



**President's Message  
Laval Wong, CCSA**

Dear *IIA Members*

This is our new format to communicate with you on a more regular basis. I hope you will find it useful and support it. We also have a new look to our IIA Singapore website. This is only Phase one. Two more phases will follow which will provide you even more convenience to one of the best productivity tool for Internal Auditors. We are also extremely pleased to have crossed the 1,000 members (1,048 as at 30 November 2003). However, I think, we still have more room to grow by another 20% in 2004. You also can help IIA to achieve this objective. Support the membership drive on 16 January 2004 and encourage all your friends and colleagues who are in internal audit, to join IIA if they have not done it yet.  
Wishing all of you a Very Happy New Year!

**From the Editor's Desk  
Abdul Hamid, FIIA**

Dear *IIA Members*

After the resignation of Julian Tan, our former IIA Newsletter Editor, in Oct 03, President Laval reshuffled his "cabinet". I was asked to take over Julian's job and give up my Secretary's position. Richard Tan who left the Board at the last AGM was recalled to assume normal duties as he is most accustomed to the Secretary's role, which he had held for many years. My responsibility as the new Editor is a challenge. Having handled the Education portfolio for two years, it is a welcome change for me to do something different. This electronic newsletter, which members will receive once in every 2 months, will make a difference, as it will save hundreds of \$ for the IIAS and also promote better and more regular communication with members. I will keep it *more focused*, short and simple.

**Board of Governors 2003-04**

**President:** Laval Wong, CCSA

**Vice-Presidents:**

Lawrence Lee, CIA, FIIA

Siow Chee Keong, CIA

**Secretary:** Richard Tan

**Treasurer:** Lilian Tay, CIA, FIIA

**Governors:**

Abdul Hamid, FIIA (Newsletter)

Larry Lam (Education, Chair)

Freddy Teoh (Education Co-chair)

Loh Uantchern, CIA, CCSA  
(Webmaster)

James Whitley, CCSA (Public  
Relations)

Jennifer Vayding (Library and  
Membership Development)

**Immediate Past President:**

Chng Seh-Chong

For contact and other info, please visit [www.iiia.org.sg](http://www.iiia.org.sg), or e-mail to [iiiasg@singnet.com.sg](mailto:iiiasg@singnet.com.sg)

**Past Events and Activities (June to December 2003)**

30 Jun 03 – AGM and Special Meeting of Members to amend the IIAS Bye-Laws

July 03 – Strategic Planning by the Board of Governors

Aug 03 – Engagement of Consultant to design and develop a new IIAS website

1 Oct 03 – IIAS Presentation on Privacy Management at iX Conference at Singapore Expo

17 Oct 03 – Presentation on IIA Professional Practices Framework to Temasek Group

20-22 Oct 03 – Robert Ferst's Workshop on Quality Assurance Review

1 Nov 03 – Completion and Launch of Phase One of IIAS new Website at [www.iiia.org.sg](http://www.iiia.org.sg)

17 Nov 03 – Internal Audit Conference 2003: Keeping Abreast of Emerging Issues

Nov 03 – CIA exam preparatory courses, conducted by IIA volunteers

19-20 Nov 03 – CIA and CCSA Examinations at SPRING Singapore

**Coming Events and Activities (January to February 2004)**

16 Jan 04 – Membership Night Cocktails and Presentation on CSA Survey Results

Feb 04 – IIA seminar on fraud and money-laundering

## *From Us to You.....what we'd like to say or inform*

<p><b>Vice-Presidents' Segregation of duties</b></p> <p>At our AGM, 2 Vice-Presidents were elected to help strengthen the Institute's administration. Lawrence Lee is VP in charge of membership admin. He oversees our full-time staff, Ms Ng Saw Peng's work and also acts as Senior Advisor to the Board of Governors. Siow Chee Keong is VP in charge of CIA and CCSA admin including Continuing Education.</p> <p><b>Our Finance – No problem?</b> Lilian Tay who controls the Institute's purse revealed that our Institute's financial health is satisfactory – in other words, it can be better. There will be no deficit budgeting for the year.</p>	<p><b>Something important from the Secretary's File</b></p> <p>Members at 1 Jun 03: 967 Add: New members: 205 Less: Resigned/Terminated: 117 Members at 31 Dec 03: 1,055 Corporate Members: 46 Members who are CIA: 172 Members who are CCSA: 10 Members who are FIIA: 8 Honorary Members: 2 Associate Members: 224</p> <p><b>Membership profile By Industry</b> <i>Private sector:</i> Banking/Financial sector: 40% Manufacturing sector: 4% Others : 35% <i>Public sector</i> (Government and statutory boards): 22%</p>	<p><b>Membership is our Strength – our asset</b></p> <p>73 individual members and the following 9 corporate members (with a total of 171 nominees) have joined the IIAS during the period June to December 2003:</p> <p><i>Capital Land DBS Bank DSO National Laboratories Hewlett Packard Far East National Kidney Foundation NUS Siemens Sony Electronics Standard Chartered Bank</i></p> <p>Welcome, NEW members! <b>Best Wishes to all Members</b></p>
<p><b>New CIA &amp; Award Winner</b> <b>Congratulations</b> to the following new 24 CIAs (after the May 03 exam), especially to <b>Ms Lee Yin Lin</b> who won the <i>William S. Smith Certificate of Honor Award</i>.</p> <p>Aw Ling Lee, Chong Joon Pin , Chong Lin Lin, Goh Hwee Meng, Jasmine Wong May Yee, Lee Yim May, <b>Lee Yin Lin</b>, Lee Yueh Wun, Lim Lee Choo, Loh Puay Ching, Low Han Kiat, Low Hwee Ling, Lum Siew Peng, Ng I Pin, Ong Kok Chiong, Sim Hui Ting, Tan Chin Lu, Tan Yun Fen, Teh Geok Hoon, Teng Chay Ling, Teo Han Kheng, Teo Poh Joo, Tharm Siew Ling, Yee Sai Leng</p>	<p><b>2003 IIA Membership Recognition Awards</b> <b>Congratulations!</b> 23 members received their "long service" awards, including these loyalists who collected them at the AGM.</p> <p>25 years: Cheong Kwang Huat, Cheong Keng Loh 20 years: Lawrence Lee, Daisy Lim 15 Years : Lilian Tay Nguan Sim 10 Years : Bridget Choy Wai Fong, Ong Siow Peng, Tan Peck Leng</p> <p><b>Congratulations</b> to James Whitley, Loh Uantchern, Ong Lay Chong, Thio Tse Gan, Aw Yong Wai Yie, Ling Wai Kwan and Laval Wong for having attained the <b>CCSA</b> designation after the CCSA exams in 2003.</p>	<p><b>Our New Year function coming soon – Membership Night</b> will be held on 16 Jan 04 at the Grand Plaza Parkroyal Ballroom at 6.30 pm. Free for members, \$20 for non-members (waived if signed up as members on the spot or before 16 Feb 04). Governor Jennifer will talk about membership trends and benefits, and Laval will present the Membership Recognition Awards 2004.</p> <p><b>CSA Survey Results</b> At that night, ex-NTU student Colin Chan will also present the results of the CSA Survey in Singapore, which was done in liason with Chng Seh-Chong, our Immediate Past President.</p>
<p><b>Our Library is the best</b> The best collection of books for internal auditors in Singapore can be found in our IIAS Library, situated at Level 36 UOB Plaza One. It's very well utilized e.g. 31 loans and 28 returns in Nov 03.</p>	<p><b>IIAS in Public Limelight</b> Abdul Hamid was our speaker at the <b>ix Conference 2003</b> on 1 Oct 03. He shared IIA research on Privacy Management. At the same conference, Laval, James and Uantchern shared tips on Risk Management practices.</p>	<p><b>IIAS Web Services</b> Have you visited our new website at <a href="http://www.ii.org.sg">www.ii.org.sg</a> ? Please give your comments or feedback. We value your participation in helping us to provide better web services. Phase 2 is under way to provide members with "special" access.</p>

**From your Institute's Album**  
*A Picture is worth a Thousand Words*



*President of IIA Singapore interacting with the Audit Committee members and Chief Audit Executives of the Temasek group of companies*

**Briefing on IIA's Professional Practices Framework (PPF)**

On 17 October 2003, IIA Singapore gave a presentation on the PPF to the Audit Committee members and Chief Audit Executives (Heads of Internal Audit Departments) of the Temasek group of companies. President Laval Wong and two governors, Loh Uantchern and James Whitley, also shared experiences and discussed issues on implementing the PPF. James also shared on his quality assurance program for the SIA internal audit function. Mdm Pee Lay Yen, CIA, Head of Internal Audit, Temasek Holdings, had invited IIAS to give the talk to keep the Audit Committee members and Chief Audit Executives in the Temasek Group well-informed and updated on the latest developments in internal auditing. Well done, Lay Yen!



**The Institute of Internal Auditors**  
*Progress Through Sharing*

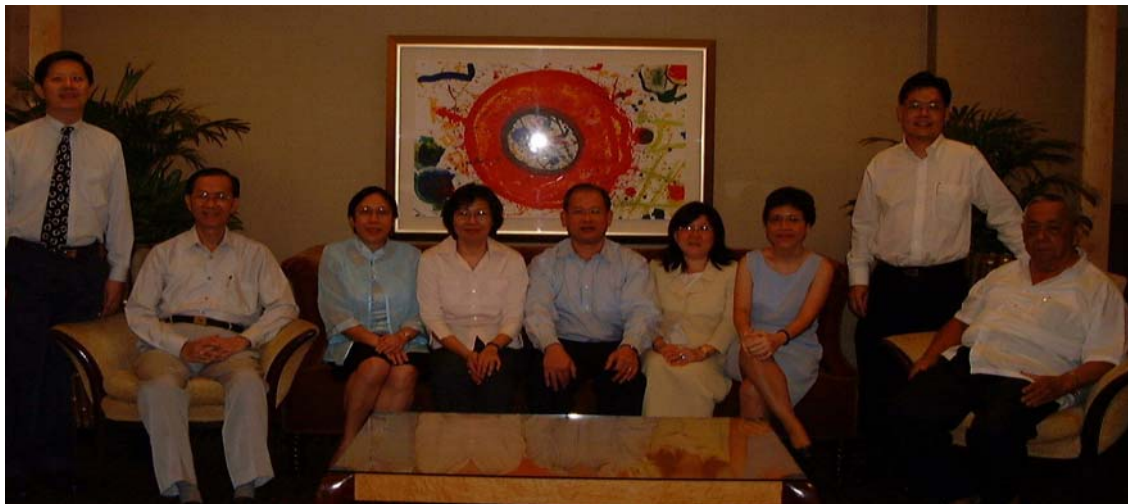
### Quality Assurance Review (QAR) Workshop



**Robert Ferst (sitting, centre) with his workshop participants**

On 20, 21 and 22 October 2003, IIA Singapore held the QAR Internal Assessor Accreditation course at the Grand Hyatt. Mr Robert Ferst, Vice-President of Quality Auditing Services from IIA Inc, conducted the course for 25 participants. All of them passed the test held on the 3<sup>rd</sup> day and were awarded with the Internal Assessor Accreditation Certificate. Mr Ferst and his trainees were very delighted with the outcome. We now have 25 QAR qualified assessors – *trust them*.

### IIAS Annual General Meeting 2003



**Some recipients of the IIA Membership Recognition Award**

At our AGM on 30 June 2003 at the Ritz Carlton, 8 members received their Membership Recognition Award (*picture, above*). Given to those who had remained faithful to IIA for 5, 10, 15, 20 and 25 years, the award comprises a shopping voucher & a pin. The 25 years' award recipient also got a nice certificate from IIA Inc. There were also 20 lucky draw winners at the AGM. These were members who arrived before 6.30 pm and hence entitled to the lucky draw. Each winner was given the privilege to attend one IIA course for *free*. That's a saving of a few hundred \$ for each lucky draw winner.

## Internal Audit Conference 2003



*Keynote Speaker Dr Vivian Balakrishnan, Minister of State, Ministry for Trade and Industry (MTI) and Ministry for National Development (MND)*

### *Quote by our Keynote Speaker*

“Reliable financial and operational information about high-tech start-ups are essential to the venture capitalists’ job of assessing, picking and monitoring the right firms. These factors make a high-calibre internal auditing profession a prerequisite for the successful formation of the venture capital industry in Singapore.....Most of the public stakeholders in a listed company depend on the work of internal auditors to provide them with an accurate overview of the operation and performance of the company.....Thus, a highly regarded internal auditing profession is part and parcel of a vibrant capital market in Singapore.”



*Conference Delegates listening attentively to the Address by the Keynote Speaker*

### **Organising the Conference in Hard Times**

When SARS struck Singapore in early 2003 and devastated its economy, the Institute had to cancel its planned 2-day Annual Internal Audit Conference in May 2003. After Singapore was declared SARS-free by the World Health Organisation (WHO) in July 2003, and the economy was seen to be recovering, Larry Lam, our new Governor in charge of Education, assisted by Freddy Teoh, “resurrected” the conference plan and modified it. A one-day conference, attended by 132 paid delegates (*picture, above*) and 10 speakers including 3 Governors (Larry Lam, Loh Uantchern and Laval Wong), was held on 17 November 2003 at the Singapore Marriott Hotel. Thank you to all those who made the event a great success!

## ARTICLES AND NEWS IN BRIEF

*Keeping you informed and updated...straight to the point*

### **QAR is now Mandatory – Are you ready for it?**

The new *Standards for the Professional Practice of Internal Auditing* (effective January 1, 2002) include 7 distinct standards related to quality assurance. How do you implement and assess quality programs within your internal audit activity? How do you plan and contract for an external assessment? When can you say that an internal audit has been done in accordance with the new *Standards*. The IIA has issued [Practice Advisories](#) (please visit [www.theiia.org](http://www.theiia.org)) to guide you. Members should read the advisories in order to establish specific actions that should be taken to demonstrate due professional care. The new *Standards* place considerable emphasis on quality assurance and related processes of assessment. Standard 1312 requires that “*every internal audit department to have an external quality assurance assessment at least once every five years by a qualified independent reviewer from outside the organization*”. Please be prepared to comply with the standard...this is one most important thing that it takes to be an internal audit professional. [*Adapted from IIA Members Link.*]

### **Internal auditors urged to question irregularities**

Chairman of the DBS Audit Committee, Bernard Chen, said that internal auditors should not be afraid to confront their bosses if they come across irregularities that need clarification. They should do so even if they risk losing their jobs. [*Adapted from Channelnewsasia.com on its regional coverage of our Internal Audit Conference 2003.*] Editor: Members must have the courage to preserve their professional integrity in the face of undue “pressures” from the top. Audit without fear or favor. Adhere to our IIA Code of Ethics in the discharge of your professional duties. For more info, visit “Guidance” at [www.theiia.org](http://www.theiia.org)

### **Suspicious Transactions – You have a legal duty to report**

The Corruption, Drug Trafficking and Other Serious Crimes (Confiscation of Benefits) Act is the dedicated piece legislation to combat money-laundering in Singapore. Members should note that the Act does not only criminalises the laundering of proceeds from drug trafficking but also **182 other serious offences**. In view of Section 39 of the Act, it is **mandatory** for internal auditor to lodge a Suspicious Transaction Report (STR) to the Commercial Affairs Department (CAD) if he has **reason to suspect** that any property represents proceeds of or was used in connection with any criminal activity, and that such suspicion arose in the course of his audit. How can you not suspect if you smell a rat in your organization? **Failure to report is a criminal offence.** [*Adapted from CAD Financial Investigation Division's Report.*]

## LETTER TO THE EDITOR

### **To be or not to be CIA – IT auditor not sure about it**

A Senior Audit Manager from a listed company has enquired about “...whether our IT auditors need to obtain the CIA qualification in order for them to be deemed as internal auditors meeting the standards and requirements of IIA (as stated in the Singapore code of Corporate Governance). There is also the question of whether IT auditors should more appropriately go for CISA.....”

Editor: An internal auditor who specialises in IT auditing should obtain both the CIA (Certified Internal Auditor) and the CISA (Certified Information System Auditor) designations. The CIA is IIA's premier certification, which reflects competence in the principles and practices of internal auditing and has served as the **only internationally accepted designation for internal auditors**. On the other hand, the CISA has been the globally accepted standard of achievement among IT audit, control and security professionals. Possessing the CISA designation demonstrates your proficiency as an IT auditor and distinguishes your IT audit competence from other internal auditors. An exemption is provided by IIA to any CISA sitting for one part of the CIA exam. As the Singapore Code of Corporate Governance recognises CIA as the benchmark for any auditor meeting the standards for internal auditing, it should be complied with by the Chief Internal Auditor or whoever is heading the Internal Audit Function.