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**The Institute of  
Internal Auditors  
Australia**



# Annual Report 2019



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# President's Report



Stephen Coates

While 2019 was successful, the coming year presents a challenge not only for the Institute but also to the profession itself.

The Corona virus COVID-19 has triggered the crisis management plan for the Institute, with the cancellation of SOPAC® 2020, members meetings, specialist conferences and many of our face-to-face training. The traditional areas of learning and public interfaces will require change to accommodate the current circumstances.

Your continued support of the Institute will be important for its future.

The past year under review has been a busy one for Internal Auditors in Australia. With the final report from the Royal Commission into Misconduct in the Banking, Superannuation and Financial Services Industry being released, regulators revising prudential standards, guidance and practices, and with continuing press and media commentary, internal auditors remain in the spotlight.

The role and skills of internal auditors have never been in greater demand with new technologies such as robotics, machine learning, and data analytics all testing the boundaries.

We strive to make our service relevant to clients in light of all these technological changes. To this end, we maintain a busy office in Sydney, with staff dedicated to providing guidance for new internal audit practitioners, helping members, co-ordinating events, and delivering advice and limited consulting services.

In the past year, we had a change of President with Mark Harrison completing his term in May 2019. Mark left the role

with the organisation in good shape, and we thank him for his contribution.

Mark remains on the Board and has been busy assisting the global team with IIA-Australia's submission on the Three Lines of Defence model, and IIA Global's new operating model. Mark has also been elected President of the Asian Confederation of Institutes of Internal Auditors.

The past year has been one of setting a new direction, while maintaining the strengths and achievements of the past. To assist with this approach a number of new directors have joined the Board, including James Rooney Associate Professor from University of NSW, Melissa Grantham, Head of Group Operational Risk from Bendigo & Adelaide Bank Ltd, and John Catford, Head Group Audit, from Rio Tinto, who has filled a casual vacancy.

Early in my tenure as President, I led the Board to establish a 2030 Vision for the Institute to guide our operations. Our vision is familiar to you all and is "that internal audit is universally recognised as fundamental to good governance and the success of organisations in Australia".

What does this mean?

- › An articulated value proposition that links good governance, organisational success and internal audit.
- › Strong sector by sector membership encompassing the majority of key organisations in each sector.
- › Key stakeholder recognition of the need for professional internal auditors and the application of global professional Standards.
- › Managing operations in a financially sustainable

# President's Report

## CONTINUED

manner, in accordance with the highest standards of governance and ethics.

- › Strengthening the profession through leadership, advocacy and professional development.

Our work in 2020 and beyond is to not only to bring this Vision to life but to manage and navigate through an uncertain future.

Advocacy remains a key focus for the Board with strong representations to regulators, government at all levels through submissions to Senate and Parliamentary committees, other aligned professional bodies, and through opinion pieces and news items in major and industry publications.

Our primary focus is to promote the profession, and the International Standards for the Professional Practice of Internal Auditing.

Over the course of the 2019 we established a Financial Services Committee to develop best-practice internal audit guidance for the financial services industry. The guidance will be released mid-year 2020. We also saw the release of the 4th Edition of the ASX Corporate Governance Council Principles and Recommendations, which for the first time now contains references to the International Standards and the IPPF.

Our professional development focus and commitment of our volunteers and staff saw us host a number of successful conferences focusing on industry sectors including Health, Local Government, and Financial Services, and also brought about an uplift in in-house training and public training programs.

2019 has been a strong year financially for your Institute. The Board approved a budgeted surplus \$40K for the year ended 31 December 2019 ('FY19) with the actual result being a surplus of \$338K for the year. Strong delivery of External Quality Assessment work, a large and successful SOPAC® in Sydney, continued growth of the Graduate Certificate in Internal Auditing, and strong demand for internal and public training events all contributed to the result. This is especially pleasing as the road ahead requires some significant technology expenditure to upgrade our membership platform.

The audited Balance Sheet as at 31 December 2019 shows some significant movements in cash balances, compared with prior year figure. The major drivers for the \$584K

increase in cash and cash equivalents is the increase in deferred revenue of \$209K, and a general increase in sales across all departments for 2019. IIA-Australia applied the new lease standard AASB 16, which resulted in leases being recognised on balance sheet. At the end of 2019, our financial liability was \$236K higher than 2018. Similarly, our right-of-use asset was \$234K higher than 2018.

At the end of another successful year I thank all of you, our members for your support, ideas, and volunteerism of the past twelve months. I also pay tribute to our Board member volunteers, our Board Committee volunteers, Chapter Council volunteers, and of course our CEO Peter Jones and his staff and volunteers for all the hard work throughout the year.

I'm conscious as your membership representative to make sure our organisation continues to represent you well, and provide the support, educational and networking opportunities you need.

For the profession, 2020 presents an opportunity as our expertise should be utilised by companies to plan strategies for survival and renewal.

We will be communicating throughout the year ahead to update you on the COVID-19 situation, and thank you for your continued support.

For those of you with ideas on this report or how we can provide a different service please get in touch with us at [enquiry@iia.org.au](mailto:enquiry@iia.org.au)



**Stephen Coates PFIIA CIA CGAP CRMA**  
**President and Chairman of the Board**  
**IIA-Australia**

# CEO's Report



2019 has been a busy year for IIA-Australia, with many notable achievements. I will highlight some of these and mention several activities that were launched in 2019 that will see tangible results in 2020 and beyond.

Firstly, we achieved an unexpected surplus of \$338K for the year, well above our budget. There were a number of factors that led to this pleasing result including: (1) an extraordinary performance by our Consulting Services team that saw a 30% increase in revenue over the previous year, primarily in its External Quality Assessment work; (2) above budget attendance at SOPAC® in Sydney, which saw 765 attendees overall; (3) 197 student enrolments in the Graduate Certificate in Internal Auditing qualification, the highest number since 2015; and, (4) strong attendance at public training courses, coupled with very strong demand for tailored in-house training for corporate clients.

The bulk of this surplus is recorded on the Balance Sheet as an IT Development Reserve. The board is aware that our Association Management System has served us well for over 10 years. We need to consider the IT platform to meet our needs for the next decade. An IT Strategy for IIA-Australia is currently being developed. We want to have the correct processes, policies and technology in place so that we can enhance the member experience and embed a community centric and member-first culture, and to streamline operational efficiencies.

In early 2019 we saw the release of the 4th Edition of the ASX Corporate Governance Council Principles and Recommendations. We were pleased to see, on the back of our advocacy efforts, references to the international Standards and to the IPPF.

I was particularly pleased with the enthusiasm of members to share their knowledge and experience with others through the release over the year of five new White Papers, 14 Factsheets, and nine additions to the 20 Questions Series for directors to ask of their entities. Interestingly, the White Papers and Factsheets are among the most popular items that are read by members when released.

We signed Memorandums of Understanding with the Risk Management Institute of Australasia and the Governance, Risk and Compliance Institute early in the year. The MOUs extend reciprocal benefits between members at conferences and encourage joint members' meetings.

A major initiative of IIA-Australia in 2019 was to establish a committee to develop best-practice internal audit guidance for the financial services industry following the release of the final report by the Hayne Royal Commission. The 11-member committee comprises three highly respected audit committee chairs and heads of internal audit from the banking, insurance and superannuation sectors. It also includes a leading academic specialist in risk culture from Macquarie University. The committee met on three occasions in 2019 and, following a generous exposure period for consultation with industry in early 2020, the committee is expected to release its guidance in the second quarter of 2020.

Another significant initiative has been drafting a new guidance for launch at SOPAC® in 2020 of Effective Internal Auditing in the Public Sector; A Good Practice Guide. This is the first time that guidance has been developed to specifically address the governance requirements of the public sector at Commonwealth, State and Local government.

# CEO's Report

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In 2019 we began a long process of cataloguing all our IP to make it easier for members to quickly locate relevant technical and best-practice material. In all, we expect over 40 separate categories to form a library of specialist content that will be made available to members-only on the website in early 2020.

Finally, I would like to thank the board for their support to me over 2019. I would also like to acknowledge the hard work of the IIA-Australia team and volunteers, without whom none of our 2019 achievements would have occurred.

A handwritten signature in black ink, appearing to read 'Peter Jones', with a long horizontal line extending to the right from the end of the signature.

**Peter Jones**  
**Chief Executive Officer**  
**IIA-Australia**

# Chapter Round-up

## Australian Capital Territory

### Chairperson - Narelle Sheppard PFIIA CIA CGAP CRMA

ACT Chapter Council provided support to members through our mentoring program and securing a new training course for the ACT for 2020.

We held nine member meetings canvassing topical subjects such as auditing culture and behavioural risk, the art of influencing, the Hayne Royal Commission, aligned assurance, the CFO and Internal Audit, what audit committees want and shared risk.

We supported the IIA-Australia's new strategic alliance with the RMIA by holding a joint panel event "Linking risk and internal audit," and held a joint member meeting with ISACA on the topic of "Data driven transformation in government".

A highlight for our chapter was the annual Public Sector Assurance Forum with the theme "Assurance Engagement for Service Delivery Success," attracting over 140 delegates, which was a 40% increase on the prior year.

Our chapter council met ten times during the year. Our member retention rate was 89%, an increase of 23% from the prior year.

The ACT Chapter has 343 members as of December 31, 2019.

## New South Wales

### Chairperson - Riswana Ali PMIIA CIA CRMA CGAP

In December 2019 the NSW Chapter Council had 15 motivated Councillors from very diverse backgrounds and held 8 Council meetings in the year. In 2019 the NSW Chapter Council has organised:

- › 11 General Meetings
  - › 7 in the Sydney CBD area with an average of 55 attendees
  - › 4 of those have been in regional areas outside the Sydney CBD, such as in New Castle and Parramatta with around 25 attendees on average
- › 3 Audit Executive Network (AEN) meetings with an average of 32 members
- › 2 Small Internal Audit Shop forums (full day sessions) with an average of 25 attendees

The Council is promoting diversity by having sessions more focussed on Women in IIA, and is running a strategic initiative to attract our youth to IIA sessions.

Two joint events with ISACA were held and were very successfully.

The 2018 Mentoring program received 57 mentee applications and 47 mentor applications. The Council ended up administrating 55 mentors and mentees relationship

and completed the program with a function in early 2020. In addition, the Chapter assisted in hosting a Chinese delegation from the Ministry of Finance.

NSW has a current membership retention rate of 89.3%, and this represents approximately 40% of total IIA-Australia membership.

NSW Chapter as of December 31, 2019 has 1036 members.

## Queensland

### Chairperson - John Chan PMIIA CIA

The Queensland Chapter has created a LinkedIn group as a way for members to be informed off upcoming meetings and to connect. The Queensland Chapter held 7 meetings throughout 2019, with a topics ranging from 'How can Queensland capitalise on opportunities in a decarbonised economy?' to 'Managing third party risk through effective contract management'.

As part of the members' meetings, the Queensland Chapter facilitated a breakfast workshop with its members to discuss the Future of Internal Audit, which drew interesting insights from members on the future direction of internal audit. We established our first joint meeting with the Queensland Chapter of the Risk Management Institute of Australia, and look forward to many more future meetings. We were also able to establish a connection with the Institute of Internal Auditors, Papua New Guinea Chapter, with the Queensland Chapter Chair invited as a guest speaker at their conference in October.

The Queensland Chapter continues to maintain a strong membership base, with an 88% retention rate, and as of December 31, 2019 has 419 members.

## South Australia

### Chairperson - David Papa PMIIA CIA

In 2019 the SA Chapter Council had a strong focus on the changing environment we are in, both as a local Chapter and as a business community. For the first time, we held a focus session to generate ideas for our local conference. This approach was a success and 2019 saw an increase in attendance at the South Australia Internal Audit Conference. Further, our members meetings focused on how we as internal audit can assist business through continual change.

During the year we saw some change in the composition of the SA Chapter. Melissa Grantham took a position on the IIA Australia Board after holding the position of Vice Chair for 2

# Chapter Chair Round-up

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years for the SA Chapter and Dongju Han retired from the Council after six years of service. We thank them both for their years of service to the SA Chapter and the support they provided to the SA members. During 2019 we welcomed Corinne Garret to the SA Chapter Council with a passion for assurance applied practically, Corinne will be an asset to the SA Chapter.

Late 2019 the SA Chapter and IIA head office worked together on a key advocacy initiative relating to Local Government reform. Our submission to the Minister of Local Government focused on the importance of risk management and assurance services being provided by suitably qualified internal audit practitioners to ensure there is a quality of service provided to Council that is world class.

The South Australian Chapter as of December 31, 2019 had 108 members.

## Tasmania

### Chairperson - Alicia Leis AMIIA

The Tasmanian chapter continued to engage and network in 2019 with four chapter functions including presentations on IT security, governance in the public sector, and ethics. The chapter has supported advocacy efforts in Tasmania, particularly within Local Government and the development of Audit Panels, and the closely networked membership continues to work to lift the profile of the professional through UTAS engagement and promotion of Institute material. Our membership remained steady at 27 engaged and enthusiastic members.

The Tasmanian Chapter as of December 31, 2019 had 28 members.

## Victoria

### Jamal Kadir AMIIA CCSA

The Victorian Chapter in the last 12 months is continuing to have six to eight member meetings per year with a focus on quality. The Chapter has successfully conducted joint member meetings with ISACA and RMIA at the end of 2019, and plan to do so again later in 2020. In addition, the Chapter also plans to develop connections with the Australian Institute of Company Directors to host joint member meetings as well as building relations with La Trobe University's School of Business.

Part of the Victorian Chapter's strategy for the future is to increase membership from younger professional

demographics and enhance membership experience through mentoring activities, and improve the use of technology to develop better member engagement such as having online member meetings.

The Victorian chapter as of December 31, 2019 had 504 members.

## Western Australia

### Chair: Mark Hamill AMIIA

The WA Chapter continues to pursue a range of strategies to support IIA members in the state, including regular member meetings promoting diversity and inclusion in organisations, strengthened engagement with young members and business students through meetings and guest lectures at universities.

Continuing interaction with Chief Audit Executives, through the local CAE roundtable program, to promote sharing of experiences and better practice across a diverse group of internal audit leaders.

The Chapter also hosted the annual Western Australia IIA Conference in September 2019. This conference continues to be well supported by the local WA members and received very positive feedback from attendees.

Special mention goes to Stephen Linden (PFIIA) who received the IIA's Meritorious Service Award which recognised his outstanding contribution to the profession over more than 20 years.

As of December 31, 2019 the WA Chapter had 199 members.

**IIA-Australia acknowledges the work of Chris Iduramoa AMIIA, and is pleased to support internal auditors from the Solomon Islands.**



# Management Round-up

## Advocacy

The strategy for 2019 was again to focus on inclusion of the internal audit function and promotion of the International Standards for Professional Practice of Internal Auditing in the private sector, and at all levels of the Australian public sector.

A number of initiatives were commenced in 2019 such as the Effective Internal Auditing in the Public Sector – a good practice guide, and establishment of financial services committee to develop an internal audit guide for the financial services sector. The guide is supported by regulators ASIC and APRA, and range of stakeholder meetings were held throughout latter half of 2019 to promote the role of the committee.

Submissions were made to the Senate Education and Employment Legislation Committee on the Education Legislation Amendment (Tuition Protection and Other Measures) Bill 2019, and the Parliamentary Joint Committee on Corporations and Financial Services into Regulation of Auditing. At Local Government level, submissions were also made to the Tasmanian Local Government Legislation Review, and the Review of the South Australian Local Government Act.

Media articles appeared in AICD membership news, the Canberra Times, and a story on the establishment of a Financial Services Committee in the Australian Financial Review. IIA-A also jointly produced a webinar on AI and Governance with the Governance Institute of Australia.

44 Meetings were held over 2019 with private sector stakeholders, regulators, Commonwealth, State and Local Government officials.

## Education

The importance of internal audit education continues to grow and Semester 1 of 2019 saw one of the largest intakes into Module 1 (Risk-based Internal Auditing) that we have seen since the start of the GradCertIA in 2012.

There were changes to the IIA-Australia Education Committee, led by Dr Dominic Soh, Kylie McRae (a vice-president) replacing Stephen Coates, and also Dr James Rooney was elected to the Board, but continues as a member of the Education Committee providing valuable academic guidance to both groups.

With our first student representative Jonathan Muller graduating, we welcomed his replacement, Stephen Halpin, into this important role.

Graduate Certificate in Internal Auditing (GradCertIA)

There were 35 graduates during 2019 taking the total to 232. These dedicated professionals can carry the post-nominal of GradCertIA and are also eligible to apply for Professional Membership with IIA-Australia – PMIIA.

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### Certifications

A new Certified Internal Auditor (CIA) Syllabus was introduced in 2019 by IIA Global after undertaking industry research to ensure currency and validity of the content. There were also changes made to specialty certifications to focus on CIA and Certification in Risk Management Assurance (CRMA).

Australia had 41 professionals attain a global certification in 2019 made up of 30 CIA and 11 specialty certifications. As well as carrying certification post-nominal, the CIA is also a pathway to Professional Membership with IIA-Australia.

### Awards

The 2019 education awards were presented at the SOPAC® 2019 gala dinner in Sydney.

Recipients were: Paula Milne - GradCertIA Best Overall Performance Award, sponsored by Westpac; Jacob Sauer - GradCertIA achievement award, sponsored by BHP; Paul Townsend - John Blackman Award (highest achieving Australian CIA candidate) and William S Smith Honors Award for outstanding performance on the CIA exam.

In addition to these awards, the former Education Committee chair and current member, Professor Philomena Leung, was presented with the very prestigious Bob MacDonald Award.

# Management Round-up

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## Membership

For the membership year ending the 30 June 2019 we had a total of 2869 members, with a retention rate of 87.5%. Over the membership year we recruited an additional 542 members. There was a 9% increase in Professional Members to the 30 June 2019, from 794 on 30 June 2018 to 865 on 30 June 2019. This is a flow-on effect from an increased interest in professionalism/membership following the Hayne Royal Commission, our advocacy work, and the increased promotion of our products and services.

## Professional Development

IIA-Australia successfully delivered a total of 39 public training courses servicing over 300 attendees resulting in the delivery of 4,330 CPE hours for the year. The Institute's core Fundamentals of Internal Auditing course continued its popularity amongst attendees.

A new Information Technology Audit Fundamentals was rolled out in 2019, and proved to be a success in both its popularity and content delivery.

A total of 22 in-house programs were also delivered for the year, which resulted in the delivery of 44 training days.

Attendance at the free monthly webinars remained strong with almost 3,500 people accessing the webinar sessions over the year.

SOPAC® was held in Sydney in 2019 from 24 - 27 March. There was strong attendance and satisfaction ratings for SOPAC® 2019, which got the Institute's professional development program off to a great start for the year.

Seven other conferences were also staged in 2019, which included specialist industry and State conferences in South and Western Australia.

Once again members played an integral role in developing the programs for these conferences. Over 100 members providing input into the content development through focus groups.

Overall, the conference program attracted over 1900 participants and delivered over 19,000 CPE hours.

## Sponsorship

Sponsorship at IIA-Australia is focussed on growing its program and consolidating relationships with like-minded organisations, which share our commitment in enhancing the internal audit profession. In 2019, IIA-Australia received both financial contributions and in-kind sponsorship.

Financial contributions were largely directed to our flagship conference, SOPAC®, along with industry focussed and state based conferences. The GradCertIA Awards continue to attract sponsors from the corporate sector.

Many organisations continue to sponsor Chapter member's meeting through in-kind contributions by providing the venue, catering and audio visual equipment.

Our network of sponsors continues to grow and regenerate with long term supporters including aceia, KPMG, OCM, Protiviti, RSM, Satori Group, Vincents and Wolters Kluwer TeamMate having a strong presence at our conferences.

## Technical & Consulting Report

The IIA-Australia launched the 20 Critical Questions Series in 2019; there are now nine published on the IIA-Australia website. Newsletter Q&A was also launched in 2019 to answer Member questions via the fortnightly IIA-Australia newsletter e-mail-out.

The Internal audit quality toolkit was updated along with an internal audit charter templates developed for organisations with a board, and without a board.

In response to Member requests, we convened APRA CPS 234 Information Security information session. We also developed further ethical scenarios for members' continuing professional development, and contributed to the IIA-Australia internal audit good practice guide.

Technical also gave preliminary advice to NSW Treasury for 2020 review of audit committee, risk management and internal audit policy, and responded to NSW Government on discussion paper for new risk management and internal audit framework for local government.



# IIA Global

IIA-Australia has representatives on the following IIA Global Committees.

## Academic Relations Committee

### Mission:

To forge relationships among students, academics, practitioners, administrators, and others to promote the role of internal auditing and internal audit education within college/university curricula globally.

### Australian Representative:

Phil Draber PMIIA CIA CRMA

## Committee of Research and Education Advisors

### Mission:

To provide the internal auditing profession with the information needed to anticipate, and react to, important external and internal factors that could have a material impact on the practice of internal auditing.

### Australian Representative:

Tania Stegemann PFIIA CIA CCSA CRMA

## Global Professional Development Committee

### Mission:

The Global Professional Development Committee (GPDC) will promote and enhance the global development of high-performing internal audit professionals, indispensable to their organisations.

### Australian Representative:

Andrew MacLeod PMIIA CIA CRMA (July 2019+)

## Global Professional Responsibility and Ethics Committee

### Mission:

To serve the global profession of internal auditing by maintaining The IIA Code of Ethics; promoting an understanding of and compliance with The IIA Code of Ethics; and assessing, investigating and sanctioning complaints concerning non-compliance with The IIA Code of Ethics.

### Australian representatives:

Sally-Anne Pitt PMIIA CIA CGAP (Chair to July 2019)  
Andrew MacLeod PMIIA CIA CRMA (to July 2019)

## Guidance Development Committee

### Mission:

To strategically direct the development of general IPPF guidance in support of internal auditors globally (exclusive of financial services, public sector and information technology guidance), by identifying, prioritizing, commissioning, and ultimately approving guidance specifically geared to the unique needs of auditors servicing the public sector.

Ian Lyall PFIIA CIA CGAP CCSA CRMA

## Information Technology Guidance Committee

### Mission:

To strategically direct the development of information technology-related IPPF guidance by identifying, prioritizing, commissioning, and ultimately providing guidance specifically addressing information technology-related matters.

### Australian Representative:

Stephen Coates PFIIA CIA CGAP CRMA (to July 2019)

## Institute Relations Committee

### Mission:

To promote and facilitate the development and maintenance of a global strategy that fosters good communication, collaboration and cooperation among The IIA and all Institutes. To oversee Institute relations including the formation, development and expansion of IIA Institutes.

### Australian Representative:

Mark Harrison PFIIA CIA CRMA (July 2019+)

## Internal Audit Foundation Board of Trustees

### Mission:

To expand knowledge and understanding of internal auditing by providing relevant research and educational products to advance the profession globally.

### Australian Representative:

Tania Stegemann PFIIA CIA CCSA

## International Board of Directors

### Australian Representative:

Stephen Horne PFIIA CIA CGAP CRMA (to July 2019).

In July 2019, Sally-Anne Pitt PFIIA CIA CGAP was elected to the IIA Global Board. Governance processes had been reviewed resulting in the IIA Global Board being reduced in size and the system of affiliate appointed Directors discontinued. Directors are now elected in a more open process.

## International Internal Audit Standards Board

### Mission:

To develop, issue, maintain, and promote the International Standards for the Professional Practice of Internal Auditing (Standards) on a worldwide basis.

### Australian Representative:

Stephen Coates PFIIA CIA CGAP CRMA (July 2019+)

## Professional Certifications Board

### Mission:

To govern and promote The IIA's global certification programs that are recognised as the global benchmark for the profession.

### Australian Representative:

Bill Middleton PFIIA CIA CRMA

## Public Sector Guidance Committee

### Mission:

To influence, and provide leadership and advice to The IIA and its international committees on public sector auditing matters and to promote the interests of The IIA's public sector audit members.

### Australian Representative:

Stephen Horne PFIIA CIA CGAP CRMA (Chair) (to July 2019)

## IIA-Regional

Australia is represented in 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 New Zealand, IIA Papua New Guinea, IIA Philippines, IIA Singapore, IIA Sri Lanka, IIA Chinese Taiwan and IIA Thailand.

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

Mark Harrison PFIIA CIA CRMA is ACIIA President, having been elected in September 2019. He was previously Vice-President 2018-2019 and Secretary 2017-2018.

# GOVERNANCE

# Corporate Governance

The Institute of Internal Auditors – Australia is a founding member of the ASX Corporate Governance Council and IIA-Australia’s Chief Executive Officer is a member of the Council. The Board is committed to ensuring that IIA-Australia pursues and applies the highest standards of corporate governance. Accordingly, it fully complies with the ASX Corporate Governance Council’s Principles and Recommendations.

## Principle 1: Lay solid foundations for management and oversight

The Board has responsibility for the overall governance of IIA-Australia including its strategic direction and budgets. It has a Board Charter that clearly defines its responsibilities and those of management. It has a Company Secretary that is directly accountable to the Board. The Board assesses its performance annually and it works to ensure there is gender diversity.

The Board monitors the performance of management and evaluates its performance against the achievement of the business plan.

The management framework includes Board appointed Committees that work diligently with management. These include the:

- › Audit & Risk Committee
- › Education Committee
- › Executive Committee
- › Professional Responsibility & Ethics Committee
- › Nominations Committee
- › Remuneration Committee
- › Youth Leadership Committee

## Principle 2: Structure the board to add value

The IIA-Australia Constitution determines the composition of the Board, with directors subject to election by a vote by members.

The Chair and Board members are independent directors. The Chief Executive Officer is not a director.

As a professional member organisation, we benefit from

having highly experienced and respected internal audit practitioners as directors, committed to the achievement of the objects of IIA-Australia.

### Selection of directors

The directors in office at the date of this statement are set out in the Directors’ Report on page 18.

Biographical details outlining skills, expertise and experience of each director are provided in the Board Profile on pages 21 to 23.

Directors are selected by the Nominations Committee which is guided by a skills matrix which sets out the mix of skills and diversity that the Board is seeking to fill.

### Nominations Committee

The Nominations Committee comprises seven members selected from amongst the Directors and the membership at large. The Committee includes the President and one other director; with other members being senior, respected members of the profession.

The Committee elects its Chairperson; the Chairperson cannot be a director.

The constitution provides for a maximum of 13 directors and a minimum of three. All members of the Board are independent directors. Directors are elected for a two-year term. There is no limit on the number of terms that a director can be elected, however, the Nominations Committee can recommend that a sitting director not be considered for re-election.

Nominations to fill Board vacancies are assessed by the Nominations Committee against a list of skills that the Board is looking to acquire.

The Nominations Committee recommends to the Board a slate of candidates for election by the members.

### Board Performance

Newly elected directors are provided with a comprehensive induction.

IIA-Australia encourages all directors to complete the Company Directors' Course, at IIA-Australia's expense, as part of their professional development.

The Board regularly undertakes board performance reviews.

### Principle 3: Instil a culture of acting lawfully, ethically and responsibly

IIA-Australia's values are to be professional; show leadership; possess and demonstrate integrity; be collaborative; demonstrate a service ethos; and show agility.

The Board acts ethically and responsibly in its decision-making and the Code of Conduct for office bearers is included in the Board Charter available at <https://www.iaa.org.au/about-iaa-australia/howWeWork/theBoard.aspx>

All employees and contractors, on appointment, are required to attest that they have read and agree to abide by a Code of Conduct during their term of employment. Anti-bribery and corruption is addressed in the Code of Conduct.

Directors are required to certify that they will disclose any interest, position, association or relationship that may compromise their independence as a director.

The Board takes seriously its legal obligations and has regard to the reasonable expectations of all stakeholders.

### Principle 4: Safeguard the integrity of corporate reports

There are two non-executive directors on the Audit & Risk Committee. It is chaired by a non-executive director, who is not the chair of the Board. There are three other IIA-Australia members on the Committee. Their relevant qualifications and experience are shown on page 21.

The individual attendances of the members of the Audit & Risk Committee at meetings throughout the year is shown on page 19.

The Charter of the Audit & Risk Committee is on the IIA-Australia website [www.iaa.org.au](http://www.iaa.org.au)

The Chief Executive Officer and the Finance Manager have provided signed statements to the Board that the company's financial reports present a true and fair view, in all material respects, of the company's financial position and that opinion

has been formed on the basis of a sound system of risk management and internal control.

The IIA-Australia external auditor attends the AGM to answer questions from members.

### Principle 5: Make timely and balanced disclosure

IIA-Australia discloses to members and other key stakeholders material information that may affect the organisation from time to time.

Our website, [www.iaa.org.au](http://www.iaa.org.au) provides comprehensive and up-to-date information about member benefits and services, professional development events, technical resources, news, media releases, and advocacy initiatives.

### Principle 6: Respect the rights of security holders

Our website, [www.iaa.org.au](http://www.iaa.org.au) also includes information about IIA-Australia and its corporate governance.

The Board carefully considers the rights of all members of IIA-Australia. It provides members with information about IIA-Australia's financial situation, performance, major initiatives and future strategy, and policy and advocacy by a range of methods.

Methods of communication include the fortnightly News Update email, the IIA-Australia website, the Annual Report and Annual General Meeting.

The external auditor is invited to attend the AGM and be available to answer questions about the conduct of the audit, and the preparation and content of the auditor's report.

### Principle 7: Recognise and manage risk

The Audit & Risk Committee oversees risk and compliance on behalf of the Board.

The Audit & Risk Committee reviews the Risk Assessment and Risk Management Plan three times a year and these findings are reported through to the Board.

The Board reviews and approves its Risk Appetite Statement, the Risk Policy and the Risk Management Framework annually.

IIA-Australia outsources its internal audit function to PwC. A rolling four-year Audit Plan is reviewed annually and adjusted according to the changing risk profile that IIA-Australia faces. Typically two internal audits are conducted

annually on different operational areas of IIA-Australia.

IT infrastructure and services are hosted in the cloud by an outsourced provider. In the event of a significant IT disruption, the provider has a robust disaster recovery plan in place to restore services.

Management and all staff participate in a Business Continuity Plan scenario exercise once every two years.

## Principle 8: Remunerate fairly and responsibly

The Remuneration Committee comprises the President, a director and a third director or external member.

The Charter of the Remuneration Committee is on the IIA-Australia website [www.iaa.org.au](http://www.iaa.org.au)

Attendance at meetings of the committee is shown in the Directors' Report on page 19.

An annual salary and bonus review process is in place for all staff. Payments of any salary and bonus amounts are market-driven, performance-based and discretionary.

The Constitution prohibits remuneration of any director in his or her capacity as a member of the Board. Directors act in an honorary role and no board fees are paid to the directors.

# FINANCIALS

# Directors' Report

Your directors present their report on the company for the financial year ended 31 December 2019.

The names of each person who has been a director during the year and to the date of this report are:

## Directors in Office

David Barry PFIIA CRMA

John Catford\*\* PMIIA

Stephen Coates PFIIA CIA CGAP CRMA

Bronwyn Davies PMIIA CIA

Melissa Grantham\* PMIIA GradCertIA

Mark Harrison PMIIA CIA CRMA

Kylie McRae PFIIA CIA

James Rooney\* PMIIA

Stephen Tiley PFIIA CIA

## Resigned Directors

Gregory Hollyman\*\*\*\* PFIIA CIA QIAL CCSA CFSA CGAP CRMA

Sally-Anne Pitt\*\*\*\*\* PMIIA CIA CGAP

Lee Sullivan\*\*\* PMIIA

\*Appointed 21 May 2019 \*\*Appointed 30 August 2019 \*\*\*Retired 21 May 2019 \*\*\*\*Resigned 31 May 2019 \*\*\*\*\*Resigned 18 June 2019

Directors have been in office since the start of the financial year to the date of this report unless otherwise stated.

## Company Secretary

The position of Company Secretary was held by Ms Julie Young throughout the financial year.

## Principal Activities

The principal activities of the Institute of Internal Auditors - Australia (IIA-Australia) in the course of the year were the provision of education and training to members, potential members and the broader business community and the provision of member services. The strategic focus of the IIA-Australia is to advance the profession and practice of internal auditing and to have internal audit professionals sought after as trusted advisors to boards and executives. There were no significant changes in the nature of those activities during the year.

## Operating Results

IIA-Australia has posted a net surplus of \$338,007 for year ending 31 December 2019 (2018 surplus: \$84,392). This outcome was achieved through strong performances across all business units despite incurring a number of unbudgeted expenses.

The major contributing factors include higher than budgeted attendance at SOPAC® 2019. We also saw an increased interest in our Professional Development, External Quality Assessment Services and an increase in our Membership numbers.

## After Balance Date Events

Levels of uncertainty due to the COVID-19 coronavirus led to the decision to cancel SOPAC® 2020. Management estimates a potential \$650,000 negative impact as a result of SOPAC® being cancelled. Remaining conferences in 2020 are planned to go ahead as live-streamed events to avoid large group gatherings of delegates. It is uncertain what additional impact, if any, that COVID-19 will have on operations/finances. The build-up in reserves over recent years means that IIA-Australia remains a going concern and liquidity is assured.

## Environmental Issues

The company's operations are not regulated by any significant environmental regulation under a law of the Commonwealth or of a State or Territory.

## Dividends Paid or Recommended

As a not for profit company limited by guarantee, the IIA-Australia is prohibited from paying a dividend and none was paid.

## Indemnifying Officers

During the financial year, the company has maintained insurance coverage for 'Directors and Officers Liability' as part of its association liability insurance. This policy provides cover for Directors and Officers of the IIA-Australia to the extent permitted by the *Corporations Act 2001*.

## Auditor's Independence Declaration

A copy of the auditor's independence declaration as required under section 307C of the *Corporations Act 2001* is set out on page 43.

# BOARD INFORMATION

## Attendance at Directors' Meetings

In 2019 attendance by Directors at meetings they were entitled to attend, was as follows:

Director	Board		Executive		Audit & Risk		Remuneration		Nominations		Education		Professional Responsibility & Ethics		Youth Leadership Committee		
	A	E	A	E	A	E	A	E	A	E	A	E	A	E	A	E	
David Barry PFIIA CRMA	6	6	13	16	3	3											
John Catford <sup>5</sup> PMIIA	2	2															
Stephen Coates PFIIA CIA CGAP CRMA	6	6	40	43			2	2	1	2	1	1					
Bronwyn Davies PMIIA CIA	6	6											2	2			
Melissa Grantham <sup>1</sup> PMIIA GradCertIA	4	4											2	2	2	2	
Mark Harrison PFIIA CIA CRMA	6	6	13	16			2	2	3	5							
Kylie McRae PFIIA CIA	5	6	24	27					2	3	3	3	2	2			
Sally-Anne Pitt <sup>4</sup> PMIIA CIA CGAP	3	3											2	2			
Gregory Rimmer-Hollyman <sup>1,3</sup> PFIIA CIA QIAL CCSA CFSA CGAP CRMA	2	2					1	1									
James Rooney <sup>1</sup> PMIIA	3	4															
Lee Sullivan <sup>2</sup> PMIIA	2	2					1	1									
Stephen Tiley <sup>1</sup> PFIIA CIA	5	6	24	27	3	3											
<b>Co-opted Committee Members:</b>																	
Judith Charlton AMIIA					2	3											
Ian Rodin AFIIA					3	3											
Narelle Sheppard PFIIA CIA CGAP CRMA					3	3											
David Aiton PMIIA									4	5							
Wolf-Christian Bennecke PFIIA CIA CRMA									5	5							
Monika Goyal <sup>7</sup> AMIIA									0	0							
Barry Munns PFIIA									5	5							
Nicola Rimmer-Hollyman <sup>6</sup> PFIIA CIA QIAL									3	5							
Ross Tilly <sup>1</sup> PFIIA CIA									3	3							
Stephen Halpin <sup>8</sup> AMIIA											0	2					
Angela Hecimovic PMIIA											3	4					
Philomena Leung PMIIA											3	4					
Jonathan Muller <sup>2</sup> PMIIA GradCertIA											1	1					
James Rooney PMIIA											2	4					
Robbie Sinclair AMIIA											3	4					
Dominic Soh PMIIA											4	4					
Matthew Tolley PMIIA GradCertIA											4	4					

<sup>1</sup>Appointed/Re-appointed 21 May 2019    <sup>2</sup>Resigned 21 May 2019    <sup>3</sup>Resigned 31 May 2019    <sup>4</sup>Resigned 18 June 2019

<sup>5</sup>Appointed 30 August 2019    <sup>6</sup>Resigned 23 October 2019    <sup>7</sup>Appointed 19 November    <sup>8</sup>Appointed 12 June 2019

<sup>9</sup>Resigned 2 August 2019

A = Attended    E = Eligible

# BOARD INFORMATION CONT...

## Attendance at Directors' Meetings

In 2019 attendance by Directors at meetings they were entitled to attend, was as follows:

	Board		Executive		Audit & Risk		Remuneration		Nominations		Education		Professional Responsibility & Ethics		Youth Leadership Committee	
<b>Co-opted Committee Members continued:</b>																
Liesel Samuel PMIIA CIA													4	4		
Matthew Cameron <sup>8</sup> PFIIA CIA															2	2
Jess Chiang AMIIA															0	4
Hayley Elsom <sup>1</sup> PMIIA															2	2
Beau-Dean Gosper <sup>9</sup> PMIIA GradCertIA															2	3
Megan Goss <sup>2</sup> AMIIA															2	2
Alex Hardy PMIIA GradCertIA CIA															3	4
Sarah Humphris <sup>2</sup> PMIIA GradCertIA															1	2
Alissa Irgang PMIIA															3	4
Daniel Whiteman PMIIA GradCertIA															3	4
Ashwin Krishnamoorthy <sup>8</sup> AMIIA															1	1
<b>Company Secretary</b>																
Julie Young	6	6			3	3			4	5			3	4		

<sup>1</sup>Appointed/Re-appointed 21 May 2019

<sup>2</sup>Resigned 21 May 2019

<sup>3</sup>Resigned 31 May 2019

<sup>4</sup>Resigned 18 June 2019

<sup>5</sup>Appointed 30 August 2019

<sup>6</sup>Resigned 23 October 2019

<sup>7</sup>Appointed 19 November

<sup>8</sup>Appointed 12 June 2019

<sup>9</sup>Resigned 2 August 2019

A = Attended

E = Eligible

## THE BOARD

The Board is responsible for the stewardship and future wellbeing of the IIA-Australia. The Board exercises leadership, enterprise, integrity and judgment in directing the IIA-Australia 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-Australia 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-Australia as a whole, irrespective of personal, professional, commercial or other interests, loyalties or affiliations.

Under the Constitution of the company, Directors are elected by members at the AGM of the company, from recommendations made by the Nominations Committee as described in clause 13.4 of the Constitution.

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 thirteen Non-Executive Directors, with the final number decided by the Board. The Executive Officer of the company performed the functions of the Company Secretary. The Board elects its office holders of President and Vice President based on the guidelines prepared by the Nominations Committee.

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.

### **Stephen Coates** BCom(Acc) CIA CISA CGAP CRMA CSQAM PFIIA FGIA MAICD JP(Qual) **President**

Stephen has extensive assurance & advisory experience specialising in governance, risk, and assurance services. He is an experienced Chair of Boards and Audit Committees and consults to clients on strengthening risk management, controls and governance processes. He also leads internal audit coaching and mentoring events in Australia and overseas. Stephen is a Principal at Sustainable Strategy Deployment. He has been a continuous member of IIA-Australia for over 30 years; and has presented at conferences and member meetings across Australia. He is a member of the global Institute's International Internal Audit Standard Board (IIASB), a member of the IIA-Australia Executive Committee, the Remuneration Committee and of the IIA-Australia Nominations Committee. He is also the Board liaison for the Youth Leadership Committee.

### **David Barry** PFIIA CRMA BEc CA GAICD

David is Chief Compliance Officer, AMP Limited. He is an experienced governance, risk and assurance professional with over 30 years' industry experience. In those years David has specialised in the provision of governance, risk and assurance where he has taken several leadership roles in promoting the benefits of internal audit. He has been a

member of the IIA-Australia since 1993 and an active supporter and advocate through various roles such as Co-Chair of the 2012 SOPAC®; host of several Chief Audit Executive forums; presenter at financial services forums and previous member of the CAE Service steering committee. David was a member of the IIA-Australia Executive Committee and the IIA-Australia Remuneration Committee to May 2019. He served on the IIA-Australia Education Committee to May 2018. He is a member of the IIA-Australia Audit & Risk Committee.

### **John Catford\*** PMIIA BBus CA GAICD

John is Head of Group Internal Audit, Rio Tinto. He joined the Board in August 2019 filling a casual vacancy. He is an active member of the IIA-Australia CAE Services forum. John has over 25 years experience in Rio Tinto which is a large listed multinational resources company. John has been a Director of more than 20 Rio Tinto Australian subsidiaries (including operating businesses, financing entities, significant holding companies, and operating joint ventures). He was also a Director on the Queensland Resources Council (including chair of the Indigenous Affairs Committee). He has made presentations at IIA-Australia's national conference, SOPAC®.

\*Appointed 30 August 2019

### **Bronwyn Davies** PMIIA CIA BEc CPA GAICD

Bron is the Chief Auditor Airservices Australia and has a proven record leading teams on "both sides of the table" to deliver both internal audit and operational functions. Bron's leadership of internal audit teams has focussed on change and challenge of how the team thinks and introducing new ways of working and different types of internal audits. She has been a Member of the IIA-Australia since 1995 and has actively supported it for many years through presentations at SOPAC® and specialist industry seminars, delivery of IIA-Australia training, and as the government industry representative on the Education Committee (July 2015-June 2016). She joined the IIA-Australia Board in 2018 and is the Board liaison with Chapter Chairs, and is a member of the Professional Responsibility & Ethics Committee. In addition, Bron has held a number of independent Audit & Risk Committee roles, including Chair. Bron is currently the Board Chair of an APRA regulated authorised deposit taking institution."

### **Mel Grantham\*** PMIIA GradCertIA BBus BA BCom LLB GAICD

Mel is Head of Group Operational Risk, Bendigo and Adelaide Bank and has held senior roles with the organisation for over 10 years. She Chairs the IIA-Australia Professional Responsibility & Ethics Committee. She served on the IIA-Australia SA Chapter Council (as Councillor and Vice Chair, 2016-2019) and the inaugural Youth Leadership Committee (2017-2019). Mel is a practicing lawyer and experienced senior manager. She is a qualified board director, holding positions with Lawguard Management Pty Ltd, the South Australian Housing Authority (Audit, Risk and Finance Committee) and the South Australian Finance Authority. Mel has made a number of presentations on internal audit and governance for IIA-Australia and the Tax Institute of Australia. From 2016 to 2018 Mel was an active participant in the IIA-Australia CAE Services forum, when she

was CAE at Bendigo and Adelaide Bank.

\*Appointed 21 May 2019

### **Mark Harrison** PFIIA CIA CRMA BBus CA

Mark is a Managing Director with Sententia Consulting and is a respected member of the internal audit community in Australia, particularly in the ACT. Over a career spanning 25+ years he has provided internal audit services in Australia and globally, in a range of sectors including the public sector, healthcare, financial services, hospitality and energy and utilities. He has a strategic mindset and experience in working with a number of member-based organisations. He is a passionate advocate of the profession of internal audit. Mark has been a member of the IIA-Australia since 2001 and has served on both ACT and NSW Chapter Councils. He was co-chair of SOPAC® 2013; Chair, Public Sector Conference 2008+; and member of IIA-Australia Policy and Technical committees. Mark served as President 2017 to May 2019 and was a member of the Executive Committee. He is a member of the Remuneration Committee and Nominations Committee. While President he was the Board liaison for the Youth Leadership Committee. He was Chair, Host Country Committee for the IIA International Conference 2017 and was a member of the Global Professional Development Committee to May 2018. In 2019, Mark was elected as the President of the Asian Confederation of Institutes of Internal Auditors (ACIIA), having served in 2018/19 as Vice President and in 2017/18 as Secretary. Mark also serves as Deputy Chair, Board of Southern NSW Local Health District.

### **Kylie McRae** PFIIA CIA MBA (Exec) GAICD FCPA BCom Vice President

Kylie is a Principal with O'Connor Marsden & Associates and has over 25 years' experience providing assurance, governance and risk management advice and support. She has led Internal Audit functions in both the public and private sectors. She is passionate about using effective organisational governance and risk management to drive improved organisational performance and enhance value. Kylie is a member of the Executive Committee and is the Board representative on the Education Committee having previously been Chair of the IIA-Australia's Disciplinary & Review Committee and a member of the IIA-Australia Nominations Committee. Kylie was previously Vice Chair and Councillor of the NSW Chapter Council (2012 – May 2016). She is a GradCertIA marker and Professional Member assessor in the Assessment of Current Competence option. She has presented at both the Local Government and Health Sector Forums and SOPAC®. Kylie is a Director (and Treasurer) of her local Branch of Bendigo Bank and is a Past Chair and member of Audit, Governance and Risk Committees in the local government sector. She is also a Director of Rare Ovarian Cancer (ROC) Incorporated – a charity formed to raise much needed funds for research into rare ovarian cancers.

### **Sally-Anne Pitt**\* PMIIA CIA CGAP MPP BAppSc

Sally-Anne is Managing Director Pitt Group Pty Ltd. She has a proven track-record in management and leadership positions and is recognised as a global expert in audit quality. She is the author of Internal Audit Quality: Developing a Quality Assurance and Improvement Program, Wiley (2014). Sally-

Anne is recognised as a skilled presenter and facilitator and has spoken at IIA International Conferences (Melbourne, New York, Boston, Atlanta, Johannesburg and San Francisco), the Asian Confederation of Institutes of Internal Auditors (ACIIA) conference (Malaysia), IIA national conferences (Australia, Singapore and Malaysia) and CAE forums in Dubai (May 2018), Norway and Australia. Sally-Anne has been a member of the IIA-Australia since 2001. She was a member of the IIA-Australia Disciplinary & Review Committee. Sally-Anne is the former Chair IIA Global Professional Responsibilities & Ethics Committee (2015 – 2019). She has served both the IIA-Australia and IIA Global in a number of arenas since 2008 and is currently an IIA Global Board member.

\*Resigned 18 June 2019

### **Greg Rimmer-Hollyman**\* GAICD QIAL CMIIA CIA CCSA CFSA CGAP CRMA CISA CFE B.Compt (Hons.) PFIIA

Greg is an experienced Chief Audit Executive with over 25 years internal audit experience across the public (Federal, State and Local Government), financial services, mining and consulting sectors in both Australia and South Africa. He has been a member of the IIA-Australia since 2008 and a member of IIA since 1995. Greg is an active supporter and advocate of internal audit through various roles which have included Chair Victoria Chapter, President of IIA South Africa, Vice Chair of IIA Global Ethics Committee, Chair of the IIA Global Public Sector Committee and Chair of the IIA Global Institute Relations Committee. He served on IIA-Australia's board 2015-2019 serving as chair for the IIA-Australia's Disciplinary & Review Committee to May 2018 and as a member of the IIA-Australia Remuneration Committee to May 2019. Greg has made numerous national and international presentations on internal audit and risk management and has contributed to various IIA publications.

\*Resigned 31 May 2019

### **James Rooney**\* PMIIA PhD (Macq.), MMgt (MGSM), GradDip, Econ. Hist. (UNE), GradCert, Education (USyd), BCom (UWA) MAICD

Jim is Associate Professor Accounting and Governance, University of New South Wales, Canberra. He is currently a member of the IIA-Australia Education Committee, the Academic Standards & Quality (ASQ) Sub-committee and the Technical Advisory Sub-committee, overseeing and guiding the Graduate Certificate in Internal Auditing. In prior education and research governance roles, he has been the Deputy Chair of the University of Sydney Human Research Ethics Committee and well as a member of the Strategy Advisory Committee for the University Economic Model at the same institution. He has been a member of the University of Sydney Business School Governance Working Party and is currently a member of the Advisory Board of the UNSW Canberra School of Business and the Editorial Working Party of the Labour History journal. Prior to becoming a full time academic, he held a variety of Chair and member roles on a number of governance committees responsible for a range of business functions and outcomes. Examples include Mortgage Product Pricing Committee (Westpac), Lending Risk Management Committee (Westpac),

Change Program Governance Committee (Citibank, Westpac, EDS and Unisys).

\*Appointed 21 May 2019

### **Lee Sullivan\*** PMIIA BCom MBA(Exec) ANZIIF(Fellow) CA

Lee is a financial services industry participant and has experience working with Australian and overseas corporate and financial service regulators. He has been a member of IIA-Australia since 2007. Lee served as President (May 2015-May 2017) and chaired the IIA-Australia Executive Committee and the IIA-Australia Remuneration Committee during this time. He was a member of the IIA-Australia Nominations Committee (May 2015-May 2017). Other roles include being a member of the IIA-Australia policy committee; a presenter at SOPAC® and other IIA-Australia events; a member of the CAE Service steering committee and facilitator for the IIA-Australia-Professional Service firms meetings.

\*Resigned 21 May 2019

### **Stephen Tiley** PFIIA CIA GAICD BCompt Vice President

Stephen is the Chief Risk and Assurance Officer for Mercy Health, an organisation delivering health, aged care and community services in Australia. Stephen has extensive risk management and internal audit experience, working with Boards, Audit Committees and Senior Executives, within national and multi-national organisations. Previous roles include Global Vice President Assurance at BHP Billiton and the Head of Internal Audit for South African Breweries. Stephen is currently a member of the Aged and Community Services Australia Finance, Audit and Risk Committee. For the IIA, Stephen has served as a Director IIA South Africa; as a member of the IIA Global Ethics committee; as a past Chair of the Victorian Chapter Council of the IIA-Australia. Currently he is a publications reviewer for the IIA Global; a member of the IIA Australia Board; a member of the Executive Committee, and is the Chair of the Audit and Risk Committee for the IIA-Australia. Stephen is an accredited IIA Internal Audit Quality Assessor and Validator, has conducted a number of quality assurance reviews and has written the internal audit methodologies for a number of organisations.

## Chief Executive Officer

### **Peter Jones** RFD FGIA GAICD BBus(Mgt) Dip Personnel & Resource Mgt psc (r)

Peter joined the Institute of Internal Auditors - Australia as its CEO in April 2013. Peter was employed by the professional services firm Arthur Andersen for 11 years in the mid-eighties and nineties. Since then he has spent most of his time in senior roles within industry and professional membership associations, most notably with the Securities Institute of Australia, then Finsia and the Actuaries Institute. He was a Colonel (now retired) with the Australian Army.

## Company Secretary

### **Julie Young** FSAE BA MLib(Management)

Julie is the Executive Officer with the IIA-Australia, a position concerned with the governance of the organisation. She has had extensive experience in the not-for-profit sector as either an employee or director.

## Work Undertaken by the Board Meetings and Committees

The Board had two scheduled face-to-face meetings and four teleconferences during the year. Other meetings occur by teleconference as and when required.

## Board Committees

**Executive:** Stephen Coates\* PFIIA CIA CGAP, Kylie McRae\* PMIIA CIA, Stephen Tiley\* PFIIA CIA GAICD BCompt CRMA, Mark Harrison\*\* PFIIA CIA CRMA, Dave Barry\*\* PFIIA CRMA

\*Appointed 21 May 2019 \*\*Resigned 21 May 2019

The Board Executive Committee is a leadership and administrative body, whose role is to assist and advise the Board of Directors in fulfilling its responsibilities to members of IIA-Australia. The Board Executive Committee is not a policy making body, but assists the Board by implementing Board policy. Its primary function is to oversee the implementation of Board/IIA-Australia policy between full board meetings. The CEO attends meetings by invitation.

**Audit & Risk:** Stephen Tiley PFIIA CIA GAICD BCompt, Dave Barry PFIIA CRMA BEc CA GAICD, Judith Charlton MIIA(Aust) FCCA, Ian Rodin FIIA(Aust) BSc ACA ARCS FAIM GAICD, Narelle Sheppard PFIIA CIA CGAP CRMA BFinAdmin FCPA

The Audit & Risk Committee assists the Board with its responsibilities for corporate governance by monitoring that the appropriate mechanisms exist to review probity, governance, risk management and the efficiency and effectiveness of the IIA-Australia's systems, controls and operations. Internal audit findings are reported to the Audit & Risk Committee and the CEO.

**Remuneration:** Stephen Coates\* PFIIA CIA CGAP CRMA BCom(Acc) CSQAM MAICD, Mark Harrison PFIIA CIA CRMA BBus CA, Greg Rimmer-Hollyman\*\* PFIIA CIA QIAL CCSA CFSA CGAP CRMA CISA CFE B.Compt (Hons.) GAICD, Lee Sullivan\*\*\* PMIIA MBA(Exec) BCom CA ANZIIF (Fellow)

\*Appointed 21 May 2019 \*\* Resigned 31 May 2019 \*\*\*Appointed 31 May 2019

The role of the Remuneration Committee is to assist and advise the Board of Directors in fulfilling its responsibilities to members of IIA-Australia on matters relating to the consideration of benefits, bonuses, incentives and remuneration issues of the CEO and IIA-Australia staff. The Remuneration Committee is not a policy making body, but assists the Board by implementing Board policy. The CEO attends meetings by invitation.

**Nominations:** Barry Munns PFIIA, David Aiton PMIIA, Steve Coates\* PFIIA CIA CGAP CRMA Mark Harrison PFIIA CIA, Kylie McRae\*\* PFIIA CIA, Nicola Rimmer-Hollyman\*\*\* PFIIA CIA QIAL, Ross Tilly\* PFIIA CIA, Monika Goyal\*\*\*\* AMIIA, Wolf-Christian Bennecke PFIIA CIA CRMA

\*Appointed 21 May 2019 \*\*Resigned 21 May 2019 \*\*\*Resigned 23 October 2019 \*\*\*\*Appointed 19 November 2019

The role of the Nominations Committee is to assist and advise the Board of Directors in fulfilling its responsibilities to members of IIA-Australia on matters relating to the composition, structure and operation of the Board. The Nominations Committee is not a policy making body, but assists the Board by implementing Board policy and recommending nominations which require Board approval.

**Education:** Dr Dominic Soh Lecturer, Department of Accounting and Corporate Governance, Macquarie University; Dr Philomena Leung, Associate Dean International & Corporate Engagement and Professor of Accounting, Macquarie University; Dr Angela Hecimovic Lecturer, Accounting Discipline, University of Sydney; Dr James Rooney Deputy Head of School (Education), Associate Professor, School of Business, UNSW Canberra; Kylie McRae\* Principal O'Connor Marsden & Associates; Robbie Sinclair, Director Assurance Services, University of Southern Queensland; Matthew Tolley Director, Services Australia; Stephen Halpin\*\*\*, student representative; Steve Coates\*\* Principal, Sustainable Strategy Deployment; Jonathan Muller\*\*, student representative; All committee members are members of the IIA-Australia.

\*Appointed 21 May 2019 \*\*Resigned 21 May 2019 \*\*\*Appointed 12 June 2019

The role of the Education Committee is to assist the Board in discharging its responsibilities by monitoring and advising on

IIA-Australia's professional education program. It contributes to the IIA-Australia's strategic purpose through its foresight and insight on educational matters of concern to the internal auditing profession. One of its main responsibilities is to act as an Academic Board with respect to the academic oversight of the Graduate Certificate in Internal Auditing, including assessment of students and the approval of results. The Education Manager provides secretarial support to the Committee.

**Professional Responsibility & Ethics Committee:** Mel Grantham\* PMIIA GradCertIA, Bron Davies\* PMIIA CIA, Liezel Samuel PMIIA CIA, Kylie McRae\*\* PMIIA CIA, Sally-Anne Pitt\*\*\* PMIIA CIA CGAP

\*Appointed 21 May 2019 \*\*Resigned 21 May 2019 \*\*\*Resigned 18 June 2019

The role of the Professional Responsibility & Ethics Committee (previously the Disciplinary & Review Committee) is to promote an understanding of, and to identify ways to promote the importance of, the professional responsibilities of members including adherence to the Code of Ethics and conformance with the International Standards for the Professional Practice of Internal Auditing (Standards). It assists the Board in ensuring the highest standards of conduct and performance of its members. The Committee investigates complaints received and advises on disciplining members. The PREC is not a policy making body, but assists the Board by implementing Board policy.

**Youth Leadership Committee:** Beau-Dean Gosper PMIIA GradCertIA, Matthew Cameron\*\*\* PFIIA CIA, Jessica Chiang\*\*\*\* AMIIA, Hayley Elson\*\* PMIIA, Mily Foeng-Vergel\*\*\*\*\* AMIIA, Megan Goss\* AMIIA, Melissa Grantham\* PMIIA GradCertIA, Natalie Halliday\*\*\*\*\* AMIIA, Alex Hardy PMIIA GradCertIA CIA, Sarah Humphris PMIIA GradCertIA, Alissa Irgang AMIIA, Ashwin Krishnamoorth\*\*\* AMIIA, Daniel Whiteman AMIIA.

\*Resigned 21 May 2019 \*\*Appointed 21 May 2019 \*\*\*Appointed 7 June 2019 \*\*\*\*Approved leave of absence November 2019 to June 2020 \*\*\*\*\*Appointed 24 January 2020

The IIA-Australia Youth Leadership Committee is a select group of young internal auditors who engage with the IIA-Australia Board and staff to recommend strategies and approaches to better engage with other young internal auditors and encourage membership of IIA-Australia. The Membership Relationship Manager provides secretarial support to the Committee.

## Mission

To advance the profession and practice of internal auditing.

## Vision

Internal audit professionals are sought after as trusted advisors to boards and executives.

## Communications with members

The IIA-Australia issues regular email alerts to members. Members also received *The Internal Auditor* bi-monthly – either in hard copy or online. In addition the IIA-Australia is present in the social networking space in order to provide a convenient and easy way for members to network and share ideas.

## Ethical Standards

The IIA-Australia has a comprehensive code of ethics to which Directors, as members of the IIA-Australia, subscribe. The Board has also formally adopted the Statement of Ethics of the Australian Institute of Company Directors for Board operations. As noted above, all Board members formally declare potential conflicts of interest or the absence of such conflicts at least annually. IIA-Australia has a Statement of Business Ethics for third party suppliers.

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



Stephen Coates PFIIA CIA CGAP CRMA

President and Chairman of the Board

15 March 2020

## Statement of Profit or Loss and other Comprehensive Income for the Year Ended 31st December 2019

	Note	2019 \$	2018 \$
<b>Revenue from operating activities</b>			
Subscriptions revenue		1,316,852	1,224,228
Continuing professional education		2,777,402	2,321,357
Internal audit quality assessment		794,176	558,309
Other activities		62,585	47,507
<b>Total revenue from operating activities</b>		<b>4,951,015</b>	<b>4,151,401</b>
<b>Revenue from non-operating activities</b>			
Interest		33,819	32,389
<b>Total revenue from ordinary activities</b>		<b>4,984,834</b>	<b>4,183,790</b>
Conference and Training expenses		(1,546,962)	(1,406,256)
Depreciation of property, plant & equipment	9	(179,047)	(12,268)
Amortisation of intangible assets	10	(96,308)	(39,907)
Operating lease rental expense		-	(209,167)
Salaries and personnel costs		(1,480,409)	(1,427,877)
Administrative expenses		(398,887)	(368,901)
Other expenses from ordinary activities		(949,990)	(655,547)
Bad and doubtful debts		4,776	20,525
<b>Total expenses from ordinary activities</b>		<b>(4,646,827)</b>	<b>(4,099,398)</b>
Surplus from ordinary activities before income tax		338,007	84,392
Income tax expense		-	-
Net surplus from ordinary activities after income tax expense		338,007	84,392
Other Comprehensive Income for the year, net of tax			
<b>Total Comprehensive gain for the year</b>		<b>338,007</b>	<b>84,392</b>

Above statement of profit or loss and other comprehensive income should be read in conjunction with the accompanying notes .

## Statement of Financial Position as at 31st December 2019

	Note	2019 \$	2018 \$
<b>Current Assets</b>			
Cash and Cash Equivalents	5	1,510,069	926,534
Trade and Other Receivables	6	339,278	287,604
Inventories		45,935	26,885
Prepayments and Other Assets	7	291,635	293,592
Financial Assets	8	900,000	450,000
<b>Total Current Assets</b>		<b>3,086,917</b>	<b>1,984,615</b>
<b>Non-Current Assets</b>			
Financial Assets	8	140,716	540,716
Plant and Equipment	9	272,137	7,203
Intangibles	10	87,388	142,622
<b>Total Non-current Assets</b>		<b>500,241</b>	<b>690,541</b>
<b>TOTAL ASSETS</b>		<b>3,587,158</b>	<b>2,675,156</b>
<b>Current Liabilities</b>			
Lease Liability	12	163,558	25,936
Trade and Other Payables	11	322,247	280,198
Provisions	13	111,051	110,242
Deferred Income	14	1,291,143	1,082,508
<b>Total Current Liabilities</b>		<b>1,887,999</b>	<b>1,498,884</b>
<b>Non-Current Liabilities</b>			
Provisions	13	168,588	127,477
Lease Liability	12	98,039	-
<b>Total Non-current Liabilities</b>		<b>266,627</b>	<b>127,477</b>
<b>TOTAL LIABILITIES</b>		<b>2,154,626</b>	<b>1,626,361</b>
<b>NET ASSETS</b>		<b>1,432,532</b>	<b>1,048,795</b>
<b>Members Funds (Equity)</b>			
IT Development Reserve		300,000	-
Retained Surplus		1,132,532	1,048,795
<b>TOTAL MEMBERS FUNDS (EQUITY)</b>		<b>1,432,532</b>	<b>1,048,795</b>

Above statement of financial position should be read in conjunction with the accompanying notes

## Statement of Changes in Equity for the Year Ended 31st December 2019

	Note	Retained Surplus \$	Reserve \$	Total Equity \$
<b>Balance at 1st January 2018</b>		<b>964,403</b>	-	<b>964,403</b>
Surplus after income tax for the year		84,392	-	84,392
Other comprehensive income		-	-	-
Total comprehensive Income for the year		1,048,795	-	1,048,795
<b>Balance at 31st December 2018</b>		<b>1,048,795</b>		<b>1,048,795</b>
Balance at 1st January 2019		1,048,795	-	1,048,795
Prior Period Reinstatement	9	45,730	-	45,730
Transfer to IT Development Reserve		(300,000)	300,000	-
Surplus after income tax for the year		338,007	-	338,007
Other comprehensive income		-	-	-
<b>Total comprehensive gain for the year</b>		<b>338,007</b>		<b>338,007</b>
<b>BALANCE AT 31ST DECEMBER 2019</b>		<b>1,132,532</b>	<b>300,000</b>	<b>1,432,532</b>

Above statement of changes in equity should be read in conjunction with the accompanying notes

## Statement of Cash Flows for the Year Ended 31st December 2019

	Note	2019 \$	2018 \$
		Inflows (Outflows)	Inflows (Outflows)
<b>Cash Flow from Operating Activities</b>			
Receipts from subscriptions		1,487,433	1,328,741
Receipts from conferences and other activities		3,846,005	3,544,137
Payments to suppliers and employees		(4,521,067)	(4,538,727)
Interest received		34,203	24,822
Interest paid		(17,240)	-
Net cash provided by operating activities	15	829,334	358,973
<b>Cash Flow from Investing Activities</b>			
Purchases of plant and equipment		(4,278)	(3,376)
Purchases of intangible assets		(41,074)	(12,605)
Net investments in term deposits		(50,000)	(101,000)
Net cash used in by investing activities		(95,352)	(116,981)
<b>Cash Flow from Financing Activities</b>			
Lease principal payments		(150,447)	-
Net cash used in financing activities		(150,447)	-
<b>Net Increase in Cash and Cash Equivalents</b>		<b>583,535</b>	<b>241,992</b>
Cash and cash equivalents at the beginning of the financial year		926,534	678,378
Gain on Foreign Currency translation		-	6,164
<b>Cash and Cash Equivalents at the End of the Financial Year</b>	<b>5</b>	<b>1,510,069</b>	<b>926,534</b>

Above statement of cash flows should be read in conjunction with the accompanying notes

## CORPORATE INFORMATION

The financial report of the company for the year ended 31 December 2019 was authorised for issue in accordance with the resolution of the Directors on 15 March 2020.

### Note 1: Statement of Significant Accounting Policies

The financial report is for The Institute of Internal Auditors-Australia (IIA-Australia) which is a company incorporated and domiciled in Australia. The Institute of Internal Auditors-Australia is a company limited by guarantee. It is classified as a Not for Profit Entity.

#### Basis of preparation

- a. The financial report is a general purpose financial report, which has been prepared in accordance with the requirements of the *Corporations Act 2001*; and Australian Accounting Standards and interpretations issued by the Australian Accounting Standards Board (AASB), as appropriate for not for profit oriented entities.
- › Australian Accounting Standards set out accounting policies that the AASB has concluded would result in a financial report containing relevant and reliable information about transactions, events and conditions to which they apply. Material accounting policies adopted in the preparation of this financial report are presented below. They have been consistently applied unless otherwise stated.
  - › A statement of compliance with International Financial Reporting Standards, issued by the International Accounting Standards Board cannot be made due to the application of not for profit specific requirements contained in Australian Accounting Standards.
  - › The financial report has been prepared on an accrual basis and is based on historical costs, modified where applicable by the measurement at fair value of selected non-current assets, financial assets and financial liabilities.

#### Critical accounting estimates

- b. The preparation of the financial statements requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the IIA-Australia's accounting policies. The directors evaluate estimates and judgments incorporated into the financial report based on historical knowledge and best available current information. Estimates assume a reasonable expectation of future events and are based on current trends and economic data, obtained both externally and within the entity.

The areas involving a higher degree of judgment or complexity, or areas where assumptions and estimates are significant to the financial statements are disclosed below

#### i. Estimation of useful lives of assets

The IIA-Australia determines the estimated useful lives and related charges for depreciation and amortisation of its property, plant and equipment and finite life intangible assets annually. The useful lives could change significantly as a result of technical innovations or some other event. The depreciation and amortisation charge will increase where the useful lives are less than previously estimated useful lives, or where technically obsolete or non-strategic assets that have been abandoned or sold are written off or written down. Similarly, the charge will decrease where the useful lives are more than the previously estimated useful lives.

#### ii. Employee Benefits Provision

The liability for employee benefits expected to be settled more than 12 months from the reporting date is recognised and measured at the present value of the estimated future cash flows to be made in respect of all employees at the reporting date. In determining the present value of the liability, estimates of attrition rates and pay increases through promotion and inflation have been taken into account.

#### New, revised or amending Accounting Standards and Interpretations adopted

- c. The IIA-Australia has adopted all of the new, revised or amending Australian Accounting Standards and Interpretations issued by the Australian Accounting Standards Board (AASB) that are mandatory for the current reporting period.

Any new, revised or amended Australian Accounting Standards or Interpretations that are not yet mandatory have not been early adopted.

The adoption of the below Australian Accounting Standard impacted the financial position of the Institute and is discussed further in note 2.

- › AASB 16 Leases

#### New Accounting Standards issued but not yet effective and not early adopted

- d. Australian Accounting Standards and Interpretations that have recently been issued or amended but are not yet mandatory, have not been early adopted by the Institute for the annual reporting period ended 31 December 2019. The entity has assessed the impact of all new or amended standards (to the extent relevant to the Institute) and concluded that these standards and interpretations will not have any material financial impact on the amounts recognised in the financial statements for 2020. The following new or amended standards are applicable:

- › AASB 2019-1 Amendments to Australian Accounting Standards – References to the Conceptual Framework
- › ASSB 2018-7 Amendments to Australian Accounting Standards Definition of Material

## Inventories

- e. Inventories are measured at the lower of cost and net realisable value. Costs are assigned on a specific identification basis. The carrying amount of inventories held for distribution is recognised as an expense in the period in which the inventory is distributed.

## Plant and equipment

- f. Each class of property, plant and equipment is carried at cost, less accumulated depreciation.

Plant and equipment are brought to account at cost. The carrying amounts of plant and equipment are reviewed annually to ensure they are not in excess of the recoverable amount of these assets.

The depreciable amount of all fixed assets is depreciated on a straight line basis over the useful lives of the assets, commencing from the time the asset is held ready for use. The major depreciation periods used for each class of asset:

- |                        |           |
|------------------------|-----------|
| › Furniture            | 4-5 years |
| › Office fittings      | 10 years  |
| › Computers & software | 3-4 years |

Assets with an acquisition cost of less than \$500 are expensed in the year of acquisition.

Leasehold improvements and Right-of-use assets are depreciated over the lesser of the unexpired term of the lease or the estimated useful life of the improvements..

## Intangibles

- g. Intangible assets acquired are initially measured at cost. Following initial recognition, intangible assets are carried at cost less any accumulated amortisation. Intangible assets with finite lives are amortised over their useful life and are assessed for impairment if there is an indication that the asset may be impaired. Intangible assets with infinite useful life are subjected to impairment testing at each reporting date.

The intangibles include costs related to the upgrade of Aptify Database. It is amortised over a period of 4 years.

The reregistration and course accreditation for the Graduate Certificate was renewed in 2017 by the Tertiary Education Quality and Standards Agency (TEQSA) for a period of 7 years. The amortisation period for costs associated with attaining the reregistration as a higher education institution and reaccreditation of the “*Graduate Certificate in Internal Auditing*” had initially been assessed as seven years being the duration of the registration. However, in 2019, IIA-Australia reassessed the useful life for a period of two years in light of its break-even position.

The intangibles also include Website and IT developments which are amortising over 4 years.

## Impairment of assets

- h. At each reporting date, the entity reviews the carrying values of its tangible and intangible assets to determine whether there is any indication that those assets have been impaired. If such an indication exists, the recoverable amount of the asset, being the higher of the asset’s fair value less costs to sell and value in use, is compared to the asset’s carrying value. Any excess of the asset’s carrying value over its recoverable amount is expensed to the Income Statement.

Where it is not possible to estimate the recoverable amount of an asset class, the entity estimates the recoverable amount of the cash-generating unit to which the class of asset belongs.

## Leases

### i. Prior Year Policy:

Lease payments for operating leases, where substantially all the risks and benefits remain with the lessor, are accounted for as expenses on a straight-line basis over the lease term. The incentives associated with operating leases are recognised as a reduction to rental expenses over the lease term on a straight-line basis unless another systematic basis is representative of the benefits of the leased asset over time. Commitments for future years are disclosed by way of note. The IIA-Australia has no finance leases.

### j. Current Year Policy:

The adoption of AASB 16 Leases resulted in all leases being recognised on the balance sheet, as the distinction between operating and finance lease is removed. Under the new standard, an asset (the right-of-use leased item) and a financial liability to pay the rentals are recognised. Assets and liabilities arising from a lease are initially measured on a present value basis. Lease liabilities include the net present value of the following lease payments:

- Fixed payments, less any lease incentives receivable
- Variable lease payments that are based on an index or a rate, initially measured using the index or rate at commencement date

Lease payments to be made under reasonably certain extension options are also included in the measurement of the liability. Lease payments are discounted using interest rate implicit in the lease. If that rate cannot be readily determined, which is generally the case with IIA-Australia, the Institute’s incremental borrowing rate is used. This is the rate IIA-Australia would have to pay to borrow the funds necessary to obtain an asset of similar value to the right-to-use asset in a similar economic environment with similar terms, security and conditions.

To determine the incremental borrowing rate, IIA-Australia would;

- › Where possible, uses recent third-party financing received by the Institute as a starting point and

adjusted to reflect changes in financing conditions since the third-party financing was received

- › Uses a build-up approach that starts with a risk-free interest rate adjusted for credit risk for leases held by IIA-Australia, which does not have recent third-party financing
- › Makes adjustment specific to the lease for example: terms and security.

Lease payments are allocated between principal and finance cost. The finance cost is charged to profit and loss over the period of lease to produce a constant periodic rate of interest on the remaining balance of the liability for each period.

Right-of-use assets are measured at cost comprising the following:

- › The amount of initial measurement of lease liability
- › Any lease payments made at or before the commencement date less any lease incentives received
- › Any initial direct costs, and
- › Costs to make good.

Right-of use assets are generally depreciated over the shorter of the asset's useful life and the lease term on a straight-line basis. If it is reasonably certain to exercise a purchase option, the right-of-use asset is depreciated over the underlying asset's useful life.

Payments associated with short-term leases and/or leases for low-value assets are recognised on straight-line basis as an expense in profit and loss. Short-term leases are leases with a lease term of 12 months or less.

- k. IIA-Australia undertakes to 'make-good' the property at the expiration of the lease. Management engaged a third party to estimate the costs that will be incurred to refurbish the property and to return it to the required condition as set out in the Lease Agreement. The estimated costs are discounted to present value using a pre-tax discount rate (incremental borrowing rate) and recorded as a provision for make good in the statement of financial position until such time that the make good costs are incurred. The present value of the estimated make good costs is reviewed each year.

## Employee entitlements

- l. Provision is made for the IIA-Australia's liability for employee benefits arising from services rendered by employees to balance date. Employee entitlements have been provided for at balance date at an amount that is not less than the net present value of all entitlements including on costs.

## Financial instruments

- m. AASB 9 Financial Instruments introduced classification and measurement models for financial assets and liabilities

as well as introducing an expected credit loss model for impairment of financial assets. Financial instruments are recognised when the entity becomes a party to the contractual provisions of the instruments. The IIA-Australia's principal financial instruments are comprised of receivables, cash and term deposits.

After initial recognition at original invoice amount, trade receivables are measured at amortised cost. Collectability of trade receivables is reviewed on an ongoing basis. Allowance for expected credit loss in financial assets carried at amortised cost are recognised in the Profit & Loss statement. AASB 9 requires an expected credit loss model to be used in impairing financial assets. This model requires IIA-Australia to account for expected credit losses and changes thereto at each reporting date to reflect changes in credit risk since initial recognition of the financial assets. IIA-Australia has elected to apply the simplified approach for measuring the loss allowance at an amount equal to the lifetime expected credit loss for trade receivables.

Cash and cash equivalents include cash on hand, deposits held at call with banks, other short term highly liquid investments with original maturities of 3 months or less. During the year, IIA-Australia held four term deposit accounts which are also held at amortised cost.

For the purposes of the Statement of Cash Flows, cash and cash equivalents consist of cash and cash equivalents as defined above and include short term money securities and deposits at call which are readily convertible to cash in hand and subject to an insignificant risk of changes in value.

## Revenue Recognition

- n. Membership subscription revenue is recognised pro-rata over the 12 month period from 1st July to 30th June. Only those membership fees that are attributable to the current financial year (1st January to 31st December) are recognised as revenue. Receipts that relate to future periods are treated as deferred income.

Revenue from the provision of other services is recognised upon the delivery of the service to the member. Receipts received before year end in relation to provision of services in future are treated as deferred revenue. Subscriptions and professional development fees relating to the 2020 year but received prior to 31 December 2019 are carried forward in the Balance Sheet as deferred income.

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

IIA-Australia has elected not to recognise received volunteer services as income.

## Research and Advocacy contributions

- o. Research and Advocacy Contributions are shown as a current liability on the Balance Sheet. Payments from this account are used to support research and/or advocacy

of the profession of internal auditing. No payments were made from this account over the reporting period.

### **Income tax liability**

p. The IIA-Australia calculates its tax liability by reference to the application of the principle of mutuality. The mutuality principle is a principle arising from case law, on the premise that an organisation cannot derive income from itself. Consequently, dealings between an organisation and its members are regarded as mutual dealings. Therefore, receipts generated from mutual dealings are not subject to income tax. Similarly, any expenses incurred in relation to mutual dealings are not tax deductible. Income and expenses not associated with mutual dealings are classified in accordance with income tax legislation. The IIA-Australia is liable for other taxes including fringe benefits tax.

### **Goods and Services Tax (GST)**

q. All revenue, expenses and assets are stated net of the amount of goods and services tax (GST), except where the amount of GST incurred is not recoverable from the Australian Taxation Office. In these circumstances the GST is recognised as part of the cost of acquisition of the asset or as part of an item of expense. Receivables and Payables in the Balance Sheet are shown inclusive of GST. Cash Flow statement is prepared on GST inclusive basis.

### **Economic dependence**

r. The IIA-Australia is dependent on Institute of Internal Auditors Inc. (IIA Inc.) for the provision of the international certification program, the provision of course materials for some of the professional development courses provided in Australia, and the provision of some material for the CAE Services program. At the date of this report the Board of Directors has no reason to believe that IIA Inc. will not continue to provide those services.

### **Comparative figures**

s. Where required by Accounting Standards comparative figures have been adjusted to conform with changes in presentation.

## Note 2: Changes in Accounting Policies

a. IIA-Australia has adopted AASB16 Leases standard from 1st January 2019 and has not restated comparatives. Therefore, the reclassifications and adjustments arising from this are recognised in the opening balance. These lease payments were measured using the contractual remaining rental instalments as at 1 January 2019 discounted using IIA's incremental borrowing rate of 5%. The only practical expedient applied is the single discount rate for similar leases.

b.

Measurement of Lease Liabilities	2019 \$
Operating lease commitments as at 31 December 2018	440,146
Impact of discounting on lessee's incremental borrowing rate at the date of initial application	(28,101)
Lease Liability Recognised as at 1st January 2019	412,045
Of which are:	
Current Lease Liabilities	167,687
Non-current Lease Liability	244,358

## Note 3: Legal and Economic Entity

- a. The IIA-Australia is a company limited by guarantee; accordingly it has no share capital. If the entity is wound up, the Constitution states that each member may be required to make a contribution to the assets of the IIA-Australia. This contribution may not exceed the amount of fees and subscription unpaid by the member.
- b. The IIA-Australia is licensed under the Corporations Act 2001 to omit the word 'Limited' from its name. It is an individual economic entity, without subsidiaries.
- c. The IIA-Australia has an agreement with The IIA Inc., incorporated in the USA, for the provision of stipulated goods and services in return for the payment of affiliation fees. Members of the IIA-Australia are also members of The IIA Inc.
- d. The IIA-Australia's registered office (which is its only place of business) is at Level 7, 133 Castlereagh Street, Sydney, NSW. Its operations and principal activities are set out elsewhere in this Financial Report.

## Note 4: Unrecognisable Deferred Tax Assets

IIA-Australia has accumulated tax losses and being a Not for Profit entity, deferred tax assets are not recognised as there is no reasonable expectation of recovery. IIA-Australia does not have a reasonable estimate of the deferred tax assets.

## Note 5: Cash and Cash Equivalents

	2019 \$	2018 \$
Cash at bank and on hand	1,510,069	926,534

The IIA-Australia's cash equivalents include cash held on deposit with original maturity of less than three months.

## Note 6: Trade and other Receivables

	2019 \$	2018 \$
Trade receivables (a)	326,860	279,577
Provision for expected credit loss	(2,450)	(7,225)
Interest receivable	14,868	15,252
	<b>339,278</b>	<b>287,604</b>

a. All current debts, net of expected credit loss provision, are expected to be paid within credit terms. \$267 bad debts were written off during FY2019 (FY2018: Nil).

## Note 7: Prepayments and Other Assets

	2019 \$	2018 \$
General Event Prepayments	221,865	232,201
Prepaid Insurance	18,847	18,700
Other Prepayments	50,923	42,691
	<b>291,635</b>	<b>293,592</b>

## Note 8: Financial Assets Measured at Amortised Cost

	2019 \$	2018 \$
Current Financial Assets – Term Deposits	900,000	450,000
Non-Current Financial Assets – Term Deposits	140,716	540,716
	<b>1,040,716</b>	<b>990,716</b>

One of the non-current term deposit held by the IIA-Australia is in support of bank guarantee, required by the lessor for the lease of premises for national office. All term deposits have maturity over three months, hence, excluded from Cash and Cash Equivalents.

## Note 9: Plant and Equipment

	Plant and equipment		Furniture and fittings		Leasehold Improvements		Right-of-use Assets		Total plant and equipment	
	2019 \$	2018 \$	2019 \$	2018 \$	2019 \$	2018 \$	2019 \$	2018 \$	2019 \$	2018 \$
Cost	94,731	90,453	28,890	28,890	169,576	65,793	386,110	-	679,307	185,136
Accumulated depreciation	(87,299)	(83,250)	(28,890)	(28,890)	(138,441)	(65,793)	(152,539)	-	(407,169)	(177,933)
Total plant & equip at written down value	7,432	7,203	-	-	31,134	-	233,571	-	272,137	7,203

Movement in the carrying amounts of each class of asset between the beginning and the end of the current financial year.

	Plant and equipment		Leasehold Improvements		Right-of-use Assets		Total plant and equipment	
	2019 \$	2018 \$	2019 \$	2018 \$	2019 \$	2018 \$	2019 \$	2018 \$
Balance at beginning of the year	7,203	16,095	-	-	-	-	7,203	16,095
Additions	4,278	3,376	-	-	386,110	-	390,387	3,376
Depreciation expense	(4,049)	(12,268)	(22,460)	-	(152,539)	-	(179,047)	(12,268)
Prior Period Restatement	-	-	53,594	-	-	-	53,594	-
Carrying amount at the end of year	7,432	7,203	31,134	-	233,571	-	272,137	7,203

Initially, the make good provision was recognised against rental expense which is not in accordance to AASB 116. Therefore, prior period adjustment was entered to capitalise previously expensed amount as lease hold improvement. Prior period restatement includes asset at cost and depreciation related to prior periods. Comparatives have not been adjusted as it is considered immaterial.

## Note 10: Intangibles

	2019 \$	2018 \$
Database at cost	687,820	651,909
Software at cost	53,832	48,670
Graduate Certificate in Internal Auditing at cost	508,025	508,025
Less Accumulated Amortisation	(1,162,289)	(1,065,981)
	<b>87,388</b>	<b>142,622</b>

### Reconciliation

	Aptify Database		Software		Graduate Certificate		Total Intangibles	
	2019 \$	2018 \$	2019 \$	2018 \$	2019 \$	2018 \$	2019 \$	2018 \$
Balance at beginning of the year	75,683	90,640	862	1,651	66,077	77,633	142,622	169,924
Additions	35,910	11,503	5,164	1,102	-	-	41,074	12,605
Amortisation expense	(28,808)	(26,460)	(1,423)	(1,891)	(66,077)	(11,556)	(96,308)	(39,907)
Carrying value at the end of year	82,785	75,683	4,603	862	-	66,077	87,388	142,622

As a result of reassessing the amortisation period of GCIA, an addition amount of \$54,521 was recognised during the year.

## Note 11: Trade and Other Payables

	2019 \$	2018 \$
Trade creditors	121,654	69,657
Other creditors	41,367	61,102
Accrued expenses	159,226	142,482
Research foundation	0	6,957
	<b>322,247</b>	<b>280,198</b>

## Note 12: Lease Liability

	2019 \$	2018 \$
Lease Liability – Current	163,558	25,936
Lease Liability – Non current	98,039	-
	<b>261,597</b>	<b>25,936</b>

The variable lease costs are \$76,413. Interest expense for 2019 on leases is \$17,240.

## Note 13: Provisions

### Part A: Employee Entitlements

	2019 \$	2018 \$
Balance at the beginning of year	135,832	102,124
Additions to provision	117,509	124,891
Leave taken during the year	(86,569)	(91,183)
Balance at the end of year	<b>166,772</b>	<b>135,832</b>



## Analysis of employee entitlement provision

	2019 \$	2018 \$
Current provision	111,051	110,242
Non-current provision	55,721	25,590
	<b>166,772</b>	<b>135,832</b>

All current leave entitlements are expected to be consumed within 12 months. Non-current provision is in respect of long service leave for all staff employed by IIA where leave is not expected to vest within 1 year.

## Part B: Make Good Provision

	2019 \$	2018 \$
Non-current make good provision	112,867	101,887

## Note 13: Total Provisions

	2019 \$	2018 \$
Current provision	111,051	110,242
Non-current provision	168,588	127,477
	<b>279,639</b>	<b>237,719</b>

## Note 14: Deferred Income

	2019 \$	2018 \$
Members' fees	707,060	602,800
Development courses and certifications	110,265	148,203
Conferences	473,818	331,505
Balance at the end of year	<b>1,291,143</b>	<b>1,082,508</b>

## Note 15: Cash Flows Reconciliation

a. Reconciliation of net cash flow provided by operating activities to operating surplus:

	2019 \$	2018 \$
Net Profit from ordinary activities	338,007	84,392
<b>Non-cash flow from ordinary activities:</b>		
Depreciation	179,047	12,268
Amortisation	96,308	39,907
Provision for doubtful debts	(4,776)	(20,525)
Write Off of Bad Debts	-	-
Non-cash interest expense related to Make Good	3116	282
Gain on Foreign Currency translation	-	(6,163)
<b>Changes in assets and liabilities:</b>		
(Increase)/ decrease in trade and other receivables	(46,899)	48,217
Decrease / (increase) in prepayments	1,957	(136,565)
(Increase)/ decrease in inventory	(19,049)	15,007
Increase in provision for employee entitlements	30,941	33,708
Increase in trade and other payable	42,049	21,227
Increase in deferred revenue	208,633	267,218
Net cash provided by operating activities	<b>829,334</b>	<b>358,973</b>

## Reconciliation of cash

b. For the purpose of the Statement of Cash Flows, cash includes cash at bank and cash equivalents being cash held on deposit with original maturity of less than three months. Cash at the end of the financial year as shown in the Statement of Cash Flows equals the item “Cash Assets” in the Balance Sheet.

## Note 16: Related Party Transactions

a. Key management personnel consist of all Directors, the Chief Executive Officer and the senior management team.

The following table provides details of related party transactions that were entered into with Director-related entities for the relevant year. All transactions with related parties are made on terms that are considered reasonable if the parties were dealing at ‘arm’s length’.

Director	Director-Related Entity	Transaction Details	2019	2018
Sally-Anne Pitt	Pitt Group Pty Ltd	Updating GCIA Module materials, assessing tasks and performing reference checks	\$12,125	\$11,650
Stephen Coates	Sustainable Strategy Development	Facilitation of Professional Development training courses, presenter at Conference	\$12,600	\$7,000
Kylie McRae	O'Connor Marsden & Associates	Facilitation of Professional Development training courses	\$18,112	\$6,091
Stephen Tiley	Mercy Health	IIA-Australia received revenue from Mercy Health for providing Quality Assessment Services	\$19,800	-

Training course facilitators and reviewers for quality assessments of internal audit functions are selected based on their qualifications, in-depth knowledge and internal audit experience gained in senior positions over many years. Fees were determined on an arm’s length basis.

The IIA-Australia also entered into related party transactions with The Institute of Internal Auditors, Inc. (IIA Global). The IIA Global provides various members’ related services to IIA-Australia. The cumulative total of payments made by IIA-Australia to IIA Global for related party transactions is \$130,865 in 2019 and \$156,199 in 2018. IIA-Australia also received royalty payments for CIA exam sittings and registration from IIA Global. These payments totalled \$23,792 for 2019.

b. The names of all Directors who have held office during the financial year are outlined in the table of ‘Board Information’ on page 2 of this Directors Report. No directors received any remuneration for their services as a director of IIA-Australia.

## Compensation Practices

The Remuneration Committee of the Board of Directors approves the compensation including bonuses for all staff and provides recommendations to the Board for CEO’s remuneration. The aggregate compensation made to members of key management personnel of the company is set out below:

### Compensation by category

	2019	2018
	\$	\$
Short term employee benefits	748,716	711,972
Other long-term benefits	73,947	46,600
	<b>822,663</b>	<b>758,572</b>

## Note 17: Auditor's Remuneration

During the financial year the following fees were paid or payable for services provided by UHY Haines Norton, the auditor of the Institute:

### Audit services – UHY Haines Norton

	2019 \$	2018 \$
Audit of the financial statements	23,035	22,827
Other audit related services	3,188	2,000
<b>Total</b>	<b>26,223</b>	<b>24,827</b>

## Note 18: Financial Instruments

### Market Risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: currency risk, interest rate risk and other price risk. Other price risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. This may be whether those changes are caused by factors specific to the individual financial instrument or its issuer, or factors affecting all similar financial instruments traded in the market.

### Net fair values

The carrying amount of bank deposits, prepayments, accounts payable and accounts receivable approximate net fair values. The carrying amounts of financial assets and financial liabilities are disclosed in the Statement of Financial Position and in the notes to the Financial Statements.

### Credit risk

The maximum exposure to credit risk at balance date is the carrying amount of those assets, net of any provisions for doubtful debts, as disclosed in the Statement of Financial Position and notes to the Financial Statements. The IIA-Australia does not have any material credit risk exposure to any single debtor or group of debtors under financial instruments entered into by the IIA-Australia.

### Currency Risk

As a result of its transactions with overseas entities, IIA- Australia is exposed to foreign currency risk on part of its revenues and expenses. The majority of foreign currency transactions are conducted in US-Dollars. The quantum of foreign currency transactions is not material.

### Interest rate risk

The IIA-Australia's exposure to interest rate risk, which is the risk that a financial instrument's value will fluctuate as a result of changes in market interest rates and the effective weighted average interest rates on those financial assets, is as follows:

	Weighted average effective interest rate		Floating interest rate		Fixed interest	
	2019 %	2018 %	2019 \$	2018 \$	2019 \$	2018 \$
Cash at bank	0.10	0.10	189,009	202,377		
Deposits at call	0.43	1.05	1,320,661	723,757		
Term deposits	2.35	2.67	-	-	1,040,716	990,716
<b>Total financial assets</b>			<b>1,509,670</b>	<b>926,134</b>	<b>1,040,716</b>	<b>990,716</b>

Term deposits held by the IIA-Australia comprise of: Term deposit held in support of bank guarantee required by the lessor for the lease of premises for national office, and term deposits established for financing activities. The impact of fluctuations in interest rates applicable to these term deposits, on interest revenue is not considered to be material. Therefore, a disclosure for sensitivity analysis of movements in interest rates is not pertinent.

## Liquidity Risk

Vigilant liquidity risk management requires the institute to maintain sufficient liquid assets (mainly cash and cash equivalents) and available borrowing facilities to be able to pay debts as and when they become due and payable.

The institute manages liquidity risk by maintaining adequate cash reserves and available borrowing facilities by continuously monitoring actual and forecast cash flows and matching the maturity profiles of financial assets and liabilities.

The risk implied from the values shown in the table below, reflects a balanced view of cash inflows and outflows. Trade payables and other financial liabilities mainly originate from the financing of assets used in our ongoing operations such as property and equipment, intangibles and investments in working capital. These assets are considered in the IIA-Australia's overall liquidity risk.

### Maturity Analysis - 2019

	1 Year \$	2-5 Years \$	Total Cashflows \$	Carrying Amount \$
<b>Financial assets</b>				
Trade and other receivables - net	324,410	-	324,410	324,410
Term deposits with accrued interest	1,065,189	-	1,065,189	1,055,584
<b>TOTAL</b>	<b>1,389,599</b>	<b>-</b>	<b>1,389,599</b>	<b>1,379,994</b>
<b>Financial Liabilities</b>				
Trade creditors and other payables	322,247	-	322,247	322,247
Lease Liability	176,674	95,788	272,461	261,597
<b>TOTAL</b>	<b>498,921</b>	<b>95,788</b>	<b>594,708</b>	<b>583,844</b>
<b>NET MATURITY</b>	<b>890,678</b>	<b>(95,788)</b>	<b>794,891</b>	<b>796,150</b>

### Maturity Analysis - 2018

	1 Year \$	2-5 Years \$	Total Cashflows \$	Carrying Amount \$
<b>Financial assets</b>				
Trade and other receivables - net	272,352	-	272,352	272,352
Term deposits with accrued interest	476,454	558,974	1,035,428	990,716
<b>TOTAL</b>	<b>748,806</b>	<b>558,974</b>	<b>1,307,780</b>	<b>1,263,068</b>
<b>Financial Liabilities</b>				
Trade creditors and other payables	306,134	-	306,134	306,134
<b>TOTAL</b>	<b>306,134</b>	<b>-</b>	<b>306,134</b>	<b>306,134</b>
<b>NET MATURITY</b>	<b>442,672</b>	<b>558,974</b>	<b>1,001,646</b>	<b>956,934</b>

## Note 19: Segment Reporting

The company operates wholly within one segment as a professional association within Australia.

## Note 20: After Balance Date Events

Levels of uncertainty due to the COVID-19 coronavirus led to the decision to cancel SOPAC® 2020. Management estimates a potential \$650,000 negative impact as a result of SOPAC® being cancelled. Remaining conferences in 2020 are planned to go ahead as live-streamed events to avoid large group gatherings of delegates. It is uncertain what additional impact, if any, that COVID-19 will have on operations/finances. The build-up in reserves over recent years means that IIA-Australia remains a going concern and liquidity is assured.

## Note 21: Contingent Liabilities

There are no contingent liabilities as at 31 December 2019 (2018: Nil).

# Directors' Declaration

The Directors of the company declare that:

1. The financial statements and notes from page 17 to 43 are in accordance with the *Corporations Act 2001*:
  - c. comply with Australian Accounting Standards, *Corporations Regulations 2001* and other mandatory professional reporting standards; and
  - d. give a true and fair view of the financial position as at 31 December 2019 and of the performance for the year ended on that date of the entity.
2. In the Directors' opinion, there are reasonable grounds to believe that the company will be able to pay its debts as and when they become due and payable.

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



**Stephen Coates PFIIA CIA CGAP CRMA**  
**President and Chairman of the Board**  
**15 March 2020**

# Independent Auditor's Report to the Members of the Institute of Internal Auditors-Australia

## Opinion

We have audited the financial report of the Institute of Internal Auditors-Australia ("the Institute"), which comprises the statement of financial position as at 31 December 2019, the statement of profit or loss and other comprehensive income, the statement of changes in equity and the statement of cash flows for the year then ended, and the notes to the financial statements, including a summary of significant accounting policies, and the directors' declaration.

In our opinion, the accompanying financial report of the Institute of Internal Auditors-Australia, is in accordance with the *Corporations Act 2001*, including:

- a. giving a true and fair view of the Institute's financial position as at 31 December 2019 and of its financial performance for the year then ended; and
- b. complying with Australian Accounting Standards and the *Corporations Regulations 2001*.

## Basis for Opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Report* section of our report. We are independent of the Institute in accordance with the auditor independence requirements of the *Corporations Act 2001* and the ethical requirements of the Accounting Professional and Ethical Standards Board's *APES 110 Code of Ethics for Professional Accountants* (the Code) that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

## Other Information

The directors are responsible for the other information. The other information comprises the information included in the annual report for the year ended 31 December 2019, but does not include the financial report and our auditor's report thereon.

Our opinion on the financial report does not cover the other information and accordingly we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial report, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

## Responsibilities of the Directors' for the Financial Report

The directors of the Institute are responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001*. The directors' responsibility also includes such internal control as the directors determine is necessary to enable the preparation of the financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

In preparing the financial report, the directors are responsible for assessing the Institute's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Institute or to cease operations, or have no realistic alternative but to do so.

## Auditor's Responsibilities for the Audit of the Financial Report

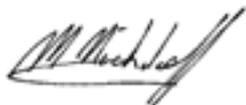
Our objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this financial report.



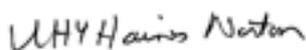
A further description of our responsibilities for the audit of the financial report is located at the Auditing and Assurance Standards Board website at: <http://www.augasb.gov.au/Home.aspx> . This description forms part of our auditor's report.

## Presentation of the financial report on the Internet

It is our understanding that the Institute intends to publish a hard copy of the audited financial report and the auditor's report for members, and to electronically present the audited financial report and the auditor's report on its web site. When information is presented electronically on a web site, the security and controls over information on the web site should be addressed by the Institute to maintain the integrity of the data presented. An examination of the controls over the electronic presentation of audited financial information on the Institute's web site is beyond the scope of the audit of the financial report. Responsibility for the electronic presentation of the financial report on the Institute's web site is that of the directors of the Institute.



**Mark Nicholaeff**  
Partner  
15 March 2020  
Sydney



**UHY Haines Norton**  
Chartered Accountants

# Institute of Internal Auditors-Australia

## AUDITOR'S INDEPENDENCE DECLARATION UNDER SECTION 307C OF THE *CORPORATIONS ACT 2001* TO THE DIRECTORS OF THE INSTITUTE OF INTERNAL AUDITORS-AUSTRALIA

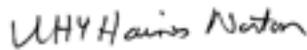
As auditor for the audit of the Institute of Internal Auditors-Australia for the year ended 31 December 2019, I declare that, to the best of my knowledge and belief, there have been:

- a. no contraventions of the auditor independence requirements as set out in the *Corporations Act 2001* in relation to the audit;  
and
- b. no contraventions of any applicable code of professional conduct in relation to the audit.

This declaration is in respect of the Institute of Internal Auditors-Australia.



**Mark Nicholaeff**  
Partner  
Sydney  
Signed on 15 March 2020



**UHY Haines Norton**  
Chartered Accountants

# Honour Roll

Without the commitment of volunteers, IIA-Australia could not have achieved what it did in 2019. We are proud to honour the following volunteers. We also thank our sponsors, exhibitors and other contributors throughout the year.

Name	Company
David Aiton PMIIA	Department of Mines & Petroleum
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Chris Aquilina PMIIA	Education Directorate (ACT)
Farah Araj PFIIA CIA QIAL	Deloitte Perth
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Vincent Lie AMIIA	Deloitte

Name	Company
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Ian Lyall PFIIA CIA CGAP CCSA CRMA	Cessnock City Council
Matthew Lyon AMIIA	Department of Finance, Services and Innovation
Andrew Macleod PMIIA CIA CRMA	Brisbane City Council
Rachael Mah PMIIA	AusAsia Training Institute
Masimba Mashumba AMIIA	Woolworths Limited
Graham Mathews PMIIA	Electoral Commission of QLD
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Kylie McRae PMIIA CIA	O'Connor Marsden & Associates
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Peter Nguyen AMIIA	Propel Consulting
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Phil O'Toole PMIIA	Centium
Jane Pan PMIIA CIA	iSelect Ltd
Tony Pang AMIIA	Retired
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Gordon Pereira AMIIA CRMA	Credit Union Australia Ltd
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Tim Pittaway PMIIA CIA	RSM Australia Pty Ltd
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Nicola Rimmer-Hollyman	AMP Services Limited
Ian Rodin AFIIA	Consultant
Jim Rooney PMIIA	University of New South Wales (ADFA)
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Kaiyo Sattha PMIIA CIA CGAP CRMA	Consultant
Rod Saunders PMIIA CIA	Department of Defence
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Elizabeth Sheedy	Macquarie University

Name	Company
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Ser Ling Sim PMIIA CIA	MLC Life Insurance
Robbie Sinclair AMIIA	University of Southern Queensland
Gary Ganesh Sivaji PMIIA CIA	BDO
Rowena Smallcombe PMIIA GradCertIA	Gladstone Regional Council
Christopher Smith PMIIA CIA CRMA	Department of the Premier and Cabinet
Dominic Soh AMIIA	Macquarie University
Tania Stegemann PFIIA CIA CCSA CRMA	CIMIC Group Limited
Lee Sullivan PFIIA	Consultant
Geoff Svenson	Retired
Jean Tan PMIIA CIA	Melbourne Water
Emily Tang AMIIA	City of Parramatta
Stephen Tiley PMIIA CIA	Mercy Health
Ross Tilly PFIIA CIA	Reserve Bank of Australia
Matt Tolley PMIIA GradCertIA	Department of Human Services
Tracy Townsend AMIIA	Pacifica Chartered Accountants
Bruce Turner AM PFIIA CGAP CRMA	Independent Audit Committee Chair
Jon Tyers AMIIA	MLC Insurance
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Tony Varnes PMIIA	Services Australia
Wilf van Emmerick AMIIA	Retired
Muir Watson AMIIA	IAG
Andrew Wearne AMIIA	Ramsay Health Care
Daniel Whiteman AMIIA	Unity Bank
Josephine Wong AMIIA	Deloitte Perth
Jade Woodhouse AMIIA	Department of Education
Alyssa Yoong PMIIA CIA CRMA	Blackmores
Jiayi Zhao AMIIA	EY Perth

Please accept our apologies if we omitted you from the 2019 list, or if your details are incorrect.



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