

ANNUAL MEETING

27 August 2020

Chapter Chair Annual Report 2020

Name: **Mark Hamill AMIIA, Chapter Chair**

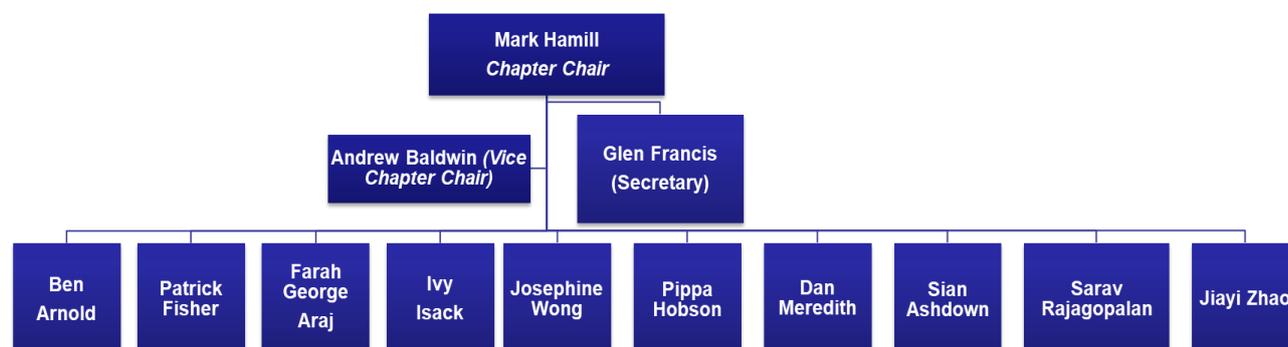
Chapter: **Western Australia**

Overview

2019/20 will no doubt go down as one of the most challenging years experienced by many organisations. The ongoing disruption caused by the COVID-19 pandemic has impacted all facets of society and caused very sad loss of life and enormous economic damage. The pandemic has severely impacted the activities of the IIA internationally, nationally and here in Western Australia. Many organisations have reset their operating model and this includes the IIA with a much greater focus on virtual events to support our members. After an initial 4-6 months of challenging times, the IIA and the Council in Western Australia is looking to move forward with new initiatives that can deliver value to our members in new ways. As Chapter Chair, I take this opportunity to thank all our Councillors and local members for their continuing hard work, dedication and support to other members during these challenging times.

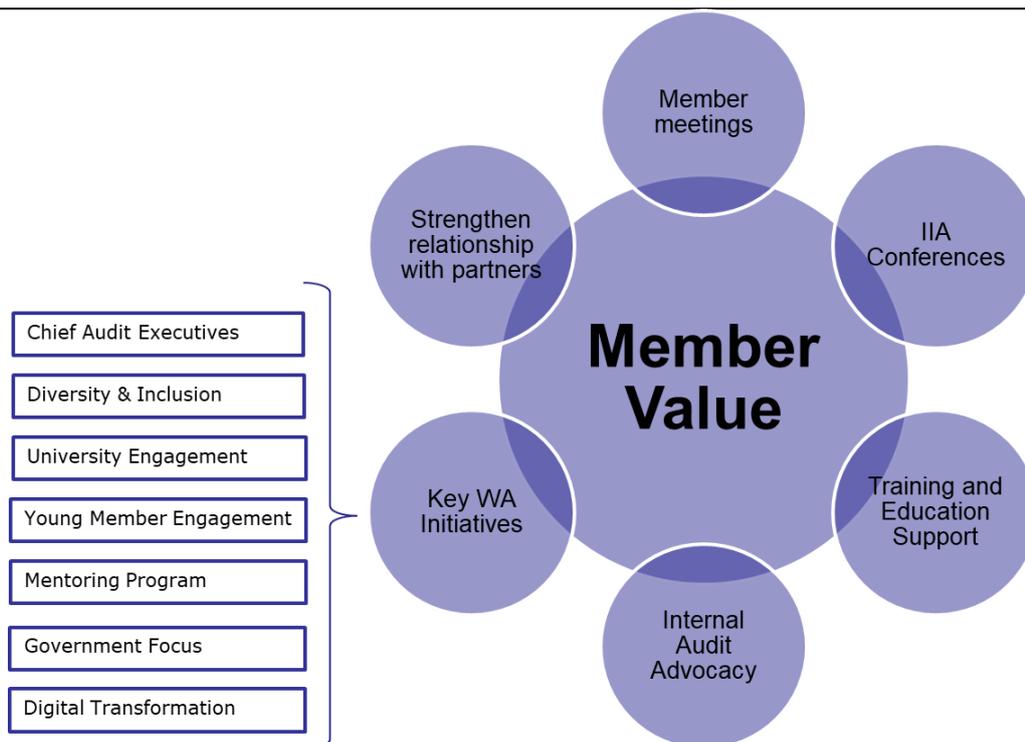
Governance

- During the year the Chapter Council met formally 6 times in the year to 30 June 2020. In addition, there were a range of formal and informal additional meetings by the Council sub-committees associated with member and Council matters.
- There are currently 13 members of the Chapter Council (subject to the members' approval of nominations). This membership number is increased from the prior year and represents a positive renewal of the Council.



- During the year Natasha Cornell, Liam Murphy and Sheila Bulandran resigned from the Council. We thank them for their contribution to the activities of the Council and service to the members.
- New members of the Council include Patrick Fisher and Dan Meredith. The Council also co-opted Emily Bonetti to support the Young Members initiative.

Overall, the Council continues to actively support IIA members in WA through a range of activities and initiatives. All the Council Members are volunteers and it remains a challenge to balance this role with their own work and personal commitments, particularly in the current COVID-19 environment. The Council remains focused on a number of key initiatives that support the goal of delivered value to all IIA members in Western Australia.



There are a number of membership subcommittees that have been established to support the above initiatives. This includes:

- Organising of Member meetings.
- The IIA mentoring program.
- Engaging with Chief Audit Executives.
- Strengthening engagement and support for internal audit in the public sector.
- Promoting internal audit as a career and the IIA with young members
- Enhancing and promoting understanding of internal audit as a discipline and a profession with Universities
- Planning and organising the annual state conferences
- Diversity and Inclusion.

The Council would like to recognise the support of:

- Our partners:
 - Deloitte in supporting the Diversity and Inclusion Initiative
 - Ernst & Young in supporting the Chief Audit Executive forums
 - KPMG in supporting the new digital transformation initiative
- Sponsors of members meetings throughout the year in BDO, OAG and PwC.

The Council continues to work with a number of potential sponsors on specific initiatives in 2020/21 and is appreciative of the ongoing support provided.

Membership

- Western Australia has 224 members as at 30 June 2020 compared to 211 at 30 June 2019, a 6% increase. Membership remains relatively constant which is pleasing given the challenging events of the last 6 months. Member retention remains strong at 102% at 30 June 2020

- There were 6 formal Member Meetings (including the launch of the Diversity and Inclusion initiative plus two meetings hosted by ISACA) conducted over past 12 months and a number of webinars. COVID-19 had a significant impact on member meetings from March 2020 to June 2020 as organisations and internal audit functions focused on addressing the many challenges from the pandemic. We recognise members value regular members meetings and we are striving to restructure the meeting schedule that will enable a mix of in person and virtual meeting options. We continue to engage with other member organisations such as ISACA, the Governance Institute and RMIA to provide value to our collective member base given the common interests of our respective members. The Council is seeking to further enhance these relationships in 2020/21.
- There was also 1 Young Member meeting and a Christmas social function for members. The Young member events have proven a great success with engagement from both existing and prospective young members. Pleasingly the focus on young members continues to pay dividends with a fantastic attendance at the most recent member event in October 2019 which was hosted by EY. The next virtual event is scheduled for September 2020.
- There was increased focus on Chief Audit Executives in 2019/20 with an initiative to convene this group on a more regular basis. A number of CAE forums have been hosted by EY which has proved popular with our internal audit leaders.
- The 2019 Western Australian IIA conference was very well received with 117 registered attendees. Feedback from members was very positive with an overall feedback rating of 4.26 (out of 5). It is pleasing to note the strong attendance and very positive feedback from the conference in recent years.

Advocacy

There are a range of issues that the IIA continues to promote and advocate for. In addition, recent governance developments have again highlighted the importance of a robust and well-resourced internal audit function.

Key challenges include:

- The ongoing focus on governance arising from a variety of recent Royal Commissions into areas such as financial services, aged care and disability services.
- Sustainability and community engagement and responsibilities and the need for organisations to manage their relationships with all key stakeholders.
- COVID-19 has significantly increased focus on areas such as employees' physical and mental health, organisational resilience and the increasing cyber threat.
- Accountability for the use of public funds by government departments, agencies and owned businesses. There continues to be a high level of scrutiny on integrity matters and this directly impacts the work of internal audit departments in terms of focus on fraud, bribery and corruption.
- Internal Audit in State government and how this is resourced and delivered to align with the requirements of Treasurer's directions, budget pressures and wider community expectations.
- Addressing the risks associated with rapid technology innovation, cyber security risks particularly in the areas of artificial intelligence, increasing use of automation and robotic processes within organisations.
- The continuing growth of investor, regulator and public focus on how organisations are managing the risks associated with climate change and treating this as a real economic challenge. The role of internal audit in supporting organisational responses is still emerging and will likely present a significant opportunity and challenge for the profession in the coming decade.
- How internal audit departments can better utilise technology to deliver more effective and efficient internal audits ranging from data analytics, robotic processes and other audit technology.



State Conference and Interactions with National Office

- The Council continues to work closely with the National Office of the IIA which provides great support to local State activities. As Chair, I attend quarterly Chapter Chair meetings which are convened by the IIA. These enables discussion of activities on a state by state basis and sharing of ideas and challenges.
- The IIA National office is also a great supporter of the annual State Conference and we were delighted to welcome the new IIA Australia National President Mr Stephen Coates and the IIA Australia CEO, Mr Peter Jones to the 2019 conference held on 12th September 2019.

The Council, in conjunction with the IIA National Office, has provisionally planned for a state conference in early November 2020, which is likely to be hosted in a virtual format. The logistics of this exercise are currently being worked through and members will be advised as soon as details are confirmed.