



### **Message from IIAS President Lilian Tay**

A very Happy Chinese New Year to all of you. I hope the year of the Rooster brings you abundant blessings of joy and success.

#### **Conference & Seminars**

I wish to thank all of you who have provided feedback about your interest, from which Saw Peng has compiled a listing of hot topics for our education team to consider. Thanks to those of you who supported our first seminar for this financial year "Performing Audit Risk Assessment & Developing a Multi-Year Plan" followed with a well-received Conference in November 2004. If you had attended, I'm sure you would agree that the line up of speakers and topics was very good and relevant. For those who missed it, I hope to see you in some of our coming events.

In our cooperative education agreement with IIA Inc, we have lined up a number of core courses and you will see the active participation of your committee in facilitating these courses. I'm sure you or your staff would be interested in subjects such as Tools and Techniques for new auditors, COSO Internal Controls, Assessing Business Risks for Internal Auditors, New Skills for the New Auditor in Charge, and Audit Report Writing. So do look out for them or check them out on our website. We will also be inviting James Roth and Robert Ferst to conduct courses during the year.

#### **A New Office**

With effect from 4 October 2004, our secretariat office was relocated to Republic Plaza, for your convenience. With the expanded space, we will have more room for the library and our administrative files.

#### **Certification**

As in previous years, the number of members who sat for the CIA and CCSA exams in November 2004 was encouraging. And for those in the financial industry, IIA Inc has launched the CFSA (Certified Financial Services Auditor) exams globally with effect from November 2004. Five candidates from Singapore took advantage of the introductory offer and sat for the exams at no cost.

#### **Board of Governors 2004-05**

President: *Lilian Tay, CIA, FIIA, CFSA*

Vice- President: *Lawrence Lee, CIA, FIIA*

Secretary: *Richard Tan, FIIA*

Treasurer: *Jennifer Vayding, FIIA*

#### **Governors:**

*Abdul Hamid, FIIA (Newsletter)*

*Diana Cheah, CIA (Certification)*

*Philip Molton, CIA, CCSA (Education)*

*Siow Chee Keong, CIA (Certification)*

*Winnie Ang, (Communications, Newsletter)*

*Yip Sai Leng, (Membership Development, Library)*

Immediate Past President: *Laval Wong, CCSA, CFSA*



Front row (left to right): Lawrence Lee, Larry Lam, Lilian Tay, Abdul Hamid. Back row: Yip Sai Leng, Winnie Ang, Jennifer Vayding, Philip Molton.

For contact and other info, please visit [www.iiasg.org.sg](http://www.iiasg.org.sg), or e-mail to [iiasg@singnet.com.sg](mailto:iiasg@singnet.com.sg). Members can also call the Secretariat at 6823-1455.

## From the Editor's Desk

Hello fellow auditors!

Isn't the auditing profession just simply great?! Our audit skills make us extremely flexible people in that our work very often crosses multiple disciplines. I wonder if you notice that the auditor in you sometimes creep up in your personal life? Like you find yourself checking things out with your critical auditor's eye? Actually, I find that certain audit habits that I have picked up, are very relevant and useful to my personal life as well. For example, I love my little checklists, so that I don't forget things!

I hope you find this newsletter informative and interesting! And I certainly hope that it makes for some enjoyable reading for you!

*Winnie, Editor  
Feb 05 newsletter*

### **Important Notice – Please take note!**

It has come to our attention that a Ricky Foo from Source IA has been contacting our members and claimed to have derived the members' information from IIAS.

Please be informed that we have not given members' information to any organisation. We are also not associated with Source IA.

Please contact the Secretariat if you receive such similar calls from unauthorised persons.

We have also started to administer the CPE (Continuous Professional Education) program, so don't forget to plan your training as part of your obligation to fulfill the CPE-hours requirement. IIAS will continue to provide you with opportunities to attend our courses, seminars and conferences.

### **Public Forums**

One of our goals is to be recognized as the global voice of the Internal Audit profession, and we are moving towards it.

In December 04, I represented your Board of Governors in an exclusive interview with Channel News Asia, following the problems of China Aviation Oil. The questions were geared to corporate governance and competency of internal auditors and independent directors. The text that appeared in the newspaper may be found on our website.

In November 2004, we sent our representative to the Technical Committee for Business Continuity Management for Manufacturing, Innovation and Services. This committee will be producing a technical reference for Business Continuity Management. And currently, there are proposed revisions to the Code of Corporate Governance, which is posted on CCDC website at <http://www.ccdg.gov.sg/news/consultation.htm>.

If you wish to participate or have us represent your views as part of IIA, we shall be happy to receive your comments early. Or if you should have any comments, in particular, what IIAS can do for you, please forward your comments to our secretariat.

### **IIA International Conference**

This year's international conference is scheduled in Chicago during Jul 10-13, 2005. Please visit [www.theiia.org](http://www.theiia.org) for details and do plan early.

### **Future Events and Programs**

Next year marks the 30<sup>th</sup> anniversary of IIAS, and your Board of Governors will be working very hard to put up some special program. We are looking for helpers, so please come forward to render your time and ideas. On behalf of the board of governors, we all look forward to your support and active participation as we start to roll out events and activities throughout the year. I hope to be able to meet each of you personally at your very own IIA events. So, see you soon.

## **Congratulations, Koh Hian Chye!**

We would like to extend our congratulations to **Koh Hian Chye**, one of our past Governors on the publication of his book: *Data Mining Applications for Small and Medium Enterprises*. A copy of his book is available in our library for borrowing.

## *Quick Updates & Announcements*

<p style="text-align: center;"><b>Farewell &amp; Welcome Aboard!</b></p> <p>It is with great reluctance that we announce the resignations of one of our governors, Larry Lam and our administration officer, Ng Saw Peng. <i>Thank you for your past contributions!</i></p> <p>Welcome aboard, Jasmine Yap who replaces Saw Peng! We hope you will enjoy working with us!</p> <hr/> <p><b>Membership Growth – Welcome new members!</b></p> <p>Members (31/07/04) : 1042          Members (31/12/04) : 1163          Net increase: 121 (11.6%)!</p>	<p style="text-align: center;"><b>Wanted! Feedback / Volunteers</b></p> <ul style="list-style-type: none"> <li>We would like to have your feedback to the proposed revisions to the Code of Corporate Governance. The deadline for submission to the Secretariat is <b>13 Feb 05</b>.</li> <li><i>IIAS 30th anniversary:</i> Volunteers are needed for the Anniversary Photo-Journal sub-committee and the Dinner &amp; Dance. Please contact the Secretariat by <b>18 Feb 05</b>.</li> <li>Volunteers are also needed for the certification exams on 18th and 19th May 05. Please contact the Secretariat by <b>18 Apr 05</b>.</li> </ul>	<p style="text-align: center;"><b>Upcoming Events! – Look out for them!</b></p> <p><b>Local:</b>  <b>16-18 Feb 05</b>, Course – IIA QAR Internal Assessor Accreditation  <b>24-25 Feb 05</b>, Course – Audit Report Writing  <b>18 Mar 05</b>, Social Friday Evening Talk – What the law does not cover when buying private property</p> <p><b>International:</b>  <b>10-13 Jul 05</b>, Conference – IIA International Conference, Chicago  <i>For registration and other enquiries, please contact the Secretariat.</i></p>
<p style="text-align: center;"><b>Past Events and Activities (Jul 04 – Jan 05)</b></p> <p>27 Sep 04 - Performing Audit Risk Assessment &amp; developing a Multi-year audit plan</p> <p>26 Oct 04 – Banking Interest Group Roundtable</p> <p>22 Nov 2004 – Internal Audit Conference: Audit Internally, Consider Risks Globally</p> <p>24-25 Jan 05 – Assessing Business Risks for Internal Auditors</p> <p>26 Jan 05 – Controls are everyone’s business &amp; Enhancing Audit Committee Effectiveness</p>	<p style="text-align: center;"><b>Certification – Exam Results!</b></p> <p>The results for the Nov 04 Specialty exam are as follows:</p> <ol style="list-style-type: none"> <li><b>CCSA</b> - 100% passed!</li> <li><b>CFSA</b> <i>for Banking Discipline</i> - 100% passed!</li> <li><b>CIA</b> <i>for Insurance Discipline</i> - 66.67% passed!</li> </ol> <ol style="list-style-type: none"> <li><b>CIA</b> - Part 1 :73% passed - Part 2 : 75% passed - Part 3 : 72% passed - Part 4 : 50% passed</li> </ol>	<p style="text-align: center;"><b>Library – A sampling of what’s new &amp; what’s hot</b></p> <ul style="list-style-type: none"> <li>20 Questions Directors should ask about Internal Audit, <i>John Fraser, Hugh Lindsay</i></li> <li>Business Continuity, Disaster Recovery, and Incident Management Planning: A Resource for Ensuring Ongoing Enterprise Operations, <i>Albert J. Marcella, Carol Stucki</i></li> <li>CCSA - Study Guide, <i>James Kincaird, William J. Sampias Albert Marcella Jr</i></li> </ul>
<p><b>Internal Auditors Under Fire!</b></p> <p><i>Below are some quotes from an interview with Lilian Tay that appeared in TODAY, 7 December 2004, in reference to the CAO scandal, highlighting the importance of the competency of internal auditors.</i></p> <p>‘.....Nor do they [<i>internal auditors</i>] have to be affiliated to a professional body administering a code of practices.’</p> <p>‘The IIAS favours the tightening of rules and hopes to see legislation incorporated here. ....’</p> <p>‘The IIAS also wants the role of a whistle-blower to be specified in the Internal Audit Charter.’</p>		

## From your Institute's Album

### *Events at a glance – A Picture is Worth a Thousand Words*

#### ***What's on at the Annual General Meeting (AGM)***

At the AGM on 30 Jul 04 at Hilton Hotel, 3 members Vincent Wu, Wilfred Woo and Lim Hooi Lea received their Membership Recognition Awards.

*Pictured right, (Left to right) Lilian Tay, Vincent Wu, Laval Wong, Wilfred Woo and Lim Hooi Lea*



**27 Sep 04 - Performing Audit Risk Assessment & developing a Multi-year audit plan**

The event was conducted by Larry Lam at Grand Plaza Parkroyal and there were 46 participants.

*Pictured left, Larry Lam conducting the training.*

#### ***Internal Audit Conference Nov 2004 : Audit Internally, Consider Risks Globally***

On 22 Nov 04, IIA Singapore held the annual Internal Audit Conference at the Meritus Mandarin Hotel. Hsieh Fu Hua, Stock Exchange of Singapore was our keynote speaker. We also had Franklin Fabian, FBI who spoke about how 'Stopping Terrorist Financing is Everyone's Business', followed by Enoch Chng, MAS, 'Uphold Our Sound Monetary System Through a Robust Risk Management Process'. Steve Vickers, International Risk Ltd, did his presentation on 'Mitigating Corporate Fraud in Asia'.



*Pictured above (anti-clockwise): Lawrence Lee, Steve Vickers, Franklin J Fabian, Lilian Tay, Laval Wong and Ramesh Moosa.*



*Certificate recipients with Lilian Tay, President and Siow Chee Keong, Certification Chairman*

During the conference lunch, we had the certificate presentation ceremony to all the candidates that have obtained their CIA, CFSA and CCSA certifications last June 2004. *(picture, right)*. After that, Larry Lam presented his topic, 'Monitoring Risks and Controls of the Business Globally'. Ramesh Moosa spoke about 'Computer Forensics and Investigation, while Prof Kwok-Yan Lam spoke about 'e-Security Methodology'. We had John Lim as our last speaker to talk about 'Corporate Governance – Prestige, Responsibilities and Liabilities of Directors'.

As you can see, it was a very event-packed conference! Hope to see you at our next one!

## Something to think about.....

### Tsunami disaster – Can you over-collect donations?

I came across this article dated 9 Jan 2005, about child prostitution in Cambodia, on the MSNBC website, <http://www.msnbc.msn.com/id/4038249/>. A quote from the article reads, "... One girl says she's nine. She's joined by another who says she's 10. Both say they know how to perform oral sex....."

As the money kept pouring in for tsunami relief efforts, I could not help but wonder why if the governments of the world can come together and support the victims of the tsunami disaster, why can't we do something to stop this problem of child prostitution?

Consider these statistics:

- [US\\$350 million](#)<sup>1</sup> from US government for the tsunami disaster and a [US\\$1 million](#)<sup>2</sup> grant the human rights group, International Justice Mission, to help battle sex trafficking in Cambodia.
- As at 31 Dec 2003, there is [S\\$21,866,499.00](#)<sup>3</sup> in net assets for the Courage Fund, established during the SARS crisis in Singapore. (Note the 2004 figures were not available at time of writing.)

From the seemingly numerous requests for aid for the tsunami victims, is it possible to **over-collect on donations**? In a MSNBC website news [report](#)<sup>4</sup> dated 4 Jan 05, the medical aid group Medecins Sans Frontieres (Doctors without Borders) "*urged donors on Tuesday to stop sending it money for Asian tsunami victims, saying it had collected enough funds to manage its relief effort there.*"

A news report, dated 12 Jan 05, on Channel News Asia has the headline, '[UN to use outside auditors to monitor Asia tsunami aid](#)'<sup>5</sup>. And that's where I think we as auditors have a role to play. Firstly, by auditing these charity collections in Singapore, we can have a better understanding of how these volunteer organisations work. Secondly, we can help these organisations improve their efficiency and maximise donor dollars. Finally, there must be accountability to the public. The MSF volunteer aid group has shown, by way of example, that there is a planned budgeted amount in their operations and that they do know how to differentiate when enough is enough.

Donors themselves need to understand the difference between supporting the volunteer organisations and supporting the projects that they are running. They need to consider when their donation is to a specific project, is the usage of the fund restricted to that particular project only? What happens to 'excess' funds? How much of the donated money is spent on administration costs?

I hope that one day we can, not only donate money to a worthwhile cause but be able to contribute our professional services as well. For me, my dream is to have a world free of child prostitution. Buildings can be rebuilt, livelihoods can be restored but a child's innocence, once lost, is lost forever.

- Winnie, Editor. For comments or feedback to the author, you can e-mail her at [winnieang@gmail.com](mailto:winnieang@gmail.com).

#### References

1. [http://www.msnbc.com/modules/interactive.asp?id=/d/tables/who\\_helped\\_quake\\_041228/data.js&navid=6758618&cp1=1](http://www.msnbc.com/modules/interactive.asp?id=/d/tables/who_helped_quake_041228/data.js&navid=6758618&cp1=1)
2. <http://www.msnbc.msn.com/id/4038249/>
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