbar, Shannon Conaglen, Nyssa Edgecombe, and Zac Lorenz, for their unwavering commitment and dedication in facilitating this outstanding number of events. Their contributions were invaluable in ensuring the success of our initiatives. Combined with the efforts of our local facilitators in conducting in-person courses, these initiatives have effectively enabled our members to fulfil their CPE requirements.

Conference 2023

We were exhilarated to revive the IIA NZ Conference 2023, our flagship event, following a hiatus of 3 years. Held at the Aotea Convention Centre in Auckland in November 2023, the conference embraced a hybrid format, accommodating both in-person attendees and online participants. We extend our heartfelt gratitude to all who contributed to the success of this event, with a special acknowledgment to EY for their invaluable sponsorship. The conference provided a cherished opportunity for us to reconnect with our members face-to-face.

Under the theme "What Got You Here Won't Get You There," the two-day hybrid conference featured an impressive lineup of keynote speakers and industry-related presenters, engaging panel discussions and round-robin workshops, 'The Great Debate,' the IIA NZ Awards Ceremony, and the Cocktail Connect held on Monday evening. Additionally, we proudly launched the new IIA NZ Training Programme in partnership with Massey University, offering a glimpse into what was to come in 2024.

Renowned speakers such as Dan Te Whenua Walker, Tony Alexander, David Carrigan, Shireen Chua, and EY Space Tech delivered impactful presentations, leaving a lasting impression on the audience, particularly emphasizing the industry's relevance of adaptability for our profession.

The Institute extends its deepest gratitude to the host sponsor, EY, and acknowledges the dedicated efforts of the conference committee, including Helen Franklin, Melissa Bailey, Deb Peach, Grace Nunn, Tee Chow Lee, Shaun Dowers, Sally Dunbar, Shannon Conaglen, Nyssa Edgecombe, and Zac Lorenz. Their contributions were instrumental in ensuring the success of this memorable event.

IIA NZ Awards **in Professional** **Excellence**

In support of our mission to empower members for success, the IIA NZ Awards Programme acknowledges outstanding performance within the Internal Audit profession in New Zealand. It promotes the consistent application of international standards and encourages Internal Auditors' pursuit of professional excellence.

The IIA NZ recognises the achievements of Internal Audit professionals and those who champion our work each year.

This 2023 recipients are:

Emerging IA: **Louis Manickam**

Team Excellence: **Ryman Healthcare Limited**

Best Contribution: **Sonja Healy**

Fellow Membership: **Shaun Dowers**

Life Membership: **Brian Robb**

Global Representation

Global Assembly

The core purpose of the Global Assembly is to inform the global strategic plan by advising the Global Board on strategic priorities and significant matters impacting the profession and the Affiliates on a global basis. Global Assembly serves as the liaison between the Global Board and the Affiliate boards to help facilitate the alignment of global and local strategies.

The Global Assembly provides a forum for global leaders to stay informed, contribute ideas, share information, and collaborate to advance the Internal Audit profession and The IIA globally.

IIA NZ is represented by Yoonyoung (YY) Lee, Chair of the IIA NZ Board, and Sally Dunbar, Chief Executive Officer.

Global Executive Leadership Team (GELT)

The Global Executive Leadership Team (GELT) is made up of CEOs of The IIA's largest 25 Affiliates; a group of senior staff from The IIA Global Headquarters who manage critical day-to-day operations; and the Global Board of Directors, which has been guiding the overall strategy.

IIA NZ is represented by Sally Dunbar, Chief Executive Officer.

Asian Confederation of Institutes of Internal Auditors

New Zealand is represented on the Asian Confederation of Institutes of Internal Auditors (ACIIA).

ACIIA is a confederation of 17 IIA Affiliates in the Asia Pacific region comprising: IIA-Australia,

IIA China, IIA Hong Kong China, IIA India, IIA Indonesia, IIA Fiji, IIA Japan, IIA Korea, IIA Malaysia, IIA Mongolia, IIA Papua New Guinea, IIA Philippines, IIA Singapore, IIA Sri Lanka, IIA Chinese Taiwan, IIA Thailand and IIA New Zealand.

ACIIA's vision is to be the regional voice of the internal auditing profession: advocating its value, promoting best practices and providing exceptional service to its members.

IIA NZ is represented by Sally Dunbar, Chief Executive Officer.

IIA International Internal Audit Awareness Month

Each May is International Internal Audit Awareness Month. This provides for the opportunity to recognise our members, celebrate, and promote the Internal Audit profession and the value it adds to an organisation.

Rising to the challenges continued by a global pandemic, IIA NZ promoted the Internal Audit profession in May 2023. Through a variety of events and awareness campaigns designed to inform and engage, members and the IIA NZ shared their passion for Internal Auditing, raising awareness of the profession and helping stakeholders understand the value of Internal Audit in their organisations.

In recognition of the achievement IIA NZ was awarded the coveted **2023 Building Awareness Champion Award**.



Life Members

Life Membership is awarded by the IIA NZ Board to those members who have contributed significantly to the cause of Internal Auditing in New Zealand.

It was an honour to award Brian Robb as a Life Member this year. Brian has been a stalwart of the Institute of Internal Auditors in New Zealand.

Brian has made significant contributions to IIA NZ in various capacities including serving on the Wellington Branch committee for many years including as chairperson. He served on the IIA NZ Board, including as IIA NZ President, and was recognised as a Fellow of the Institute of Internal Auditors New Zealand (FIIA NZ). He also has represented IIANZ at a Global IIA forum and with other NZ members, contributed to changes to the Global Standards.

Brian holds a CRMA certification in Risk Management Assurance from the Institute of Internal Auditors (Global IIA) and has been awarded the Institute of Internal Auditors New Zealand's award for the Greatest Contribution to Internal Auditing in both 2008 and 2014. He also holds an Executive Master of Public Administration with Merit (MPA(exec)) from the Australia and New Zealand School of Government/Victoria University of Wellington. Additionally, Brian is a Certified Internal Auditor (CIA), and received accreditation to perform quality reviews of Internal Audit Functions, from the Institute of Internal Auditors (Global IIA).

Throughout his tenure, Brian has been a strong advocate for upskilling Internal Auditors in New Zealand and has presented and developed numerous training courses for members over the years. We were honoured to recognise Brian's contributions with this award, which is truly well-deserved.

The IIA NZ is proud to acknowledge the contribution made over the years by the following members who hold Life Membership with IIA NZ:

Michael Cox • **Bruce Baillie** •
Ross Dunn • **Brian Robb** •
Russell Third • **David Sutton** •
James Jong • **Souella Cumming** •
Bernie McKendrey

Honour Roll

Without the commitment of volunteers, IIA NZ could not have achieved what it did in 2023. We are proud to honour the following volunteers. We also thank our supporters and other contributors throughout the year.

KPMG • Deloitte • EY • PWC • Waka Kotahi NZ Transport Agency • YY Lee • Grace Nunn • Rob Marshall • Victoria Craig • Mark Maloney • Tee Chow Lee • Shaun Dowers • Natasha Flavell • Theo Cheung • Sonja Healy • Tony Arnold • Jeff Galt • James Jong • Kim Chavez • Tania Charles • Melissa Bailey • David Sinkins • Brian Robb • Philip Whitmore • TeamMate • Daniel Kent-Royds • Monika Wakeman • Russell Third • David Sutton • Andrew Simpson • Deb Peach • Helen Franklin • CA ANZ: Lydia Tsen, Shelley Houghton • Institute of Directors • Georgia Yenge • RiskNZ • ISACA • Georgia Francis • Kalpana Dhasan • Claire O'Brien • Mary Mwangi • Aaron Steele • Department of Writing • Tejot Bhasin • Irina Kiselyova • Swati Joshi • Shasa Lawrence • Ramon Manzano • Melissa Wilson • Karen Razon • Jocelyn Ooi • Grace Ng • Prudence Witbooi • IIA NZ Board 2022 - 2023 • IIA NZ Board 2023 – 2024 • Aotea Convention Centre • Rydges Hotel Auckland • Intercontinental Hotel • Datacom: Matthew Evetts, Chris Miller • Kate Blakeley • Zephyr Consulting • Expert Services • CSC • The IIA: Emely Katz, Greg Chote, Javier Faleato and Roberto Rosas • Ross Tilly • Stephen Coates • Peter Jones • Amanda Shepherd • ACFE • Consumer NZ • BDO • Waikato University • University of Otago • Massey University • Victoria University • University of Auckland • Nelson Mandela University • MBIE • NZX • Office of Auditor General • Mark Maloney • Melanie Webb • John Ryan • Controller and Auditor-General • TINZ • Workforce Development Council • IIA NZ Ambassadors • 'Uta Moeaki • Maika Haupeakui • John Scott • Sam Ratten • Audit NZ

Statement of Financial Performance

The Institute of Internal Auditors New Zealand

For the year ended
31 December 2023

	Notes:	2023 Actual \$	2023 Budget * \$	2022 Actual \$
Income				
Advertising & miscellaneous		4,645	8,500	7,648
Interest Received		21,640	18,438	10,174
Magazines, books, CIA kits		-	-	50
Subscriptions		244,463	248,525	171,372
Total Income		270,748	275,463	189,244
Less Operating Expenses				
Accountancy Fee		3,185	2,000	2,000
Affiliation membership		22,087	25,508	10,033
Audit Fees		14,049	10,500	10,750
Bad debts		75	500	-
Board travel and meetings		2,225	3,600	1,917
Depreciation	11	3,472	4,300	4,245
Finance Charges		3,154	3,380	2,815
Global IIA Assembly Attendance		18,686	8,500	-
IIA App		3,240	3,396	2,758
Insurance		3,446	3,200	3,054
Magazines, books, CIA kits		10	-	-
National Office Expenditure	13	316,348	242,988	209,769
Prizes & Awards		5,011	1,000	1,121
Tax penalty		-	-	413
Website maintenance		5,141	2,040	14,034
Total Operating Expenses		(400,129)	(310,912)	(262,910)
Operating Profit / (Deficit)		(129,381)	(35,449)	(73,666)
Education & Training				
Education Income		104,715	-	78,645
Education expenses		(44,161)	-	(24,409)
Net education & training		60,554	30,000	54,237
Conference				
Conference income		137,363	-	55,954
Conference expenses		(113,365)	-	(55,143)
Net conference		23,998	10,000	812
Regional activity				
Regional income		2,342	-	2,018
Regional expenses		(4,342)	-	(2,871)
Net regional activity		(2,000)	-	(853)
Strategic committee spend	14	(1,565)	(22,000)	(11,081)
Net Profit / (Deficit)		(48,395)	(17,449)	(30,551)

* The budget was not subject to audit

Statement of Financial Position

The Institute of Internal Auditors New Zealand

As at 31 December 2023

Assets	Notes:	2023 \$	2022 \$
Cash and Bank Balances			
ANZ Call Account	9	9,556	4,133
ANZ Cheque Account	9	152,331	140,231
Total Cash and Bank Balances		161,886	144,365
Current Assets			
Accounts Receivable		21,073	4,622
Accrued Interest		5,197	4,382
Investments	10	300,000	339,454
Prepaid Expenses		4,837	11,690
Trust Account		-	5,162
Total Current Assets		331,108	365,309
Non Current Assets			
Fixed Assets	11	5,879	7,997
Total Non Current Assets		5,879	7,997
Total Assets		498,873	517,671
Liabilities			
Current Liabilities			
Accounts Payable		4,474	355
Accrued Annual Leave		13,684	8,375
Accrued Expenses		19,801	9,750
Debtors in credit		1,556	3,141
GST		1,053	(3,756)
Income received in advance		6,894	-
Total Current Liabilities		47,461	17,864
Total Liabilities		47,461	17,864
Net Assets		451,412	499,807
Accumulated Funds			
Retained Earnings		451,412	499,807
Total Accumulated Funds		451,412	499,807

2024 to 2025

Shaun Dowers is the current Chairman of the Board 2024 to 2025.



Shaun has been serving on the board since 2015, initially through co-option and then beginning an elected 2+2-year term from 2016 and ending in 2020. From 2019, he began assisting while leading the Education Committee. Shaun also took on a Treasurer role.

Subsequently, he served as a Board-Treasurer and was appointed annually as a co-opted Board member from 2020 to 2024.

In 2024 he was elected to the Board and was nominated as Board Chair.

Key memories and highlights Shaun has shared include:

Prior to my Board tenure, I have fond memories of conferences and Wellington monthly lunch sessions. The Topp Twins were a highlight, and more recently the Great Debate and David as the Phantom of the Opera.

I have thoroughly enjoyed the direction and focus that each of our Chairs and Board members have brought to our Governance over the past 10 years. It has seemed like each Chair's tenure has had a distinctly different challenge but also been presented with opportunities to take-on.

It has been really heartening to see the resilience in our membership, whilst suffering from Covid and post-Covid economy shocks, we are retaining a strong base and seeing a growing membership engagement.

With education being at the heart of my tenure, I remember building a stable forward-pitched calendar of training and offerings during my first elected term (around the 2018 period). This balanced membership survey results with courses available and returned a great engagement and financial result. Only to have Covid shortly after present vastly different challenges. Grace Nunn took this on with gusto and our virtual offerings/delivery grew. And somewhere shortly after we had Natasha kick-start a networking program that had wonderful success.

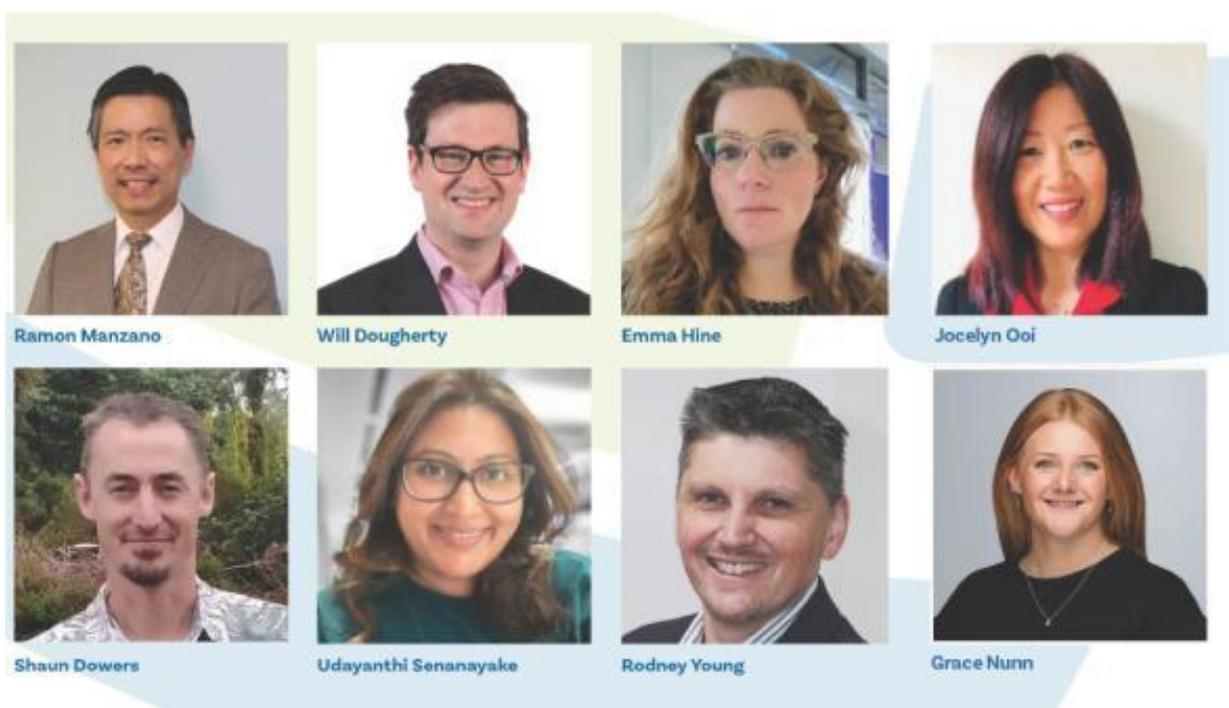
The Board member tenure was often too short. Within my time, I witness reinvention of a few wheels due to the disruption in continuity. It was great to work through a cornerstone update to our Constitution through a great committee and a thorough

membership engagement programme. This included an extension to Board tenure that I am sure will prove beneficial.

At the start of 2023, a recent appointment of Sally Dunbar, Shannon Conaglen and Nyssa Edgecombe, has created a refreshed passion to our membership and profession, and a challenge to status quo. I'm excited to see where this takes us.

IIA NZ BOARD MEMBERS 2024

- **Shaun Dowers** - IIA NZ Board Chair
- **Will Dougherty** - IIA NZ Advocacy Committee Chair
- **Emma Hine** - IIA NZ Advocacy Committee
- **Udayanthi Senanayake** - IIA NZ Membership Committee Chair
- **Jocelyn Ooi** - IIA NZ Membership Committee
- **Grace Nunn** - IIA NZ Education Committee Chair
- **Rodney Young** - IIA NZ Education Committee
- **Ramon Manzano** - IIA NZ Education Committee



2024 Accomplishments, Awards, New Constitution

Here is a brief overview of our accomplishments for 2024:

- Global Building Awareness Champion Award 2024 (see below)
- A warm welcome to our new members from the Pacific
- IIA NZ Conference 2024
- Inaugural Chief Audit Executive (CAE) Forum
- Draft IIA Constitution aligned with the new Incorporated Societies Act
- Membership Snapshot Report
- Approval of the IIA NZ Training Programme in partnership with Massey University framework, with content being built
- IIA NZ Mentorship Programme
- Inaugural Auckland Meet 'n' Greet Function
- Inaugural University Connect Programme
- Strengthened partnerships with Universities, the Office of the Auditor General (OAG), Serious Fraud Office (SFO), Institute of Directors (IOD) and other key stakeholders
- Website updates and member engagement initiatives

2024 Building Awareness Champion Award

IIA NZ is proud to have received the esteemed 2024 Building Awareness Champion Award on behalf of IIA Global. This distinguished honour is granted to affiliate organisations demonstrating steadfast dedication to advancing the internal audit profession during the annual celebration of Internal Audit Awareness Month in May 2024. We feel privileged and honoured to be acknowledged for our exceptional commitment to promoting excellence in the field of internal audit.



IIA NZ Awards 2024: Celebrating Excellence in Internal Audit

The IIA NZ Gala Awards Dinner on Tuesday, 5 November 2024, was truly a night to remember – a stunning setting, a meaningful occasion, and a powerful celebration of excellence within our profession. Surrounded by colleagues and supporters, we gathered to honour the achievements and contributions that drive internal auditing forward in New Zealand. The evening was filled with inspiring moments, heartfelt recognition, and shared pride in upholding the highest standards.

2024 Award Winners:

Emerging Auditor of the Year:

'Uta Moeaki – Congratulations on your promising contributions to the field! (Awarded on Conference Day 2)

The Richard Ratliff Award:

- After over a decade, this prestigious honour goes to Maika Haupeakui. A special message from Richard Ratliff himself made this a truly inspiring moment, celebrating Maika's outstanding dedication.

Team Excellence of the Year:

The Reserve Bank of New Zealand – Congratulations to Sarah and the team for their exceptional work.

Best Contribution of the Year:

Tejot Bhasin – Thank you for your ongoing service and energy, recognised by the Board for this well-deserved accolade.

IIA NZ Fellow Member Award 2024:

David Sinkins – David, your enthusiasm and unwavering support for the IIA NZ and the profession have left a lasting impact.

We also recognised the dedication of our Tenure Pin members, presenting over twenty certificates in appreciation of their steadfast commitment to internal auditing.

A special thank you to David Sutton, IIA NZ Life Member and ASB Chief Internal Auditor, for being an outstanding Master of Ceremonies, and to Cullum Peni-Wesche for the opening Mihi and Karakia. Appreciation goes out to the IIA NZ Board and National Office team for their contributions to this remarkable evening.

Conference and Awards Celebration

This year's conference theme, "In an Era of Fraud and Corruption, Internal Auditors Safeguard the Future", highlighted the essential role of integrity and accountability in today's business environment. The Gala Awards Dinner offered a fantastic opportunity to

connect with industry leaders, explore key topics in Internal Audit, and celebrate excellence within our profession.

A new Constitution

On 5 October 2023, the Incorporated Societies Act 2022 came into force, modernising how societies must operate. To remain incorporated, existing societies must reregister under the 2022 Act. It is essential for members to understand the reregistration process and the potential consequences of not completing it. Societies will need to prepare specific documents and may need to adopt new processes to comply and re-register with the Act before 5 April 2026.

A draft IIA NZ Constitution was made available to members in October 2024, with a member review period open until 1 December. Shaun Dowers led the Constitution Review Committee with assistance from David Sinkins, Georgia Yenge, Aaron Steele and Russell Third.

Two, member-only, online workshops were held to answer questions and support members through the review process.

Progress through Sharing

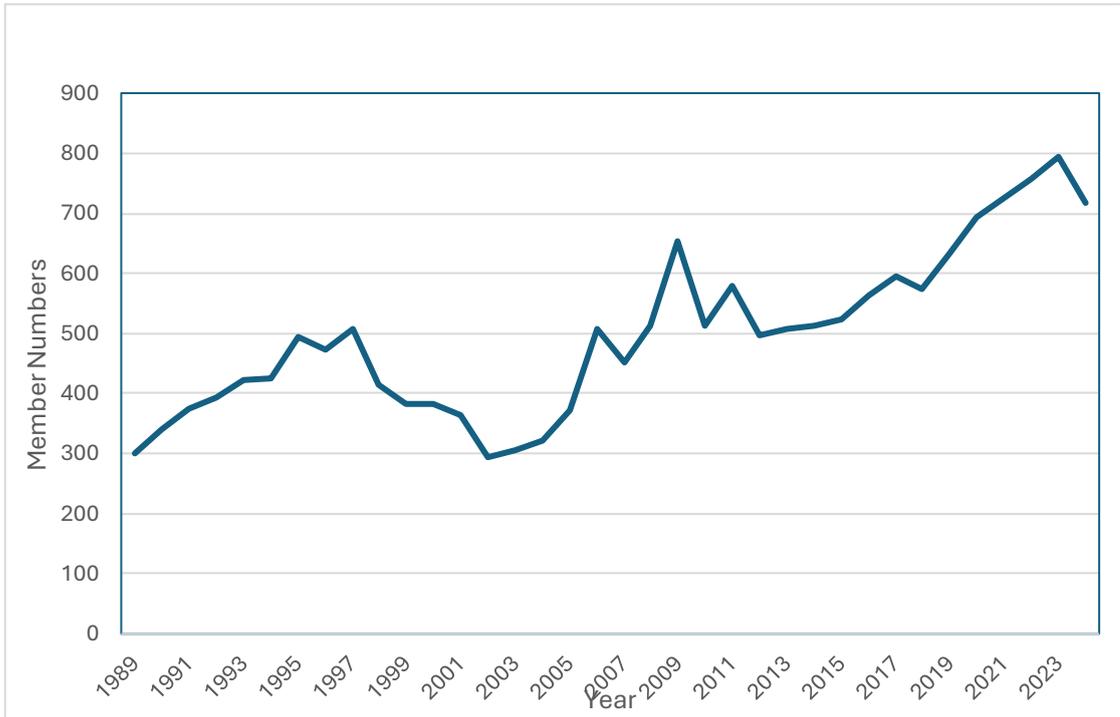
“Progress through Sharing” was an important motto for The IIA for a number of years. The motto has been embraced by many Internal Auditors over the years, sharing potential risks to like organisations to develop audit plans, work programmes and the like. As The IIA brand evolved, the organisation moved away from mottos and, in 2022, introduced the tagline “**Elevating Impact.**” This tagline is now part of the global seal and reflects The IIA’s mission to help internal auditors increase their value to organisations and society.

Although the older motto is no longer in use, its spirit continues in the way The IIA connects professionals, shares knowledge, and advances the profession worldwide.

Membership numbers and trends over the years

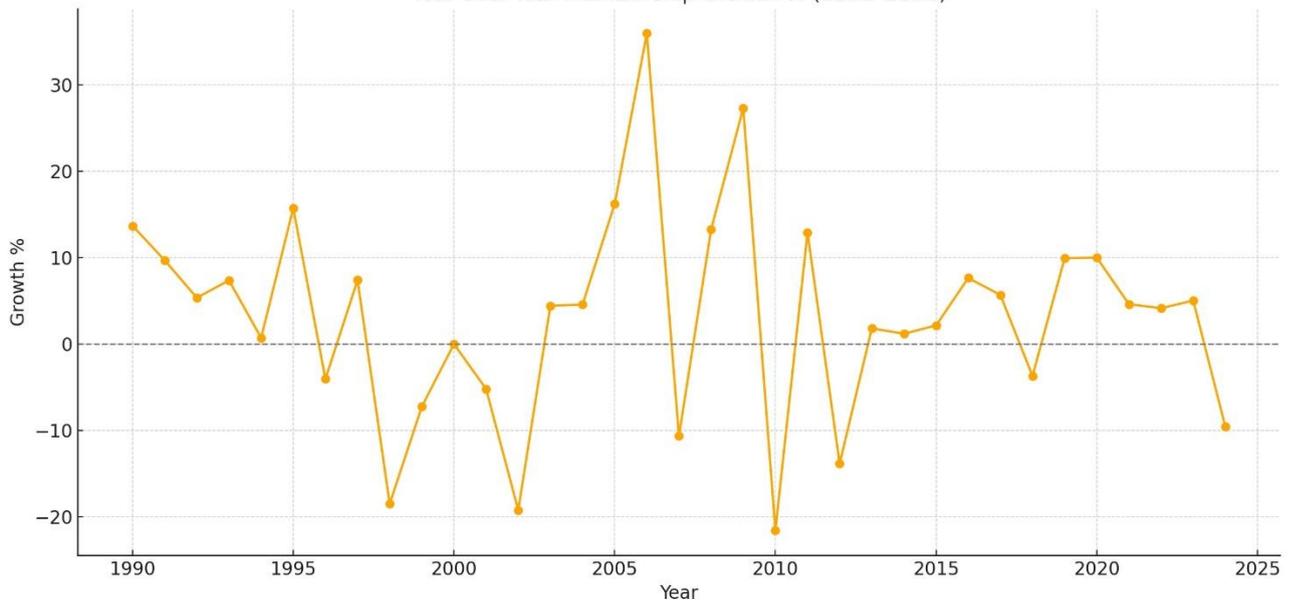
A constant role for the Membership Committee is to identify and encourage membership of the Institute. Membership tends to raise and fall with the economy. Recent public sector staff reductions have affected the Institute numbers in 2025 as an example.

The graphs below show the membership pattern 1989 to 2024. Thanks to Zaida Sanchez, Affiliate Relations and Operations Specialist at The Institute of Internal Auditors, Global Headquarters for supplying this information.



IIA NZ Membership Numbers 1989 to 2024

Year-over-Year Membership Growth % (1989-2024)



Internal Audit Courses

Education in IIA NZ in the late 1990's and early 2000's – Recollections of Brian Robb who was Chair of the IIA NZ Wellington Branch and also for 2 years, President of IIA NZ:

A. Tools and Techniques Course

Russell Third and Souella Cumming of KPMG taught a series of two-day fundamental of internal auditing course in the late 1990s. They taught this course for a number of years until it was replaced by the equivalent IIA course “Tools and Techniques for the Beginning Auditor”. The change occurred when the support for IIA NZ shifted to Australia following

the close of the IIA NZ office in Wellington in the James Cook Arcade. The lease cost and other running costs had severely depleted the reserves of IIA NZ hence, after a vote, IIA Australia took over the running and support of IIA NZ. The IIA NZ Board, supported by IIA Australia and the Wellington IIA NZ Committee, commenced a strategy of using training to rebuild the reserves and to deliver real tangible value for the IIA NZ members.

One of the key initiatives was to begin delivery of the IIA Tools and Techniques for the Beginning Auditor course. Brian Robb was able to get the course brought to New Zealand under sponsorship by his organisation Land Information New Zealand (LINZ). LINZ was the first organisation to take the four-day course with an Australian course presenter (Ex Australia Taxation Office) supplied by IIA Australia. LINZ Internal Audit and Quality Assurance Auditors were the main attendees. Other attendees were included in the LINZ course, some who would later become the future course presenters i.e. Bernie McKendrey and Margaret Taylor. This started the use of IIA courses by IIA NZ. LINZ also sponsored other education providers to NZ including Zach Le Roux for COSO.

Future Tools and Techniques courses were co-presented by Bernie and Margaret, with Brian also co-presenting some sections. Margaret was later fully replaced by Brian who later presented the course himself when Bernie moved to the UK for work during the 2000s. Bernie and Brian were well known in the NZ Internal Audit community for presenting the course, with courses held in the main centres and some customised for an organisation (e.g. Shell Todd Oil Services). The course was reduced to a three-day duration.

Notable courses were a course of over 25 held in KPMG Wellington and an Auckland course where 20 members of the Indonesian Government attended. During the 2010's the course was again presented using Australian presenters until Covid halted this. The course was brought back to be presented by NZ presenter Bernie and Brian in the 2020's (Brian in Wellington and Bernie in Auckland and Christchurch) until the closure of this course in 2025 with the new Foundation course.

Through sponsorship of the venues by organisation, including CA firms, this course and other courses were very successful in raising the profile, bringing value to the members and raising the reserves of IIA NZ, enough to finance the eventual bringing of the Office back to NZ.

B. Education Days

Another offering was the Education Days that again commenced in the early 2000's. Bernie and other members of the Wellington Committee and members of CA firms did the initial organisation of the courses. Later the Chairs of the Wellington IIA NZ and ISACA Wellington Chapters (Brian Robb and Peter Drew) agreed on a combined offering for their members by offering mix and match of at least two concurrent education streams which also garnered support by the CA firms who later took over sponsor through provision of

the venue. Late in the 2010's it became solely an IIA NZ training offering. The Education Days were designed to be a low-cost day of education for the whole team and have lasted through the years into its current form.

C. Other Education

Other courses presented by Brian included the Tools and Techniques for the Auditor in Charge, Performing Quality reviews (with Peter Ashdown) and Preparation for the CIA exams. These were held during the mid-2000's and 2010's.

We must also thank the CA firms too as they often provided venues at no cost in exchange for a free attendance for a couple of graduates.

Public Sector Special Interest Audit and Review Group

In Wellington, the Public Sector Internal Audit and Review Group was active in the areas of Executive Expenditure and considered papers in this area. Originally established by Alan McKenzie from the then State Services Commission and later Department of Conservation, Russell Third chaired this group 1991 to 2003 and later by Vicki Morris, Inland Revenue, from 2004.

In the late 1980s or early 1990s the group developed a Protocol for use between Internal and External Audit. This came about when some members of the group had discussions with Audit New Zealand on some preliminary audit findings only to find that the latter then discussed those with management before internal audit had a chance. This caused some considerable irritation to the Internal Audit Managers concerned and two of Audit NZ's Directors were asked to attend a meeting where the reasons for this displeasure were laid out. The Protocol was developed to set the boundaries of such future discussions and covered both internal and external audit Standards. It covered:

- Communication
- Co-ordination of plans
- Exchange of reports
- Access to documentation (and this was probably the main "sticking point" with external audit often reluctant to share – it has always tended to be a bit of a "one way street" with external audit requiring documentation from internal audit)
- Common language and methodology

An example, which has *not* been updated to the new Internal Audit Standards, is attached as **Appendix G**.

International Representatives and Committees

The first IIA New Zealand South Pacific District Director was Michael Cox, elected at the 48th Annual Business Meeting, for a two-year term for the years 1988-89 and 1989-1990, and was appointed for a further two-year term as Regional Director for 2000 to 2002.

Concurrently for all three terms he was a member of the International Relations Committee.

In addition, Michael:

- as a long-term member of the International Relations Committee;
- served on the Internal Auditing Standards Board for a three-year term, 2006-2008;
- was a member of the International Nominations Committee in 1999 and 2000; and
- was a member of the *Internal Auditor* Editorial Advisory Board which he joined in 1990 and remained on until shortly before his death on 27 February 2024.

Jeremy Bendall was appointed to the International Relations Committee of The IIA (IIA Global) 1989 to 1990.

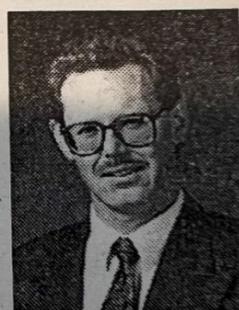
Russell Third was appointed:

- South Pacific District Director (1992-1994, 1999-2000)
- South Pacific Regional Director (1994-1996)
- International Relations Committee of The IIA (1994-1996)
- International Conference Committee of The IIA (1999-2000)
- Nominating Committee of The IIA (1995-1996, 2000-2001, 2001-2002)
- Director at Large for The IIA (1996-1997)
- 2Chair of The IIA's Global Professional Issues Committee (1996-1999)
- Member of The IIA Board of Directors and member of Board of The IIA Research Foundation (1992-1998, 1999-2000).



Russell Third (left) has been elected director-at-large of the Institute of Internal Auditors (IIA). Mr Third is senior consultant, corporate governance and assurance services, KPMG Wellington. Recently he was appointed chairman of the IIA's International Professional Issues Committee after completing a two-year term as South Pacific regional director.

Jim Harknett, manager of internal audit at Ports of Auckland, has been elected South Pacific district director for the institute. Mr. Harknett joined the IIA in 1989 and recently completed a two-year term as president of the New Zealand board.



Russell recalls his first IIA international trip was to Phoenix in Arizona: "I attended my first Professional Issues Committee meeting 25-26 June 1992. At the time I felt much of the subject matter was not applicable to New Zealand. Later I wished I had taken far better notes as some of those things that I didn't think were particularly relevant at the time became so. As business became more globally connected the same issues started to appear in New Zealand.

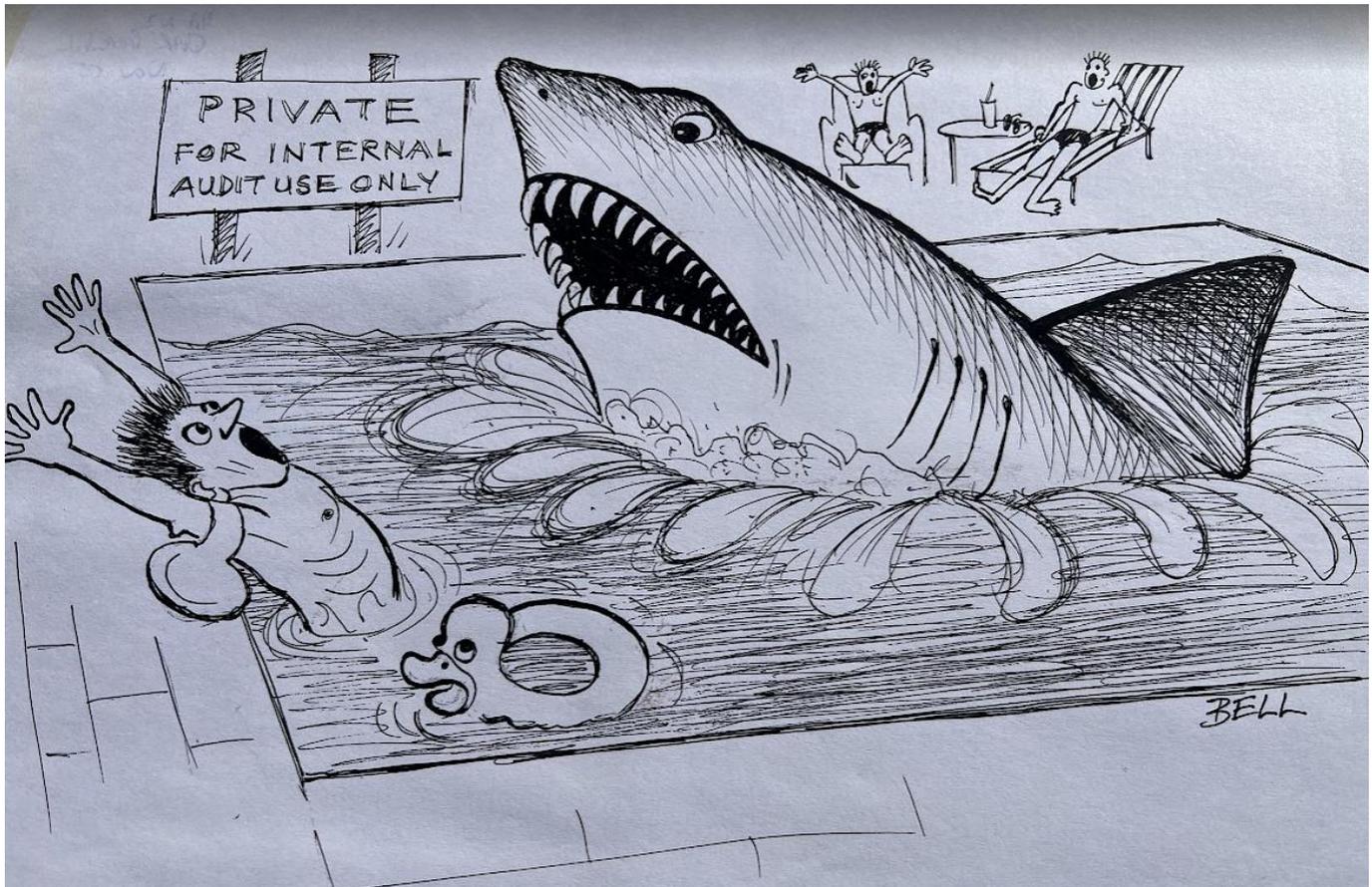
But I did have input into the early draft of COSO *Internal Control – Integrated Framework* (Committee of Sponsoring Organizations of the Treadway Commission (COSO) - first published in September 1992) - In particular, I remember that the draft had a strong focus on financial controls, and I raised the point that operational controls were just as important and should be included" (the financial aspect not unsurprising given the other four members of the committee were accounting based).

Russell continues "later in my institute career, I was appointed chair of the Outside North America Professional Issues Committee. The North American Professional Issues Committee covered issues distinctive to them. But it was not long before the Board decided to merge the two into one international Professional Issues Committee and I chaired it for three years from 1996 to 1999.

There was a lot of controversy at the time about professional services firms, particularly Arthur Anderson. They would quite aggressively target chief audit executives with a

partnership deal, but Arthur Anderson staff would staff it. That led to a lot of real anti consultant feeling as internal audit professionals were put out of work. There was huge push back in the USA on professional services firms' involvement in internal audit as a result. This contrasted with the International Committee members who used co-sourcing models to fill technical expertise gaps e.g. IT. Of course, there were major international scandals as well, such as Enron".

Russell asked his friend, the late Gren Bell, former Chief Inspector of Prisons and a talented artist, to draw him a cartoon that depicted this view on use of consultants.





(400 Smith Street, Houston, Texas, USA, The former Enron premises)

There was a clear expectation that if you a representative, then you would bring the information discussed back to members. This was done by publishing issues in the newsletter Audit NewZ.



Dinner CN Revolving Tower, Toronto, 22 June 1994. Andrew Chambers (UK), Michael Cox, David Phyll (UK), Michael Chivers, Russell Third, Helen Sillars, Stuart Newey (Australia)

While overseas attending these meetings close alliances were formed with members from other countries, particularly Australia, the United Kingdom and Malaysia.

The cost of attending these meetings was not insignificant and often came out of attendee's own pocket. We did eventually come to an agreement that was if the Institute paid for one meeting, then you were obligated to pay for the next meeting. The IIA paid for attending the Nominating Committee meetings.



IIA's new headquarters under construction, Maitland Avenue, Altamonte Springs

The IIA have since moved to new premises.

Jim Harknett was South Pacific District Director and later Regional Director.

National Secretary, Michael Chivers was appointed to the International Membership Committee and served on this for several years.

Ernst Le Roux represented NZ in international meetings in Johannesburg in May 2009 and possibly in Florida in November/December of the same year.

Shagen Ganason was on the Asian Confederation of the Institute of Internal Auditors (ACIIA) representing IIA NZ (this was endorsed by IIA NZ but not financially supported by IIA NZ) between May 2014 and October 2015. Fortunately for him, his employer, the Department of Conservation was happy to pay for his travels.

Between July 2016 and June 2019, he was on the Institute's Relations Committee with The IIA (IIA NZ did not endorse or support him).

Between July 2019 and June 2021, he was on the Professional Development Committee of The IIA and between July 2023 and June 2024, he was on the Standards Setting Committee. He participated in the subcommittee looking at Standards applicable to the public sector assisting with the new Global Internal Audit Standards.

November 1995 Closer Internal Audit Relationships Agreement

A significant milestone for IIA New Zealand and IIA Australia was the signing of a Closer Relationship Agreement between the two Institutes at the 1995 conference. This formalises the working relationship that has grown over the years, but has accelerated recently, to jointly develop and promote professional Internal Auditing particularly through original research, position and policy statements and coordinated education programmes. The relationship initially will mean a lot of work by the two Executive Directors and representatives attending each other's Board meetings. The product will be a better service for our members and being able to project a more professional image into the marketplace. Bruce Baillie noted "thanks to Bob McDonald, David Abba, Russell Third and Michael Chivers to bringing this agreement to fruition. It is now up to all of us to make it a living rewarding relationship".

Newspaper Advertising

In December 1990, in conjunction with *The Dominion* newspaper the Wellington Branch ran a two-page supplement on internal auditing. This was intended to raise public awareness of internal auditing and promote the profession of internal auditing and was made possible by selling advertising space to major accounting and staff placement organisations.

Ross Dunn wrote an article in the *Accountants' Journal* each month for seven years. This was to educate members of the NZ Society of Accountants as to the proper role of internal auditors, and to get them thinking wider than what was then a limitation to financial audits.

Publications

IIA NZ issued two promotional brochures – one targeted toward management and the other toward prospective and new members. The management brochure concentrated on selling organisations on the idea of having an internal audit department and the second explained why members of the organisation should be members of the Institute.

The National Office issued a regular newsletter to members from November 1986. The publication has undergone several format and name changes. It started out as Audit Newz,

As noted above "A Management Guide to Discretionary Expenditure" was published in 1996.

A Survey of Audit Committees in the Public Sector (2005)

Russell Third led the group and co-ordinated the research and publication of this IIA survey.

In 2007, Russell Third led the IIA group that had significant input into the new **Audit Committee Best good practice Guide for the Public Sector** published by the office of the Controller and Auditor-General, and which followed on from the earlier IIA publication.

Audit Office

The Audit Office has been a supporter of internal auditing from the days the Institute started in New Zealand and was represented on the first committee.

In 1983, the Audit Office, Treasury, and State Services Commission worked together to produce the publication “Guidelines for Internal Auditing in the New Zealand Public Sector”. The auditing methodology in this publication was adapted from Lawrence B Sawyer’s book on Internal Auditing. It was the start of changing departmental inspectors into internal auditors and moving them from “tick and check” methods towards risk-based audits.

Executive Directors/and or Chief Executive Officers and Administration Staff

Sally Dunbar, Chief Executive Officer, 2023 to current

Sally took up the role at the start of March 2023.



Sally Dunbar is the current Chief Executive of the Institute of Internal Auditors New Zealand (IIA NZ). Sally has a strong focus on advocacy, education, strategy, and member value across Aotearoa and the Pacific. Born and raised in Wellington, Sally has worked in the membership association sector since 2015 and is now in her third Chief Executive role.

She brings a 360° governance perspective, having reported to boards for over a decade and served on voluntary boards for the past four years. This experience has given her a deep understanding of governance, strategic planning, and the complexities of leading organisations through change. Sally was President of Graduate Women New Zealand (GWNZ) from 2022-2025, and has long mentored young women and emerging leaders, championing opportunities for those with limited voices to be heard.

Sally holds a Master of Advanced Leadership Practice (MALP) with Distinction from Massey University and is a qualified Integrated Management Systems (IMS) Lead Auditor.

In May 2025, Sally was the recipient of The IIA Global Recognition Award for Excellence in Leadership, awarded to both IIA NZ and Sally for their collective contributions to advancing the internal audit profession globally and within New Zealand. This award reflects her dedication to building IIA NZ's international profile, strengthening cross-professional partnerships, and elevating the profession's visibility with stakeholders, government agencies, and industry leaders at a local and global level.

She is married, has two sons, and values family as her anchor while balancing a high-paced professional life.

Reflections Highlights up to July 2025

Sally is incredibly proud of the IIA NZ National Team – a unified, cohesive, and dynamic group who truly love the profession whom they serve. As a small but mighty team, they deliver an extraordinary breadth of outputs and value for members across New Zealand and the Pacific.

Key highlights:

- The IIA Global Recognition Award for Excellence in Leadership 2025: IIA New Zealand.
- Initiated and progressed the Chartered Internal Auditor Framework project.
- Strengthened relationships with the Office of the Controller and Auditor General, The NZ Stock Exchange, Serious Fraud Office, Institute of Directors and other key stakeholders.
- Delivered impactful Global IA Awareness Month campaigns and events (27 in 2024 and 45 in 2025), expanding reach and influence.
- Achieved 196 events in 2024 (up 43% from 2023), including Emerging Auditors, Auditor-in-Charge and Audit Leaders Network mentorship forums.
- Supported members to transition to the new Global Internal Audit Standards (effective 9 Jan 2025) via workshops, tools, and resources.
- Initiated and grew the new IIA NZ University Connect programme (active engagement with all NZ universities).
- Initiated the IIA NZ Regional Ambassador programme in 2023; launched the Member Snapshot Dashboard and improved member onboarding.
- Welcomed the Pacific Island community, rebranding our member offering to IIA NZ and the Pacific, and ensured hybrid delivery of events and training, including bi-monthly Pacific Member Connect forums for inclusiveness.
- Fostered a unified and strategically aligned relationship with the IIA NZ Board, strengthening collaboration, governance capability, and collective leadership in advancing the Institute's vision and priorities.
- Initiated and launched the IIA NZ Training Programme with Massey University and expanded professional development (196 events delivered in 2024).
- Grew student membership, ambassadors, key stakeholders and university partnerships.
- Strongly supported the rollout of the new Global IA Standards (effective January 2025).

Shannon Conaglen, IIA NZ Operations and Membership Manager



Shannon was appointed as the permanent Office Manager at IIA NZ in May 2023, following her temporary tenure in the role. Her role was updated in 2024, IIA NZ Operations and Membership Manager. Since then, she has led several key operational and membership initiatives, including the overhaul of the Membership Renewal Process and the automation of Group Membership invoicing in IIA NZ's CRM system.

Early in her professional career, Shannon served as the office manager for an external audit organisation in the not-for-profit sector, also managing preparation work for small audits while raising a young family.

Before joining IIA NZ, Shannon successfully ran her own virtual assistant company for several years while focusing on family. During that time, she developed a youth mindset program for primary-aged children, which she implemented in three local schools. She also provided coaching for working mothers, helping them navigate external expectations and balance family and professional demands. In addition, Shannon was involved in Scouts for nearly eight years, serving as a leader for Cubs and Scouts, as well as Chairperson for the local group.

She takes pride in supporting the cohesive National Office team and the IIA NZ membership community.

Shannon is married, has four sons, and places a high value on family time and outdoor activities.

Nyssa Edgecombe, IIA NZ Event Manager



With a background in audio and visual production management, Nyssa transitioned into event management after returning from maternity leave, seeking a new challenge that aligned with her passion for planning and people.

She joined IIA NZ in July 2023 as the Event Manager and has since enjoyed being part of the exciting initiatives the organisation delivers – from our flagship annual conferences to regional Connect events. Nyssa says it's a privilege to be part of the IIA NZ National Office dream team.

Steve Downes, Chief Executive Officer, 2013 to 2023



Steve Downes was appointed by the Board (Chairperson David Sutton) and took up his role in October 2013. Angela Hamilton was the office assistant working 20 hours per week keeping the office ticking over after his predecessor, Joanne Lentfer, resigned in June /July 2013. His major task was to introduce the "new" Rule change which was adopted at a Special General Meeting held in conjunction with the Annual Conference in Auckland in early November 2013.

It became obvious to achieve the strategic direction required by the Board that 1.5 FTEs wasn't going to achieve this. Angela did not wish to increase her hours and as such Alison Delaney was employed in May 2014 and Angela retired. Alison resigned in August 2018, and Kate Blakeley was appointed and continued to work for IIA NZ until July 2023. Steve retired on 31 December 2022 and at the request of the Board came back under a separate contract until mid- March 2023 when, Sally Dunbar, the new CEO took up the role.

Prior to IIA Steve had over 20 years' experience in the not-for-profit sector as Executive Director of the Motor Vehicle Dealers Institute and Deputy CEO at the Motor Trade Association as well as 2 years as a mediator for the Earthquake Commission.

During his tenure as CEO, he was invited by Richard Chambers (then President and CEO of The IIA) in 2015 to be part of the Global Executive Leaders Team (GELT) composed of only 20 CEOs globally. The role was to review the Global Strategic Plan and make comments to the Global Board and investigate and work with Global HQ personnel on initiatives. Steve was part of the team working on the rebranding of IIA and investigating the concept of licensing internal auditors as well as contributing to the revamped Standards and examinations (CIA, CRMA etc).



At this time the office was on the 3rd floor in Willis Street. It was a tiny office shared with Bright Communications (the Landlord). The lease was renewable on an annual basis. A renewal of the lease was signed for a further twelve months in November 2021. On 7 December 2021 the Landlord gave a month's notice of termination. A little clause in the fine print that gave either party one month's notice of termination. The Landlord had found a party to lease all the office space, including the Institute's. With Christmas approaching, all the material possessions of IIA were put into a storage locker in Adelaide Road.

Steve Downes and Kate Blakeley then worked from their respective homes until September 2022 when IIA NZ negotiated a lease and moved into an office at the Chartered Accountants of Australia and New Zealand (CA ANZ), Customhouse Quay, Wellington.

Kate Blakeley

Kate Blakeley joined the Institute of Internal Auditors NZ (IIA NZ) National Office team based in Willis St, Wellington, in September 2018. Initially, Kate was employed to assist CEO Steve Downes, along with the Conference Committee, to deliver the annual Conference, which was held in Auckland that year. Following the Conference, Kate moved into the Office Manager role, where she undertook general administration of the Office as well as looking after members, event organisation, and assisting the Membership and Education Committees through to July 2023 when she left the Institute. During this time, IIA NZ membership grew steadily from 598 in 2018 to 821 in 2023.



Jenny Joyce was welcomed to the IIA NZ team in 2020, working for just over a year as the Administration Assistant.

Kate had the pleasure of working at the IIA NZ during the tenure of Board Chair James Rees-Thomas, succeeded by Yoonyoung Lee.



(CA ANZ Offices)

Joanne Lentfer



Joanne Lentfer, Executive Director started in November 2011. Records available do not show when her tenure ended. Anne Bolton was the Administration Assistant and Anna Swaine also helped in the office.

Joanne had a background in Volunteer Service Abroad (VSA) going to South Africa and later to Tonga.

Sadly, Joanne passed away 5 January 2024.



(Souella Cumming, Russell Third and Anne Bolton (right) on her leaving IIA NZ, 25 May 2012.)

Judy Third, Executive Director, 2005 to 2011



Judy Third was appointed Executive Director of the Institute 26 September 2005 by Geoff McRobie (Chair) and her first job was to take back the administration of the Institute from Australia.

She worked from the study in the garage at the back of her home in Kemp Street, Kilbirnie, Wellington (surrounded by Russell's nautical antique collection) until an alternative office was sourced in a house in Rongotai Road, Kilbirnie in August 2007. She was assisted in this role by Anne Bolton and later Alannah Grainger.

Judy came to the Institute from the Firefighters' Welfare Society. Prior to that, she had worked in drycleaning business in Wellington and before that running three successful drycleaning shops in Perth, Western Australia. She had also been a schoolteacher and librarian in Perth.

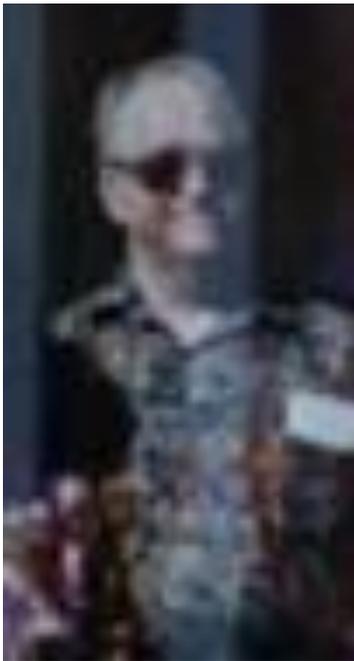


Unfortunately, Judy was diagnosed with Multiple Myeloma (a form of bone marrow cancer) in July 2007 and continued to work for the IIA until she passed away 23 September 2011. During that time a few volunteer members assisted with office work.

Early Administration of the Institute

In 2000, an agreement was reached with IIA Australia for that organisation to take over the administration of IIA NZ.

In 1996, the office relocated to a commercial building in Wellington with Claire Dawe becoming the National Secretary. She was succeeded by Diane Horton as CEO, then, in May 1998, by Suzanne Carson as General Manager, and then Ross Dunn as acting General Manager with assistance from Gary Robertson.



The National Office of IIA NZ was originally set up in Birkenhead, Auckland and located at the home of the National Secretary, Michael Chivers, until 1996. The National Secretary role evolved over the years. It started off as National Secretary and then became Executive Director on 1 January 1992. The position was held by Michael Chivers until the National Office was moved to Wellington in 1996.

Photo: The late Michael Chivers, a driving force in the creation of IIA NZ. The Institute would not be where it is today without the tireless efforts made by Michael in its formation.

Appendix A: Some memories of a South Pacific District and Regional Director 1986 -1991 contributed by Bill Henderson FCPA FHA FAIM

On 30th July 1986, Mr. Keith Peel, from Ampol, the then South Pacific Regional Director for 1985/86 advised all Presidents that:

"Following the Regional Ballot, Ron McCoy from NRMA, Sydney and Bill Henderson from Mount ISA Mines MIM, Brisbane have been invited by the Chairman of the IIA Board to take up the Regional and District Director positions for 1986-88."

This was the beginning of a 5-year hectic, exciting and productive period of my life with enormously satisfying experiences and associations with the International Life of the IIA and at a Chapter and National Institute Level.

The South Pacific District Director for 1985/85 was Don Sanderson. I took over from Don and then worked closely with Ron McCoy who should be acknowledged for the time he put in to protect the interests of Chapters Outside North America or ONA as we became very familiar with.

I inherited his early work and continued and built upon the efforts to achieve equity of representation and input at the IIA during a period of huge growth and worldwide change. This was done through the International Relations Committee members from Africa, Asia, Central America/Caribbean, Europe and South America. We all supported each other through tough meetings where the future of the Institute was hotly debated over 18 months with a supportive Bill Taylor in the Chair. I would like to acknowledge Bill Taylor as one of the best Chairmen I have worked with in the IIA.

The South Pacific Regional Director and District Director (appointed every two years) were responsible for the oversight of the Region's Chapter activities as they related to the International Board of The IIA.in Orlando Florida USA. In addition, and with equal responsibility was my role of Director of the International Board of Directors along with around seventy other International Directors meeting twice a year to advance the aims and ideals of the Institute worldwide.

The South Pacific Region was made up of Australia, New Zealand, Fiji and Papua New Guinea. The area was represented at an international level by a Regional Director and a District Director both of whom held positions on the International Board which met twice a year.

The main Board Meeting was always held in conjunction with the annual International Conference held mainly in North America but sometimes outside North America e.g. Sydney in 1985, London in 1988. The other meeting was held in Orlando Florida in December each year.

The four years serving on the International Relations Committee were a highlight of my involvement with great outcomes achieved for the future of IIA.

I was Chief Internal Auditor with Thiess in Brisbane and later moved to Mount Isa Mines (MIM) working as a Senior Internal Auditor in Brisbane then to Oakey Creek Coal Mine at Tieri in Central Queensland as Administration Manager. After this to Papua New Guinea as Company Secretary to Highlands Gold Limited in Port Moresby and finally as Commercial Manager at the Copper Refineries at Townsville, Queensland in 1990.

All of this **and** the IIA!

With international travel for work and IIA combined, I found myself at meetings and conferences in either the USA, NZ or the UK at least once every three months for 5 years.

Domestic and International travel was continuous with my very supportive wife Jan, able to turn me around on some occasions within 10 minutes of returning home (those who travel frequently will be able to relate to this.) It is surprising to think back on just what one can fit into and where you can be in the world in 24 hours when you have to do it. At one stage, I had flown on every type of commercial passenger aircraft currently flying in the western world at that time except the DC8.

The era of 1986-1990 to me seemed to be a period of change to the fast lane in Australia's economic times as well as significant growth in the Institute worldwide. (30000 in 1986 to near 50000 in 1991) They were demanding but exciting times.

During my period, Michael Cox and I installed a procedure of alternating the Regional Positions between Australia and New Zealand to provide equal opportunity for Trans-Tasman leadership on a bi-annual basis.

One of the successful new projects developed in conjunction with New Zealand during my era was: -

South Pacific Regional Fellowship

A joint IIA Aust/NZ new initiative was launched in 1988 to provide a member of the Institute of Internal Auditors residing in the South Pacific area with the opportunity to visit another country in the region to gain knowledge and experience of state-of-the-art audit techniques,

methods and procedures in that country and meet with the local auditors.

New Zealand was chosen for the first country.

Ten applications were received, and the successful awardee was announced at the 1989 South Pacific Regional Convention held at Jupiter's Casino on the Gold Coast in May 1989. The first awardee was Ross Paul. The scheme continued in 1991 at the 1991 South Pacific Regional Convention held in Auckland, New Zealand from 3rd to 6th March 1991.

Some other memories from the years:

1986

Don Sanderson reported:-

"After 8 years of effort by a number of people, and sometimes high

emotion between the Australian States, the IIA Australia Structure was put in place in January 1986."

Prior to this there were independent Australian Chapters in Sydney, Melbourne, Adelaide, Brisbane, Perth, Hobart and Canberra. Each Chapter operated separately with a Governing oversight through a Company limited by guaranteed structure and South Pacific Regional reporting responsibilities to the USA.

Peter Wilson was The IIA President through 1986 to post 1991. New Zealand became a National Institute in June 1986.

1987

IIA Aust membership was near 1000. HANZ Membership at 10/3/87 was

223. By 31/10/89 membership had grown to 303. Membership in New Zealand in 1987 was significant with NZ finishing third in the worldwide international membership growth.

Chairman of the Board in 1987/88 was Ron Bell with Willard Hick Senior Vice Chairman.

My first meeting as District Director with IIA NZ was on 16/7/1987 in Wellington with Michael Cox HANZ President, Michael Chivers Secretary and John Harvey Chairman-Wellington Branch.

IIA NZ Board at August 1987 was: -

President:	M.D.Cox	Wellington
Councillors	J.J. Bendall	Canterbury
	A.R.Dunn	Wellington
	P.A.F.Church	Auckland
	E.J. Harvey	Wellington
	J.P.Whyte	Auckland
	T.J.Stratton	Auckland
Hon Secretary:	J.P.Whyte	Auckland

New Zealand doubled its membership between 1985 and 1987.

1988

The 1988 IIA Board meeting was held at the Grand Hotel Eastbourne England on 3rd June 1988.

I had the pleasure of attending the 47th International Conference in London from 3rd to 6th July 1988. There were 700 attendees from 48 countries. Bill Duane Jnr was elected Chairman of the Board for 1988/89 following on from Ron Bell.

I was elected South Pacific Regional Director at this Conference.

In 1988, the New Zealand Executive was:

Mr Michael Cox	President
Mr Michael Chivers	Vice President
Mr Tom Stratten	Councillor
Mr Phil Church	Councillor
Mr Ross Dunn	Councillor
Mr. John Harvey	Councillor
Mr Jeremy Bendall	Councillor
Mr Peter Whyte	Hon Secretary

The Queensland Public Sector Award (then it its 7th year - and in the year 2001, celebrated 21 continuous Awards.) was officially acknowledged by The IIA in May 1988 with a write up in IIA Today and photograph showing Malcolm Duce, Brian Cruse and myself presenting the award to the Port of Brisbane Authority winning the trophy for the ^{sixth} consecutive time. Malcolm Duce and I commenced this unique project in 1981, and Malcolm deserves all praise for his personal dedication to this Award Scheme.

In 1988, Jim Eldridge from Melbourne held the position of Vice Chairman- Professional Services.

In 1988/89 Mr William Duane was Chairman of the Board with Jim Eldridge as Senior Vice Chairman. Membership reached 34,000. The CIA Program celebrated its 15th Anniversary.

Fiji Chapter went through a coup in 1988 with Col Rambuka. I had scheduled a visit and proceeded with the plans by visiting the Fiji Chapter in Suva. During this time, I was kept safe thanks to Dadhibal Singh. We held a Chapter meeting in a backstreet building with about 20 members attending.

Past Chairman of the Board, Ron Bell visited IIA New Zealand at Auckland and Wellington Chapters in November 1988.

As South Pacific Regional Director, I served on the International Relations Committee from 1988 to 1990 under the Chairmanship of Bill Taylor who later went on to become Chairman of the Board.

The Field Service Representative Pilot Programme was commenced for evaluation in 1990.

1989

The Chairman of the Board for 1989-90 was Herb Miller with Hans Spoel as Vice Chairman. Bill Taylor was elected Director-at-Large.

Michael Cox served with me on the International Relations Committee from 1988-1990.

Considerable interest to form a Papua New Guinea Chapter was shown in my discussions with the PNG Prime Minister, Mr Rabbie Namaliu, the PNG Government and Private Organisations during the time I was a resident in Port Moresby during 1989/90. Makena Geno was the Auditor General of PNG and a great supporter of a Chapter.

In 1989, IIA Australia commenced the project to appoint a full-time salaried position of Executive Director.

In 1989/90 Mr Herb Miller was Chairman of the Board with Hans Spoel as Senior Vice Chairman.

In 1989, Stuart Newey became National President of IIA Australia.

The South Pacific Regional Conference was held at Jupiters Casino on the Gold Coast Queensland Australia from 28th May to 30th May 1989. Brian Cruse was the Conference Chairman, and the Conference theme was "Internal Audit - Challenging New Waves". With great regret, I could not attend, as I was required to travel for a business meeting in Spain at the same time. This Conference is still spoken about today as one of the great IIA South Pacific Regional Conferences held in Australia.

The 48th International Conference was held at The San Francisco Hilton Hotel from 25th June to 28th June 1989. There were 1370 delegates from 31 countries around the world.

Appendix B: National Presidents/Chairpersons⁴

1985/1987	Peter Whyte
1987/1989	Michael Cox
1989/1990	Jeremy Bendall
1990/1992	Patricia Lynch (resigns short of her official tenure 31/1/1992)
1992/1994	Russell Third (acts as President 1/2/1992 until formal election 29/5/1992)
1994/1996	Jim Harknett
1996/1997	John Sutherland
1997/1999	Peter Bonisch
1999/2001	Alan McKenzie ⁵
2000/2002	Tim Shaw
2002/2004	Brian Robb
2004/2005	Gus Cummings
2005/2007	Geoff McRobie
2007/2009	Andy Wotton
2009/2011	Paul Mahan
2011/2013	Souella Cumming
2013/2017	David Sutton
2017/2019	Sylvester Shamy
2019/2021	James Rees-Thomas
2022/2024	Yoonyoung (YY) Lee
2024/2025	Shaun Dowers

⁴ The year the title President was dispensed with in favour of Chairperson is unknown at date of publication.

⁵ Records are unclear of actual tenures of Presidents 2000 to 2005 with some conflicting information and absences

Appendix C: IIA NZ AWARDS - 1988 to the Present

Appendix C.1: Life Members

Life Member Award - LMIIA (NZ)

Life Member is the highest honour that can be awarded by the IIA NZ.

The classification of LIFE MEMBER may be awarded by the Board to distinguished Fellows, Associates, Full Members, individuals via an Organisation membership, or Retired/On Leave Members, who have contributed significantly to the cause of Internal Auditing in New Zealand or elsewhere, over the course of their career for a sustained period, subject to the following criteria:

- i. The award will be limited to 5% of total membership of The Institute of Internal Auditors New Zealand.
- ii. Life Members retain any designation that they held prior to the award of Life Membership.
- iii. The award is subject to approval by all members of the Board present at a duly constituted meeting.

Full voting rights will be accorded to Life Members.

Year Awarded	Award Recipient
1991	Peter Whyte Ross Dunn Murray Roberts
2010	Michael Cox
2016	Russell Third
2019	David Sutton James Jong Souella Cumming
2022	Bernie McKendrey
2023	Brian Robb

Appendix C.2: Fellowships Roll of Honour

Fellow Member Award - FIIA (NZ)

The classification FELLOW of The Institute may be awarded by the Board to a person of any member classification except Student, who have performed meritorious service to The Institute.

Nominations are to be made in writing to the Secretariat for submission to the Membership Committee who will make recommendations to the Board at its next meeting and are subject to the following criteria:

- i. The award of Fellow will be limited to 15% of total membership of The Institute of Internal Auditors New Zealand.
- ii. Nomination by any five [5] members of The Institute of Internal Auditors New Zealand.
- iii. The award is subject to approval by all members of the Board present at a duly constituted meeting.
- iv. The award carries the designation of FIIA (NZ) and such designation will be lost if membership of The IIA NZ is not maintained.

Full voting rights will be accorded to Fellow Members.

Year Awarded	Award Recipient
1992	Michael Chivers ⁶ Michael Cox Finlay S E Hamilton A Ross Dunn Russell Third John Sutherland
1994	Grant Burns
2016	Souella Cumming Aloysius Teh Brian Robb Brett Ormsby Alastair Burrows Lara Hillier Wayne Powell Robbie Green

⁶ Bruce Baillie's account had Michael Chivers being awarded Fellowship in 1991 however the Institute's Plaque records it as 1992.

Year Awarded	Award Recipient
2016 (cont)	Geoff McRobie Graeme Nicholas
2017	David Sutton James Jong Jeffrey Galt Elizabeth Buttimer
2019	Melissa Bailey Joanne Ogg Sylvester Shamy
2022	James Rees-Thomas
2023	Shaun Dowers
2024	David Sinkins

Appendix C.3: Honorary Fellows of IIA NZ

Honorary Fellow - (Hon) FIIA (NZ)

The classification of HONORARY FELLOW may be awarded by the Board to those persons, not being a Member of The Institute, who have made a significant contribution to the development and progress of the profession of Internal Auditing in New Zealand or elsewhere.

Nominations are to be made in writing to the Secretariat for submission to the Membership Committee who will make recommendations to the Board at its next meeting, and are subject to the following criteria:

- i. The award is the highest award The Institute can make to a non-member.
- ii. The award is limited to twelve (12) persons at any one time.
- iii. The award carries no voting rights in The Institute.
- iv. The award carries the designation of (Hon) FIIA (NZ).
- v. The award is subject to approval by all members of the Board present at a duly constituted meeting.

No membership fee is payable for Honorary Fellow members.

No voting rights will be accorded to Honorary Fellow members.

Year Awarded	Award Recipient
1988	Tom Ball, Inspector-General, Department of Social Welfare
1992	Richard Ratliff

Appendix C.4: Richard Ratliff Award

Dr Richard Ratliff was the lead author of an internal auditing textbook which was widely used in New Zealand after that written by Lawrence B Sawyer. He spent several years in New Zealand as visiting Professor at the Accountancy Department of Otago University. While in New Zealand he presented training seminars and gave talks at other seminars and conferences.

The Richard Ratliff Award was set up in 1990, when he gave the Institute, in lieu of a fee, \$2,000. **Dr Ratliff asked that the award be presented annually to an individual or organisation or group for outstanding contribution to the promotion and practice of internal auditing.**

The award was originally to be a framed certificate, paid for with no more than 50% of the interest on the award funds, until such time as a cash award along with a certificate can be presented from the interest. It is not limited to accomplishments within New Zealand.

In the event IIA NZ ceases, the money is to be returned to Dr Ratliff. If he has died the money is to be returned to the School of Accounting, Utah State University for the establishment of a trust in Richard Ratliff's name.

With Dr Ratliff's approval the IIA NZ Board changed the "framed Certificate" to a wall plaque, suitably inscribed.

Recipients of the award have been:

Year Awarded	Award Recipient
1991	Brian Tyler, C&AG, NZ
1992	Bruce Peters, Brisbane, Australia
1993	Michael Cox, NZ
1994	David McNamee, USA
1995	Don Hunn, SSC, Commissioner, NZ

Year Awarded	Award Recipient
1996 - 2000	No award given
2001	Russell Third, NZ
2002	Bruce Baillie, NZ
2004	Tracy Gibson, NZ
2005	Martin Werner, NZ
2006	Kevin Brady C&AG, NZ
2007	Ernst le Roux, NZ
2008	No award given
2009	Erica Jenkin, NZ
2010 - 2014	No award given
2015	Roy Tiffin, Audit Committee Chair, NZ
2016	Lyn Provost, C&AG, NZ
2017 - 2019	No award given
2020-2021	Award programme postponed - COVID-19 global pandemic
2022-2023	No award given
2024	Maika Haupeakui, NZ

Appendix C.5: IIA NZ Internal Auditor of the Year

Our supreme award for individuals in the Internal Auditing Profession

The judging panel will review how the nominee has made outstanding contributions in one or more of the following areas:

- Introduced innovative approaches to delivering internal audit in their organisation, while being committed to Fundamentals of the Global Internal Audit Standards
- Developed partnership approaches with senior management and Boards
- Increased the visibility and credibility of Internal Audit within their organisation
- Contributed to the profession through participation in IIA NZ, publications or presentations

Year Awarded	Award Recipient
2006	Hamish McKenzie
2007	Michelle Sutherland
2008	Gary Sue
2009	Glennis Christie
2010	Russell Third
2011	David Sutton
2012	Christine Young
2013	James Jong
2014	Melissa Bailey
2015	Bineeta Nand
2016	Sylvester Shamy
2017	Ramon Manzano
2018	Steven Eldridge
2019	Melvin Kishore

Year Awarded	Award Recipient
2020 - 2021	Award programme postponed - COVID-19 global pandemic
2022	No award given
2023	No award given
2024	No award given

Appendix C.6: IIA NZ Best Contribution to the Profession in New Zealand

Enhancing the Profession in NZ (IIA NZ Board Nomination only)

Award nominee/s must demonstrate efforts towards enhancing the awareness, reputation and standing of the profession in New Zealand. The criteria that the Board will use to base their decision will include:

- Making an outstanding contribution at local, regional, or national level.
- Demonstrating leadership, innovation, and initiative in advancing Internal Audit
- The nominee will have made a noteworthy effort towards enhancing the reputation and standing of the profession in New Zealand. Their achievement/performance was significant in nature.

Year Awarded	Award Recipient
2006	Paul Roberts
2007	Brian Robb
2008	Craig Bennett
2009	Richard Leverington
2010	ASB
2011	Judy Third (posthumously)
2012	Wayne Powell
2013	Brett Ormsby
2014	Brian Robb
2015	No award given
2016	Jeffery Galt
2017	No award given
2018	Grace Nunn
2019	No award given
2020-2021	Award programme postponed – COVID-19 global pandemic
2022	Tania Charles
2023	Sonja Healy

Year Awarded	Award Recipient
2024	Tejot Bhasin

Appendix C.7: IIA NZ Emerging Internal Auditor of the Year (Supreme Award)

Recognising a new Internal Auditing Professional

Award nominees must demonstrate, through providing evidence to satisfy the below criteria, that they are an emerging talent within their organisation and have made a valued contribution to enhance the reputation of their profession.

The judging panel will review how the nominee has demonstrated one or more of the following qualities:

- Has made a valued contribution to their organisation reflects positively on the internal audit profession and incorporated IIA NZ values (integrity, objectivity, confidentiality, and competency).
- Has received recognition by Senior Management for their results/interactions
- Has contributed to innovative improvements in their team methodologies / tools / techniques / culture
- Has contributed to IIA NZ through active participation at Regional or National level such as making presentations on topical subjects or assisting in organising IIA NZ events.

Please note, the winner of this award may also be asked to contribute to the promotion of the IIA NZ through supporting the development of articles(s), newsletters and/or social media posts.

Year Awarded	Award Recipient
2013	Rob Marshall
2014	Crespo Gao
2015	Rocio Manso
2016	Sofia Chen

Year Awarded	Award Recipient
2017	No award given
2018	No award given
2019	Dr Andrew Wood
2020 - 2021	Award programme postponed – COVID-19 global pandemic
2022	No award given
2023	Louis Manickam
2024	'Uta Moeaki

Appendix C.8: IIA NZ Team Excellence in Internal Auditing

Team contribution to Internal Auditing

The judging panel will review how the nominated team has demonstrated one or more of the following qualities:

- Completed a specific project, programme or initiative that has resulted in significant or enduring business improvement and improved the Internal Audit's standing in the organisation
- Can demonstrate the impact of their contribution through qualitative and quantitative results.
- Has been recognised by their organisation for the value that Internal Audit has delivered through the work included in the application.
- Demonstration of innovation, while being committed to the Fundamentals of the Global Internal Audit Standards

Year Awarded	Award Recipient
2012	Air New Zealand
2013	Fonterra Co-operative
2014	Ministry of Education
2015	No award given
2016	Fletcher Building Limited – Group Risk and Assurance
2017	Health Alliance - Regional Internal Audit
2018	Inland Revenue Department and Ministry of Education
2019	Education Payroll Limited
2020-2021	Award programme postponed – COVID-19 global pandemic
2022	NZ Super Fund
2023	Ryman Healthcare Limited

Appendix C.9: IIA NZ Pacific Internal Auditor of the Year Award

To recognise and honour individuals within the Pacific region who have actively contributed to their communities and have demonstrably enhanced the internal audit profession in the Pacific.

The judging panel will review how the nominee has made outstanding contributions in the following areas:

- Introduced innovation in their organisation, while being committed to Fundamentals of the Global Internal Audit Standards
- Evidence of tangible efforts that have led to the improvement or advancement of the internal audit profession within the Pacific.
- Developed partnership approaches with senior management and Boards
- Increased the visibility and credibility of Internal Audit within their organisation
- Has contributed to internal audit within the Pacific community through active participation at Regional or National level such as making presentations on topical subjects or assisting in organising internal audit-focused events.
- Delivered, or were significantly involved in delivering, a high quality and innovative internal audit engagement(s) that provide value to their organisation and stakeholders

Year Awarded	Award Recipient
2025	A new award this year

Appendix D: Consultative Panels



STATE SERVICES COMMISSION
Te Komihana
O Ngā Tari Kāwanatanga



CONSULTATIVE PANELS

Introduction

With the managerial reforms of the mid-eighties, public service chief executives became more directly accountable for outputs rather than just inputs and regulatory compliance. This moved many departments to widen the scope of their internal audit function to include management and output delivery - mirroring the movement in the private sector towards broader scope internal auditing. This was an exciting development, but to those of us involved in the government internal audit business over that period, it seemed that the "half-life" of the new comprehensive audit units was rather short and at risk - that the units would begin with an ambitious flurry of enthusiasm, but that after three or four years, the new audit function would be eliminated or reduced in scope. We had what looked like a rejection problem - a new organ introduced - a build-up of anti-bodies - and finally the rejection of the organ.

This paper proposes the use of consultative panels as one means of getting a better "fit" between wider scope auditing and the business - a way of ensuring longer term compatibility between such a unit and its host organisation. It is not yet a comprehensively proven intervention, but it does have real promise and may have wider application than the public sector in making internal audit more effective.

The Move to Wider Scope Internal Auditing

Internal audit has proved itself as a robust mechanism for assisting relatively complex organisations assure their financial, other controls and information. The basic model works best in circumstances where there are clear standards of reporting, clear information to relate to the standards and an appropriately skilled and disciplined internal audit unit. Internal audit won its stripes in a classic compliance audit context.

So useful has internal audit proved, that in the last few years in the private and public sectors we have sought to deploy it in more complex circumstances - by extending the scope to include management and business reporting, and by introducing it into new institutions such as government where business goals are in themselves more complex and the information which relates to it more ambiguous (an example would be the Statement of Service Performance).

Within the pure historic compliance model, we work inside the tidy architecture created by accountants and regulators - there is room for interpretation but basically there is a place for everything and everything is in its place. This tidy state of affairs in which internal

audit evolved, has a mechanical simplicity about it - in fact we flow chart the processes in very much the same way as we would draw a *mechanical* device.

When venturing outside of that model, as most of us have had to do in recent years, the neatness of the working environment deteriorates. Once we examine the very human activities of management and business performance we find we are having to use soft as well as hard information and that standards are elusive and debatable. Considerable work has therefore got to be put in to agree the standards before the audit can actually start. "Politics" also becomes a more significant factor and the boundaries between what is internal audit and management can become somewhat blurred.

If internal audit must deal with the totality of an organisation rather than relating one part of its formal structure with another, a mechanical model of an organisation is no longer so useful. More appropriate is the model of a living organism where hard and soft systems and processes are washed by currents of collective culture, morale and ethical behaviour. A feature of biological systems is a degree of systems redundancy and overlap - this is the feature which allows adaptability and change, and which explains the multiplicity of managerial approaches than can be taken towards a single performance problem. It is this ambiguity and complexity that can create incompatibility problems when a comprehensive auditing function is inserted in an organisation. This, rather than the outright reluctance of management to face the "truth", is the main source of the rejection problem.

It is worth considering the sensitivity of the conditions for the successful operation of wider scope internal auditing - the complete support and significant attention from the Chief Executive; the Chief Executive's willingness to accept the auditors view over that of long-standing second-tier professionals; and senior managerial cooperation in implementing the audit findings - to name but three. Every now and then one of us may find a Chief Executive who is prepared to make this happen from the outset (and an internal auditor who can maintain total credibility), but the fact is that more normally these conditions can only be achieved over a period of time with a combination of successful performance, education and growing trust. The consultative panel is designed to assist the audit unit to more quickly achieve these conditions in its relationship with the organisation. It is designed to reduce the problem of rejection.

The Features of the Consultative Panel

The internal audit team is responsible for the audit. The panel is an advisory body responsible for informing, challenging and testing the audit team at key stages of an audit.

The features of the panel process are:

i) Membership

Membership of the panel will normally consist of the most senior operational manager, below the Chief Executive, in whose area the audit topic falls (the senior manager) ; one or two managers from areas unrelated to the audit (the manager(s), and a person external to the organisation who has a high standing in the broad audit subject area (the external

member). The auditee (client) has not been present on panels run to date, their interests being represented by the senior manager.

ii) Meetings

The panel should meet with the audit team approximately three times during the course of the audit. The first meeting often takes place at the very beginning of the audit to "brainstorm" potential areas of risk, to bring out concerns, to consider whether the scope of the audit is sufficient etc.

The next meeting is at the end of the preliminary survey when the panel confirms the audit is on the right track (are key risks being addressed, should there be more emphasis on a particular issue? etc).

The final meeting is to review the draft report and the recommendations arising out of it. It is at this stage that the sufficiency of the evidence gathered, the robustness of the conclusions and the practicality of the recommendations are tested.

If the panel or the team leader wants further meetings - say after the first phase of fieldwork, then that can be arranged.

iii) Process

Chairing of the panel meetings is undertaken by the head of the internal audit unit. Meetings should take no longer than two hours each although the panel members would be engaged for another hour to enable them preparation time. The audit team leader makes a presentation (preferably with visual displays) on the main issues emerging from that stage of the audit, and the panel members then question the team and discuss the issues. If, as a result of the panel discussion, it is decided to extend or amend the audit process in some way then this should be formally recorded.

iv) Costs

The costs of the panels are the time involved for busy managers, the Audit Manager, and the audit team, and the fee for the external member. The external member costs whatever the going rate is for a senior consultant. As the average time requirement over the audit is approximately ten hours it does not have a big budgetary impact.

To minimise costs panel meetings should be scheduled as far in advance as possible. By having a good presentation of key points by the team leader it restricts the need for too much pre-reading.

Why Use A Consultative Panel?

The introductory comments to this paper spell out the benefit in broad terms - that is no matter how technically good the audit is, if you cannot sell the results, you are not going to get far. Some of the other benefits gained by using a consultative panel are discussed below along with some of the disadvantages and factors to be aware of should you decide to convene one.

Alex Matheson covered some of the benefits from his perspective in his paper published in the "Internal Auditor", April 1994 (page 34). That was one man's view, and we have since done some further research. We have talked with a selection of internal auditors, panel members from outside of the organisation, those within and the primary clients (auditees) to see what benefits they thought the panel process brought to the audit and the business being examined.

Overall feedback is that the consultative panel process does benefit the audit.

The external input is clearly seen by the internal auditors as being the most valuable part of the exercise (of course you have to get the right person). The external member, while they may not be well informed on the detail of the organisation's work, can often come up with ideas from the private sector, or the rest of the public sector, which open up fresh ways of thinking about the problem at hand. That person is not constrained by organisational blinkers.

Because the external member is independent, they can, as one put it, "meander into minefields that an internal person would be loathe to". Yes, we know internal audit is independent but in reality we have to live in the political world of our organisation. How often have you heard the phrase "its not the right time to raise that at the moment"?

The managers not directly involved in the audit area can bring a realism to solving problems within the organisation's environment and they (along with the external member) act as a brake on any tendency for the involved senior manager to steer the audit team away from touchy issues.

The panel provides a "sounding board" for the internal auditors - is this a good/bad idea?, how would it work in practice?, who else should we talk to? etc. Obviously these questions would also be asked of the client but the panel provides an additional level of assurance. Where the external member is a customer of the organisation then they bring a consumer's perspective. What is right for the organisation may not be so good for them. Internal audit benefits from this injection of new thinking from both the external member and the managers. This therefore leads to a better coverage of the risks facing the organisation in the area subject to audit and better solutions.

The panels provide a good deal of contact between the team and the most senior manager (this can be done in other ways, but the panel formalises it and ensures it happens). He or she provides the political content, history and hidden complications which an audit team might otherwise not be aware of until well on into the audit or perhaps not at all.

The senior manager also develops confidence in, and a sense of ownership of, the audit process. This can be assisted further by seconding an operational staff member who the manager knows "knows the business" (this is a really concrete way of showing what you mean by participative auditing). Most importantly, the senior operational manager's involvement means they see issues emerge from the audit in real time, they have a chance to test them, and by the time the audit is finally presented to the Chief Executive, they have had the chance to put solutions in train.

Their active interest greatly increases internal audit's chances of coming up with suggestions which senior management will accept. One of the risks of operational auditing is that one politically unacceptable recommendation can hurt internal audit's reputation more than twenty astute recommendations can enhance it.

Also in our experience good Chief Executives tend to have this unerring knack to hone in on the weakest part of your case. The panel process reduces both these risks.

The managerial and external expertise of the panel lends the final product a high level of credibility with the Chief Executive and other managers within the organisation.

The panel process also has some indirect benefits:

Panel participation is an effective way to get senior managers and managers to take time out of their day-to-day preoccupations to think more broadly and to be more aware of the risks facing the organisation. Rotating managers through the panels and Chief Executive support for the concept should mean that most managers are prepared to give the time necessary. A number spoken to commented that the process gave them an opportunity to see good and bad systems and to learn from that.

By going through a panel process with a manager, they get to know the internal audit team, their role and how they work. This means that when that manager becomes a client (auditee), he or she has more confidence in our process than they otherwise would have (provided you do it right!).

The external member opens us to new networks pointing the way to people and other resources which are of interest to internal audit in not only this but other audits in the programme.

What is the downside?

The most common complaint amongst those auditors interviewed, and by some external members, was that the internal managers would not turn up to meetings. The managers have got to want to be involved and have an interest in the audit subject. The success of the panel relies heavily on the attitude and support of senior management.

There is more time needed from the internal auditor. Setting up meetings of senior managers can be a time consuming and frustrating process as they are busy people.

There have been instances where panel members attempted to "hijack" the audit (expressing strong views on a particular idea etc). Remember their role is advisory only. This is where the skills of the panel Chairperson become critical.

Finally make sure you don't convene a panel that is too big. All the above problems can be magnified if that happens.

Other comments

Involving a technical expert onto the audit team has been a reasonably common method of ensuring audit credibility when an area outside of the internal auditor's expertise has had to be examined. The use of the panel would not necessarily negate that option.

It should be borne in mind that the panel is there to give additional quality assurance. It does not replace the review of working papers as required by the Standards for the Professional Practice of Internal Auditing (No 230.02).

Ideas for the future

We haven't had a chance to test these ideas as yet, but some improvements could be to:

(a) Have the primary client on the panels well. Some clients spoken to felt a little threatened by the panel, particularly if they didn't feel confident that their senior manager would know their business sufficiently or would represent them well. This is overcome to an extent by the auditors providing regular and timely feedback and obtaining the client's view both before and after the panel meetings. There is also the possibility that the client's presence may have an inhibiting effect on the rest of the panel although the skills of the panel chairperson should ensure that all issues are brought out and fully discussed.

(b) Some of the internal managers and external panel members spoken to felt it would be good if they were informed what actions management took as a result of the audit. They had put the time into it so what had happened? At present their involvement ends at the draft report stage. This is largely a matter of communication and is easily overcome.

(c) The question of whether the panel should also monitor implementation was raised. Our view is that may be dangerous with the panel tempted to take on a more management than advisory role. Implementation is management's prerogative.

Selecting Panel Members

What attributes make a suitable panel member? You are looking for someone to add value so people selected must be good independent thinkers. They should be committed to the job with no potential conflicts of interest. It helps if they are reliable, punctual and a speed reader so they can get up to speed with the issues quickly.

Conclusion

A number of you may run these meetings already under a different name (steering committee etc). If you don't the unanimous conclusion by all spoken to is that panels are worthwhile. Yes, like anything there are some down sides but they are outweighed by the benefits.

We believe they have the potential to assist you in adding value to your organisation. They don't cost much to run so why don't you give it a try.

Alex Matheson
Branch Manager
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KPMG

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Appendix E: A Management Guide to Discretionary Expenditure 1996

A Management Guide to Discretionary Expenditure 1996

A simple checklist has been included at the end of this booklet for use by managers and auditors to quickly assess their organisations in relation to spending on discretionary expenditure.

Internal Controls

Good corporate governance of discretionary expenditure will be assisted by implementation of the following principles supported by fundamental internal controls.

- 1 Organisations should have policies to guide staff in the use of their judgement.** These policies should be formulated in the context of an ethical framework which is endorsed and actively demonstrated by the chief executive and senior management. The values and attitudes displayed by chief executives and senior managers in their decision making will reflect desired organisational values and will underpin the standard for organisational decisions.
- 2 Individuals**, including the chief executive, **should not approve and authorise their own expenditure** (i.e., when they are, or may be perceived to be, the direct beneficiary). This basic tenet should be stated clearly by organisations.
- 3 Non-salary expenditure** by senior executives, including chief executives **should be audited**. Internal Audit should plan periodic audits of these areas.

Internal (management) controls are available to organisations to enable them to deal with the items of discretionary expenditure identified in this booklet. The areas covered are not exhaustive and there may be other items which specifically relate to individual organisations.

Policies

Policy or guidelines for these items should be specific, relevant to the organisation and become a major control over that expenditure. Related controls are:

- Independent and senior approval of personal expenditure
- Code of conduct
- Conflict of interest guidelines
- Periodic internal audits
- Full disclosure & reporting of discretionary expenditure

The potential for undue benefits to accrue to individuals is heightened in the case of discretionary expenditure unless some clear policy guidelines exist. It is also beneficial to have an approval and payment process that reduces the potential for system override.

Such policies and processes can be usefully developed from these principles:

- That expenditure can be clearly shown to be work-related
- That there is a transparent and well-documented payment process
- That individuals should not approve their own payments and approval should be at a higher level, or at a similar level, with sufficient autonomy and authority.

In addition to these tests care is required to ensure tax liabilities are met particularly in relation to goods and services tax (GST) and fringe benefit tax (FBT).

Tests

In considering the approval of discretionary or sensitive expenditure there are four elementary tests that can be applied:

- 1 Does the expenditure support the goals of the organisation?
- 2 Could the organisation confidently justify this expenditure to a taxpayer, shareholder or other interested party?
- 3 Would publicity adversely affect the organisation?
- 4 Does the frequency or significance of the activity warrant the development of a specific policy?

Entertainment Related Expenditure

Entertainment is always a potentially contentious area of expenditure. In the forefront of commitment of money in this area is the question “what is the value of this to the organisation?” along with the tests covered in the introduction to this booklet.

Expenditure on hospitality attracts the interest of all, including staff, management and the public as either taxpayers or shareholders. This is particularly evident in the public sector.

This section covers entertainment, staff welfare, non-monetary recognition of staff and gifts.

In several of these areas there is a deal of debate whether the expenditure is the responsibility of the individual or the organisation. Whatever stance is taken the fiduciary trust principle remains paramount, with independent review and approval essential.

Entertainment

Entertainment is defined as expenditure for business reasons usually spent for the purposes of;

- Building relationships
- Representation of the organisation
- Reciprocity of hospitality
- Recognition of significant business achievement
- Building revenue

Consideration can be given to the following aspects in this area:

- Ideally expenditure in this area will be made based on a **pre-approved budget with a pre-agreed purpose**
- **Approval**, ideally by a line superior, before the event. Where this is not possible or impractical approval might be granted by a peer (delegated responsibility to fully check and report apparent abuse or inconsistencies).
- Ideally **all entertainment would be reported to senior management** and/or the governing body.
- It is the **deviation from planned expenditure** and established standards (exceptions) that will require the greatest attention.
- **Establishing guidelines covering types of expenditure** that would normally be claimed and those that are non-reimbursable.

COMMON PRACTICE

1 Reporting

Reports to senior management covering date, venue, costs, recipients, identifying the number of internal and external recipients and the benefit derived/reason for the event. This information will also be needed for Fringe Benefit Tax purposes.

Exceptions from preset budgets are also reported to senior management.

2 Reviewing

A good starting point is the examination of the ratio of food to alcohol. Naturally appropriateness of this ratio and the standard of entertainment may depend on the nature of the occasion.

Ideally a reasonable mix of internal and external participants is desirable. An examination of this ratio is a reference point. Obviously no strict standards can be applied.

Some organisations have a rule that the senior person present pays the bill.

This avoids the use of subordinates paying and a superior who was at the event approving the expenditure.

Non-Monetary Recognition of Staff

This category of expenditure covers such situations as reward for performance of teams or individuals, morning teas, team building and staff functions.

These events are common to most organisations and a set policy is good practice. Risks encompass extravagance, impact on morale and actual or perceived imbalance in the distribution of rewards.

COMMON PRACTICE

Defined policies exist to cover the funding of these events, or to prohibit funding as appropriate.

Expenditure is made from a pre-approved budget and is reported to senior management covering the same elements as for entertainment (dates, venue, costs, recipients (identifying the number of internal and external recipients) and the benefit derived or reason for the event).

Staff Welfare

Expenditure in this area tends to be token gifts or an expression of sympathy or congratulations (e.g. flowers and cards on bereavements or births). Risks in this area, similarly to non-monetary recognition, include extravagance, claims of favouritism and potential impact on morale.

COMMON PRACTICE

Not all organisations or managers subscribe to this type of expenditure. Where such expenditure is permitted the types of occasion are specified, for example farewells and welcomes for staff.

Expenditure is required to be demonstrably reasonable and appropriate to the event.

Where such expenditure is not allowed then this is clearly communicated to staff.

Like Koha, there is an element of this expenditure that many organisations feel should be made from the heart and be seen as such. Organisations who elect to make this expression rather than have individuals contributing have a clear policy on the issue of equity.

Invoices are noted to describe the reason for the expenditure, time, date and people involved.

Gifts

Gifts to and from staff in organisations is an area full of complexities. Gifts cover a wide range of activities or items from major sporting or cultural events to stationery. In the absence of more formal rules practice should be guided by the principles espoused in the introduction to this booklet.

The reporting of gifts both received and given is a common practice. While materiality is ultimately in the eye of the beholder, it is not unusual for significant gifts to be reported to the Chief Executive. Some organisations put a monetary limit (e.g. up to \$50) on the gifts allowed to be received.

Organisations are well advised to pay particular attention to this area, at the time of large or ongoing purchases, to ensure transparency and to avoid criticism from disappointed vendors.

COMMON PRACTICE:

The following is a summarised extract of the Public Service Code of Conduct on gifts and gratuities. This can apply equally to the giving of gifts as it does to the receipt.

“The line between token gifts of appreciation and those that might compromise the recipient is often not easily defined. As a general standard a line may be drawn where a gift (whatever its nature or value) could be seen by others as an inducement or a reward that might place the employee under an obligation.”

Travel Related Expenses

Travel Policy Statement

It is strongly recommended that organisations have a policy for both domestic and international travel. This policy should ideally cover all travel undertaken for the organisation.

Some travel related matters which can create a risk to organisations are listed below.

Mode and Class of Travel

When preparing a policy for this area, the following could be considered in order to minimise risks to the organisation:

- The efficiency and economy of the mode of travel chosen, having regard to purpose, distance, time, and urgency.
- When travel other than economy class is permitted.
- Whether, and in what circumstances, the organisation will allow personal travel arrangements of employees to be charged to it.
- What is to happen to the expenses incurred by, or on behalf of, a spouse/partner and family members while travelling with the employee.
- What are the requirements when taking leave while travelling on business.
- Whether business or first-class air travel can be downgraded to economy class fares to gain personal advantage for an employee or other individuals who are not employed by the organisation.
- Whether and in what circumstances charges levied by carriers for excess baggage are the responsibility of the employee.

COMMON PRACTICE

Travel by spouse/partner and family members at the expense of the employing authority is not normally permitted unless the travel is:

a condition of employment, or for the purposes of taking up an appointment, or; where there is a major representational requirement calling for the presence of the spouse/partner. Approval for this is normally sought on a case by case basis.

Some organisations have a policy requiring all travel be by economy class unless exceptional circumstances prevail. Provision can be made for upgrading the class of travel, e.g. where the employee will be required to assume duties soon after arrival following a lengthy journey, (9 hours constitutes a common yardstick), or where instigated by the carrier. The decision as to whether or not a particular circumstance is exceptional is normally the responsibility of the chief executive or their delegate.

Accommodation

To reduce the risk of an organisation being required to pay tariffs beyond those it would normally expect to pay, any policy should ideally address the quality and type of accommodation considered acceptable. This takes into account discounts available, security requirements and the location of the accommodation in relation to the work site.

COMMON PRACTICE

Organisations often enter into contracts, not only to gain corporate rates for accommodation, but also to standardise conditions and gain maximum value.

Personal Expenditure

To avoid confusion, the policy on payment of personal expenditure, e.g., private telephone and toll calls, alcoholic beverages, entertainment charges, laundry, etc, needs to be clear to any traveller prior to travel being undertaken. In some cases an incidental allowance is paid which is designed to cover such expenditure.

Travel Advances

A travel advance, whether paid by direct credit to a nominated bank account, cheque, cash or travellers cheques, is an amount of money paid to an employee before undertaking travel on official business.

When considering a policy for this area items that could be included are the size of the advance, method of accounting for the advance, and any time limits on accounting for it.

COMMON PRACTICE

The amount advanced would rarely exceed the estimated expenses of a journey. For security purposes the amount of travel advance paid in the form of cash is kept to a minimum.

When travel advances are received in the form of travellers cheques, for security reasons these are signed by the employee upon receipt.

Any travel advance received is promptly reconciled at the conclusion of the journey for which it was paid and before any further travel advances are paid.

Airpoints and Hotel points

Organisations need to decide whether airpoints or hotelpoints accumulated from travel and expenses paid by the organisation belong to the organisation, or the individual. The risks in this area are that individual decision-making will be influenced by outside considerations.

RECOMMENDED PRACTICE

In his 1994 report on Public Service Chief Executives' expenses Brian Tyler stated that airpoints accumulated from travel and expenses paid for by the organisation belong to the organisation not the individual.

In order to reduce the risk of individuals benefiting at the expense of their organisations and the taxpayer, he recommended that the individuals formally agree to the organisation having access to the information on airpoints held by the airlines. To complete the risk reduction this could also apply to airpoints accruing from company credit card companies.

Rental of Motor Vehicles

Organisations risk spending more than is necessary unless the cost/benefit of using rental vehicles, as against other modes of transport, is taken into account and justified. Policies could include consideration of the smallest vehicle suitable for the type of travel/conditions, as well as the efficient use of employees' time. Discounted rates negotiated with a preferred rental car firm are a further possibility.

Use of Private Vehicles

Risks in this area include improper use of vehicles, organisations paying more than is reasonable or has been agreed, and wastage of funds. The risks can be minimised by a policy covering who can authorise this use, taking into account the cost/benefit of using private vehicles as against other modes of transport. It is also useful to clearly set out reimbursement rates and procedures.

Vehicle Fleet Cards

Vehicle fleet cards are, in effect, cash for fuel and motor vehicle expenses, and the possibility of their misuse presents a risk for an organisation. This risk can be reduced if the policy states who can use these, when they can be used, if any particular petrol company should be used, what can be charged on them, whether private vehicles expenses may be paid by fleet card and the rules concerning what can and cannot be purchased.

COMMON PRACTICE

Payment of vehicle fleet card statements undergo the same scrutiny and authorisation procedures as any other expenditure. Control over fleet card use is enhanced by retaining fleet card voucher copies for verification with invoices and the statements received from the card company.

Vehicle fleet cards are wherever possible specific to a particular vehicle.

Taxi Chits and Taxi Cards

Taxi chits and taxi cards are the same as cash and are at risk of being used inappropriately.

Points to consider in the policy include when taxis may be used, who can authorise, who controls the taxi chits or cards, when chits or cards may be issued, and accounting for vouchers. Other considerations include cost/benefit, employee safety, alternative means of paying for taxis (e.g., paying by cash and claiming reimbursement) and alternative means of transport.

COMMON PRACTICE

A major control is the matching of the duplicate chit or docket with the invoice.

Fines and Parking Fees

Any policy on parking fees should cover who can incur these, how reimbursement is to be made and what evidence is required.

COMMON PRACTICE

Most organisations require all fines to be the responsibility of the individual who incurs the fine.

To do otherwise is to risk the organisation paying for reckless or unthinking drivers.

Insurance

When considering a policy on insurance cover an organisation may consider the advisability of employees/consultants and their dependants travelling on their behalf outside of New Zealand having appropriate comprehensive travel insurance cover, and whether such insurance should cover death, illness, accidental injury and property loss or damage.

Care may be required to ensure accompanying persons are covered by insurance. Policies could also cover whether the costs relating to the business should be borne by the organisation, or be apportioned between the business and personal accounts.

Credit Cards

Failure to consider a policy on these can result in the organisation paying for expenses that it would otherwise not authorise.

Credit cards have a wide use in the purchasing of goods and services. Proper use of credit cards, with good controls, results in a secure, flexible and well documented method of purchasing that has the potential for efficiency and economy. Credit cards can mean suppliers get paid quickly, a reduction in paperwork, a speedy purchase process and control over purchasing. Often the advantages of credit cards are confused and overshadowed by the uses the cards are put to and the items they are used to purchase.

Any policy relating to credit card use should consider:

- The type of expenditure for which credit cards can be used
- The type of information required to confirm that the expense has been properly incurred
- Reimbursement approval procedures such as;
 - whether expenditure should be approved by the cardholder;
 - whether the cardholder should certify the statement as evidence of the validity of the expenditure;
 - whether the supporting receipts should be attached to the statement
- Established credit limits for different employees based on need
- Justification for the issue of the card to the individual and regular reviews of this based on demonstrated need
- Prudent limits to the amounts to be incurred by way of credit card. Alternative means of purchasing may be more cost effective
- Penalties in the event of misuse
- Clarification of organisational liability

To be complete the policy on credit card use should cover all incidental items (e.g., telephone calls, liquor with meals, etc) and also identify what constitutes “normal and acceptable” levels of entertainment.

COMMON PRACTICE

Credit cards, issued in the name of the employing authority are generally not permitted to be used for the purpose of obtaining cash advances unless cash is required in an emergency relating to travel and is promptly reimbursed. Note also that interest is charged on credit card cash advances.

The cardholder certifies the statement as evidence of the validity of the expenditure. Expenditure is generally not approved by the cardholder. The supplier’s invoice for the transaction is normally required to be attached to the credit card receipt.

Salary Related and Miscellaneous Expenditure

There is a wide variety of expenditure in this category. It is likely to include such items as motor vehicles, professional memberships and other allowances. Aspects of expenditure in this area should be covered explicitly in individual employment contracts.

Salary related and miscellaneous expenditure could be broken into two broad areas:

- that which is included in the total remuneration package, and is therefore likely to be quite specific and transparent; and
- that which is discretionary, and therefore may not be so transparent.

The potential for undue benefits to accrue to individuals is heightened in the case of discretionary expenditure unless some clear policy guidelines exist. It is also beneficial to have an approval and payment process that reduces the potential for system override.

These considerations are likely to apply to the common activity areas detailed below. There are certain to be other areas with particular relevance to specific organisations.

Club Membership

This could include such memberships as airline lounge access, health and fitness clubs, social and networking opportunities such as golf clubs.

There could be cost benefits to the organisation if corporate memberships can be negotiated.

Fringe benefit tax obligations should be taken into account.

Telephone Reimbursements (including cell-phones and faxes)

Areas to consider include:

- payment for home telephones or a portion thereof
- private toll calls, including those to home when travelling
- home computer line
- and network access charges

Papers and Periodicals

This encompasses basic news-related items such as daily papers and periodical news magazines, general management, business, and office technology publications. It will also include the more profession-specific publications such as specialist, technical and trade related journals.

Factors to consider could include the periodic pre-approval of subscriptions, the cost benefit of individual versus shared subscriptions, and, where the organisation has a library, the ownership and retention of old copies.

Levels of delegation for the approval of subscriptions may also need to be considered.

Professional Memberships

A useful starting point may be to consider the relevance of such memberships to the position held. There may also be cost-benefit opportunities in corporate memberships.

Motor Vehicles

Policies would need to cover owned, hired (long and short term) and leased vehicles, and will need to include any issues relating to vehicles that are included in remuneration packages.

(Note: refer also to section 2 travel related expenditure.)

Other Allowances

Some of these may be specified in remuneration packages. Others may be discretionary, and in this instance it is helpful if they are supported by clear policies and guidelines. Some may also be dealt with on a case by case basis, in which case appropriate documentation of the approval and payment process is a fundamental consideration.

Work Related Expenditure

This section includes conferences, training courses, seminars, consumables and Koha.

Some examples of the areas to consider are set out below.

Conferences, Training Courses, Seminars

There is often a risk that the value for money spent on these areas is not assessed. To gain value managers may through their performance monitoring system negotiate specific training objectives prior to participation. Apart from being good practice this allows for the measurement to occur after the event.

COMMON PRACTICE:

Some organisations require written reports and presentations to other staff on the content of events attended by staff.

These events are normally closely associated with the areas of entertainment and travel. Aspects of risk and good practice are covered in those sections of this guide.

Consumables and Assets

This covers areas such as; staff purchasing from the organisation or in the name of the organisation, the use of organisational assets for private use and “attractive items” such as high quality stationery etc. At the end of the day these items can contribute greatly to wastage and expose the organisation to potential criticism for customers, shareholders and taxpayers.

For staff purchasing second hand assets from the organisation, the prior establishment of market value in determining an appropriate price is a good practice. Similarly the purchaser should be independent from the sale process.

Organisations allowing staff to utilise corporate purchasing power so as to enable cheaper rates for private goods could consider developing a framework of firm control to regulate appropriateness, including the matter of prompt payment. The organisation could also consider developing a policy on the private use of its assets.

There are also risks of more being paid for normal day to day items than is warranted, or that attractive and possibly expensive items are removed from the premises unless assets are well controlled.

COMMON PRACTICE

Many organisations maintain a register of attractive items for items that are below the threshold for inclusion on the fixed asset register.

Even when fully depreciated assets can still have a value.

Koha

Koha has been included under work related expenditure as it is an area where many organisations might feel a policy is appropriate.

This can be formulated in consultation with Māori as advisors, or by staff networks where these exist. Due to the nature of the expenditure (no receipts or paper trails), ideally two people might best be involved in the approval to give Koha to increase the transparency of the transaction.

Reporting of Inappropriate Expenditure

The following avenues are suggested for the reporting of inappropriate expenditure or behaviour detected by either staff, managers or internal auditors:

- Internal Audit
- Chief Executive
- Audit Committee
- External Auditor
- State Services Commissioner (for Public Sector Organisations)
- Board or Governing body.

COMMON PRACTICE:

Many organisations have a policy in place for reporting inappropriate expenditure. These follow standard rules of an internal approach before external reporting, executive before non-executive and direct line of management before indirect.

A Management Guide to Discretionary Expenditure

Self Assessment Form

The Form below summarises the areas of discretionary expenditure. We have included this assessment to allow you to evaluate whether you have policies in place and to assess the effectiveness of those policies and controls. The rating goes from 1=Excellent to 5=Poor. The follow-up column will allow you to note what actions you need to take to bring your policies and controls up to an acceptable level. You will need to refer back to the main text for the detail.

Area	Policies in place	Internal controls assessed effective (rate 1-5)	Follow-up steps necessary
All staff are not permitted to approve their own expenditure and approvals are at appropriate levels			
Periodic internal audits of non salary expenditure are in place with reporting lines of sufficient independence to ensure action on reported issues			
The organisation has a Code of Conduct which sets an appropriate "tone from the top"			
Guidelines are issued covering conflicts of interest			
Policies cover expenditure that is both work and non work related			
The payment process is documented and supporting documentation is retained to support all payments made			
GST and Fringe Benefit Tax are dealt with appropriately			

Entertainment related expenditure	Policies in place	Internal controls assessed effective (rate 1-5)	Follow-up steps necessary
Entertainment external to the organisation			
Entertainment internal to the organisation			
Staff welfare payments			
Travel Related Expenditure			
Covers both domestic and international (if applicable)			
Mode and class of travel			
Accommodation			
Personal expenditure			
Travel advances			
Air and hotel points			
Rental vehicles			
Use of private vehicles			
Fleet cards			
Taxi chits and cards			
Fines and parking fees			
Insurance			

Salary related and miscellaneous expenditure	Policies in place	Internal controls assessed effective (rate 1-5)	Follow-up steps necessary
Credit cards			
Club membership			
Telephone and related reimbursements			
Papers and periodicals			
Professional memberships			
Motor vehicles			
Other allowances			
Work related expenditure			
Conferences, training courses and seminars			
Consumables and assets			
Koha			
General tests			
Does expenditure support the goals of the organisation?			
Can I confidently justify expenditure in this area to the taxpayer, shareholder or other interested party?			
Would publicity adversely affect the organisation?			

Appendix F: Newsletter (December 2011)



**The Institute of
Internal Auditors
New Zealand**

e-news

December 2011

In this issue:

- The Cage has been Rattled

- Welcome N new Members

- Internal Auditor of the Year

- Best Contribution Award 2011

- Congratulations New CIAs and Anniversary Members

- Education 2012

- National Board Programme 2012

- UK Audit and Risk Magazine

- Strategic Plan

- Feature Service of the Month

Message from Chairperson

Dear Members

Welcome to the first issue of *e-news*. We aim to produce a 3-4 page newsletter bimonthly to keep members informed on topics of interest, new initiatives and events and activities.

This issue acknowledges members' success and includes some early information about courses for 2012.

We are planning a survey of members early next year, our first since 2008. We want to find out what members want, what benefits are of most value and how we can improve member services.

Our new strategic plan is in place and the National Board and Branch Committees are planning a full calendar of events and activities which we hope will add value to your professional work and contribute to a strong and vibrant internal auditing sector in New Zealand.

We welcome your feedback at any time on any matter. I take this opportunity to wish you all a relaxing and rewarding festive season.

Best wishes
Souella Cumming, Chairperson

Welcome new, renewing or transferring members

The following new members have joined us in the past two months:

David Andrews
Divya
Balasubramanian
Victoria Anne Beck

Geraldine Bakkerus
Claire Bell

Rajendra Budhia
Robert Davies
Bruce Edwards
Stewart Glynn
Christine McKnight
David Osborne
Eldon Paea
David Phipps
Daniel Reid
Tessa Robins
Sandya Sirimanne
Jane Thomassen
Robert Wimsett

The Cage Has Been Rattled!

The 2011 IIA NZ conference has concluded, evaluations reviewed, lessons learned and recommendations made for the 2012 organising committee.

An overwhelming 95% of those who submitted evaluations said they would be back for the next conference, which will be held in Wellington in 2012.

During the course of the two days, delegates were polled several times to obtain their position in relation to the questions posed. For example, participants were asked:
Have auditors successfully got their heads around the potential risks and opportunities posed by new technology (including cloud computing) to which an overwhelming 90% answered No.

Internal audit should actively determine potential opportunities in the same way as they examine potential risks to the business. 85% answered Yes to this statement.

There was a 50/50 split response to the question: The future for internal audit lies in following a value-based approach rather than a risk-based approach.

A total of 12 questions were asked over the two days.

Full polling results are on our website.



Congratulations to Internal Auditor of the Year

David Sutton, Internal Audit and Risk Manager at Telecom, received the Institute of Internal Auditor's Auditor of the year Award at the conference.

David's work in Telecom has been described by his nominees and referees as outstanding. David has led the transformation of the Risk and Audit teams, which has been of significant commercial value to Telecom, and earned the respect of the Executive, Board, and his peers. David has been at Telecom for almost three years and previous to that he was at Fisher & Paykel Appliances as Risk and Compliance Manager. His career in risk management and internal audit has spanned approximately 14 years, both in New Zealand and overseas.

On top of his achievements David is also very involved with the Institute of Internal Auditors, having been on the Auckland Branch Committee for some time and, more recently, being appointed as its Chairperson and a member of the National Board. He has also been a key contributor to national conferences and the education activities of the Institute.



Education 2012

Our education programme is under-going a review. We are however, planning three courses for the first quarter of 2012:

Tools and Techniques I
Audit Report Writing
Business Continuity Management

Check our website in the New Year for details of dates, venues and how to register for these popular courses. We will update you when we have the full calendar in place.



for the first quarter

*Congratulations to
new CIA's 2011*

Rong Gong
Anita Dolom
Emily-Jean Argyle

National Board Programme in Brief

With a new strategic plan in place, the National Board has some priority activities for 2012, including:

- Increasing stakeholder engagement and advocating the IIA NZ Policy Statement and underlying principles of quality internal audit
- Increasing membership and progressing the value proposition for members with enhanced benefits and services
- Undertaking a full review of the Institute to inform on future direction and assist the Board to ensure the association is "fit for the future", with a robust structure.

Anniversary Members

years

Jeff Galt
Leanne Arker
Eifion James
Jeffrey O'Sullivan
John Pocock
Michelle Theron
Andy Wotton

years

Bruce Dowland
Peter Munro
Ross Smith
Philip Sinclair
Aloysius Teh
Tim Shaw
Bruce Loader
Anna Swaine
Peter Ashdown

years

David Parsons
Ian Pery
Geoff McRobie
Tony West
Malcolm Davie

years

Fred Denz
Stan Westcott
Bruce Fergusson
Iain Watson

years

Hoe Hong

Strategic Plan

The IIA NZ strategic plan 2012-14 was signed off by the Board at its December meeting. The plan comprises 4 strategic objectives:

1. Advocate and promote internal audit, IIA Standards and professional certifications.
2. Enhance our members' careers and value to their organisations.
3. Formalise strategic alliances with complementary organisations and work together to achieve mutual beneficial objectives.
4. Attract and retain internal audit professionals.

The objectives are underpinned by a number of investment strategies and measures to be actioned over the three years in order to achieve the goals and build a stronger Institute.

The full strategic plan can be found on the website www.iianz.org.nz

Feature Service of the Month:

The Knowledge Centre

is a collection of reports, articles, standards, rules, templates, tools and external website links that fellow internal auditors have found useful. If you have a useful resource or link to contribute to the Knowledge Centre, please contact us or complete the on-line form on the website.

Best Contribution to Internal Audit 2011

Awarded posthumously to IIA NZ Executive Director Judy Third. The presentation of the Award was made by the IIA NZ President Souella Cumming to Judy's husband Russell Third at the Wellington AGM on 15 December 2011.

Quoting from one of the many members nominating Judy for this award: "Judy was a well-loved member of the Institute of Internal Auditors since taking on the role of Executive Director in 2005 and was well known to our many members. For several years she ran the Institute single-handedly out of the garage of her home, surrounded by boxes of training and promotion material and often having to wear multiple layers of clothing to keep warm.

Judy's enthusiasm and energy, her in-depth knowledge about the Institute as well as most of its members, her ability to converse (at length), and her ability to remain positive were an inspiration to all of us. These qualities helped her to re-build the administration of the Institute in New Zealand. When she was well Judy regularly worked long hours to enhance the standing and reputation of the profession in New Zealand through support to the Board and branches, administration of training courses and conferences and, most importantly, support to us as individuals.

From a small office, without face-to-face contact with members Judy was able to fix our problems and offer pastoral care over the phone, in spite of her own health and other challenges."



UK Audit and Risk Magazine

The UK IIA has a new look magazine, renamed *Audit and Risk*. The Nov-Dec 2011 edition has a very interesting article on geo-political risk. For members who do not subscribe to this magazine, contact us if you'd like to purchase this particular issue for interest or as a preview to help you decide which magazine you'd like to subscribe to in 2012. (We have only a limited number available – first in, first served). Or take a look at the on-line edition www.iaa.org.uk.

Best Wishes for the Festive Season

IIANZ National Board and National Office:

Souella Cumming, President; Aloysius Teh; Brett Ormsby; Robbie Green; Tim May; Wayne Powell; David Sutton; Joanne Lentfer, Executive Director; Anne Bolton, Administrator

Appendix G: Protocol for interaction between XXXX, appointed external auditors, and XXXX Internal Audit

1. Communication

Communication between Internal Audit and external audit is based upon a no-surprises policy. This will be manifested by:

- Informal joint planning meetings between internal and external audit – [suggest a minimum of two per year].
- Attendance, as specified, at meetings with the Audit and Risk Committee, Chief Executive or Senior Management Team.
- Introduction of new personnel (in person when practical).
- Early consultation on significant internal control issues or risks of mutual interest.
- Open acknowledgement of the input of each party.
- Prompt notification of fraud findings and other topical issues.

2. Co-ordination of plans

Good co-ordination includes sharing information on audit plans, timetables and agendas. This will reduce or eliminate crossed paths, tension and confusion for both parties and for the organisation staff. Such co-ordination will help ensure minimal duplication and disruption and the early identification of areas for potential joint work.

3. Exchange of reports

This is a significant part of successful communication. All relevant final reports and management letters will be exchanged directly between the external auditor and Internal Audit.

4. Access to documentation

A good relationship is built on trust and taking account of the work of each other, within each party's professional standards [e.g. ISA (NZ) 610 and Institute of Internal Auditor's Standard 2050 and Practice Advisory 2050-1 – see brief summary attached as Tables 1 and 2].

Where external audit intends to rely upon internal audit work it will be necessary to allow access to internal audit working paper files. Except as provided for in law, access is given on a confidential basis on the understanding that such documentation will not be used for any purpose other than as it directly relates to the audit of the organisation.

The external auditor may consider requests from Internal Audit for the sharing of information [e.g. exchange of system descriptions (narrative or flowcharts) to minimise duplication of effort]. The external auditor may also consider specific requests to make extracts from working papers available. Such requests will only be considered on a case-by-case basis and at the discretion of the Auditor General and the appointed auditor.

5. Common language and methodology

Sharing a common audit language and understanding of audit methodology is encouraged. It is recognised this may not always be practical but is highly desirable in terms of working together. It is recognised that commercial sensitivities need to be preserved.

TABLE 1

STANDARD 2050 and Implementation Guidance 2050 covers [summarised]

- *Internal auditors should allow for maximum audit co-ordination and efficiency*
- *The Chief Audit Executive should regularly evaluate the co-ordination between internal and external auditors*
- *Meetings should be held to discuss planning, scope, reduction of duplication, etc.*
- *Internal auditors and external auditors need reasonable access to programmes, working papers, reports and management letters and both should reciprocate*
- *It may be efficient for internal and external auditors to use similar techniques, methods and terminology so these are understood*
- *Internal Audit may also place reliance on the work of the external auditor after appropriate investigation.*

TABLE 2

STANDARD ISA (NZ) 610 covers [summarised]

- *Scope and objectives of internal audit*
- *Relationship between internal and external auditors*
- *Determining whether and to what extent to use the work of the internal auditors.*
- *Performing an evaluation of the internal audit function when it appears internal audit work could be adequate for the purposes of external audit*
- *Considering the timing of liaison and co-ordination*
- *Determining the nature, timing and extent of internal audit work performed and the reliance that can be placed upon it*
- *Evaluating specific internal audit work where the external auditor intends to place reliance to confirm adequacy*

.....
 Chief Internal Auditor
 Date: / /

.....
 External Auditor
 Date: / /

Appendix H: Branch Committee Chairpersons

Appendix table below will be completed when information comes available.

Following the formation of the National Institute all chapters became branches. Christchurch, which had been too small to be recognised as a chapter, was called a club, as was Waikato. Christchurch club became a branch and Waikato club was absorbed by Auckland Branch.

Auckland Branch

Chairpersons have included (Whilst Auckland and Wellington were Chapters within The IIA, they were led by a Chapter President, and not a Chairman)

1986	
1987	
1988/89	Patricia Lynch
1989/90	
1990/91	Carron Bardsley
1991/92	Jim Harknett
1992/93	Jim Harknett
1993/94	Jimmy Medhora
1994	
1995	
1996	
1997	
1998	
1999	
2000	
2001	
2002	
2003	
2004	
2005	

Wellington Branch

Chairpersons have included:

1983/84	Bert Said, Chapter President
1984/85	Bert Said, Chapter President
1985/86	Michael Cox, Chapter President
1986/87	John Harvey, Chairman ⁷
1988/89	John Harvey & Ross Dunn
1989/90	Ross Dunn
1990/91	Gordon Neal
1991/92	Gordon Neal
1992/93	Bruce McDonald
1993/94	Bruce McDonald
1994/95	Les Foy
1995/96	
1996/97	
1997/98	
1998/99	
1999	
2000	
2001	
2002	
2003	
2004	
2005	

⁷ John may well have moved to Auckland during this year and Ross took over.

Disclaimer

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