



Derby City Disclosures ***IIA Louisville Chapter***

MONTHLY MEETING

Date: April 9, 2002

Time: 12:00 noon
11:30 Registration

Location: Kunz's
107 S 4th Street
Louisville, KY
(parking validated)

Speaker: Dave Richards, CIA
Internal Audit Manager
First Energy and
IIA Chairman of the Board

Topic: The New Audit Consultant

Cost: \$20.00

CPE: 1 hour

Menu: Cobb Salad
Grilled Turkey Melt
Parmesan Encrusted Salmon

RSVP: By April 5, 2002

Carrie Ramsey
Office: 627- 4738
(voice mail is available 24 hrs)
fax #: 627-2550

email: carrie.ramsey@lgeenergy.com

PRESIDENT'S MESSAGE

Dear Members,

We had a great meeting last month with Nancy Wong from the Department of Commerce. I am looking forward to our April 9 meeting at Kunz's. Dave Richards, Audit Manager at FirstEnergy Corporation will be speaking with our group about the "The New Audit Consultant." Please mark your calendars for what I am sure will be an excellent topic.

In addition, the Board of Governors is preparing to fill the 2002-2003 executive slate. Nominations are going to be taken for Vice President, Treasurer, and Secretary to fill the 2002-2003 executive slate. If you have an interest in running for office, please send your nomination in by calling Carrie Ramsey at 502.627.4738 or you can e-mail her at carrie.ramsey@lgeenergy.com.

Please join me in congratulating Michele Welscher in stepping up to the plate to fill the Presidency slate for 2002-2003 and lead the Louisville IIA. Michele has been involved with the chapter for many years and has held various positions. Michele has consistently produced an exceptional newsletter that has kept us informed of chapter events. Please give Michele your full support as I pass the torch to her and she takes this position on May 14, 2002.

Hope everyone had a great St. Patrick's Day and Easter!! I look forward to seeing you at lunch on April 9!

Chris Lewis
President, Louisville IIA

In the News ...

NEW MEMBERSHIP BENEFIT

The IIA has partnered with e-Travel-4-Less to offer members an online travel discount program with secure online booking, instant confirmation, and competitive discounted travel products and services. Visit the [member amenities program page](#) to learn more. The policy of e-Travel-4-Less is to always match and, in most cases, beat the prices offered by the two industry leaders.

IIA PROVIDES OECD TESTIMONY TO COMBAT FRAUD

IIA Global Practice Center Vice President Basil Pflumm, CIA, traveled to Washington, D.C., to testify on internal auditors' roles in risk management and controls. [Click here](#) to learn more.

CIA's WE NEED YOUR E-MAIL ADDRESS

In mid-February, The IIA began sending CPE reporting reminders by e-mail. If you are a CIA and prefer to receive your notification via e-mail, you can note your e-mail address on the reporting card, or check your Member Profile in the Membership section of www.theiia.org to confirm that we have your e-mail address on file.

Use of the online form saves you time and postage costs, and there is no need to send credit card information since members do not pay to report. (Nonmembers pay a US \$20 reporting fee.) Please note: if you have selected the "no e-mail" preference option in your IIA record, The IIA cannot send you this e-mail reminder.

IIALOU.ORG

Look for us on the World Wide Web. Bruce Edwards is currently developing the chapter website. Look for information on meetings / seminars, membership information, links to other websites, and much more.

Suggestions for information to be included in the website can be sent to the webmaster. Bruce@bruceedwards.com

PRACTICE ADVISORY ON ACQUISITION OF EXTERNAL AUDIT SERVICES

The Institute's recent [survey](#) regarding post-Enron activities found that at least 6 percent of surveyed organizations are planning changes in external audit firm services. This is an unusual move for many corporations considering that in a separate survey, 23 percent of surveyed organizations reported that they had used the same audit firm for 25 to 50 years, and 15 percent had used the same firm for more than 50 years.

Survey respondents also inquired about the availability of guidance on acquiring external audit services. Since IIA [Standard 2050: Coordination](#) requires internal auditors to "share information and coordinate activities with other internal and external providers of relevant assurance and consulting services," it is often advisable for internal auditors to have some role or involvement in the selection or retention of the external auditors and in the definition of scope of work.

That is the premise behind The IIA's new [Practice Advisory 2050-2: Acquisition of External Audit Services](#). The new advisory is particularly well suited for use in acquisition of external audit services for audits of the financial statements, but it may also be useful in obtaining external audit services for other types of engagements.

NOVEMBER 2001 CIA EXAM STATISTICS

The November 2001 CIA exam reached a record high with 32,457 exam parts taken worldwide, achieving a 44 percent increase over the previously record-breaking 22,463 parts taken during the November 2000 CIA exam. Nearly 17,000 of the November 2001 parts were administered at 10 sites in the People's Republic of China. Of the parts taken, 83 percent were outside North America, for a 54 percent growth over last year's November cycle.

IIA EDUCATOR GOES ELECTRONIC

Beginning in April, the *IIA Educator* newsletter will be available in electronic format only. The semi-annual publication addresses educational and promotional news about internal audit education, encourages educator participation in the profession, and serves as a vehicle to globalize internal audit education. A free publication available to all interested parties, *IIA Educator* can be found at www.theiia.org under Publications.

The IIA will send e-mail notification to "subscribers" when new issues of *IIA Educator* are posted. Educators and students who are IIA members should log on to the Membership section of www.theiia.org to verify that their e-mail addresses are correct. Nonmember educators and students can be added to the e-mail notification list by e-mailing Practices Center Administrator Lucy Sheets at lsheets@theiia.org.

GOVERNMENT AUDITING STANDARDS — CHANGE IS IN THE WORKS

The U.S. General Accounting Office (GAO) has issued an exposure draft that proposes extensive changes to the *Government Auditing Standards* (GAGAS). The new standards, when finalized, will likely become effective for financial audits of periods ending on or after January 1, 2003, and for attestation engagements and performance audits beginning on or after January 1, 2003.

The proposed revisions fall into three categories: the GAGAS framework, consistent application of the standards where applicable to various types of audits, and strengthening or streamlining the standards.

IIA members are invited to comment on the exposure draft. A copy is available on the [GAO's Web site at www.gao.gov/govaud/ybk01.htm](http://www.gao.gov/govaud/ybk01.htm).

Comments should be submitted via e-mail to yellowbook@gao.gov by April 30, 2002.

More News..

2002 CIA MODEL EXAM

The May CIA exam will be here before you know it. So, The IIA is working on an April release of the 2002 CIA Model Exam. This 320-question model exam with expanded solutions gives candidates an understanding of the types of questions that typically appear on the CIA exam. The model exam contains questions from previous CIA exams and sample questions that reflect the implementation of The IIA's *Professional Practices Framework*. Visit the IIA Bookstore for more information on purchasing the Model Exam in print or on CD-ROM.

NEWS FROM THE LEARNING CENTER

The IIA will premiere a new seminar, Privacy: The New Hot Zone for the 21st Century, on May 20–22 in Orlando, Florida. The course will help individuals establish ongoing audit strategies for privacy compliance within their organization, establish an internal privacy task force, examine relevant laws addressing privacy, share best practices, and identify risks associated with an ever-changing environment. Click here for details.

Three courses geared specifically for the public sector will be held May 6–8 in Sacramento, California:

- Performance Auditing in the Public Sector
- Assessing Risk in the Public Sector
- Audit Reports in the Public Sector

The IIA's Business-focused Quality Assurance Review seminar has been updated to reflect the new *Professional Practices Framework*, including the new *Standards*. The first offering of the revised seminar will be April 29–May 1 in Houston, Texas.

Visit the Training section of www.theiia.org for additional details on these offerings.

SPECIAL CCSA AND CGAP EXAM OFFERINGS IN THE U.S.

In light of The IIA Board of Regents' decision to offer the Certified Government Auditing Professional (CGAP) and Certification in Control Self-Assessment (CCSA) examinations in paper-and-pencil format, The IIA has announced special offerings of these exams at additional sites in the U.S. throughout 2002.

CGAP exams will be offered:

- May 12, in conjunction with The National Association for Local Government Auditors 14th Annual Conference in Lake Tahoe, Nevada
- June 26, in conjunction with the 2002 IIA International Conference in Washington, D.C.
- August 21, in conjunction with the Army Internal Review Training Symposium in Scottsdale, Arizona; and in September in conjunction with The IIA's State and Local Government Conference in Springfield, Illinois.

CCSA exams will be offered:

- June 26, in conjunction with the 2002 IIA International Conference in Washington, D.C.
- In September, in conjunction with The IIA's Enterprise Risk Management and Control Self-assessment Conference in Chicago, Illinois.

Visit the CGAP and CCSA Web sites at www.theiia.org for registration deadlines and additional special offerings

QUALITY ASSURANCE REVIEW SERVICE SEEKS VOLUNTEERS

The IIA is seeking team members to participate in Quality Assurance Reviews (QARs) for organizations large and small in all parts of the world. QARs evaluate internal audit organizations' efficiency and effectiveness, identify "best practices," and measure compliance with The IIA's *Standards* and other relevant organizational and departmental policies and procedures.

Team members must be Certified Internal Auditors who are familiar with The IIA's *Standards*. In exchange for their time and expertise, team members receive registration to an IIA conference, CPE credit, and a copy of The IIA's *Quality Assessment Manual*.

For details, visit the Services section of www.theiia.org, e-mail QAR@theiia.org, or call Helena Arias at +1-407-830-7600, Ext. 313.

IIA GUIDANCE, DEVELOPMENT, AND SERVICES CD

IIA members* and affiliates will receive The IIA's *2002 Guidance, Development and Services CD* with the April *Internal Auditor* magazine. The CD will also be included in packets for new members. This CD will build awareness of the *Professional Practices Framework* and the guidance, products, and services available to IIA members. It includes the *Standards and Practice Advisories* approved as of February 2002, the Learning Center Catalog, and marketing information on Membership, the Research Foundation, GAIN, QARs, and Periodicals.

*U.S. and Canadian members, members-at-large, and members outside North America who subscribe to the *Internal Auditor* magazine.



THE INSTITUTE OF INTERNAL AUDITORS *NEW MEMBER BENEFIT*

WEB-BASED TRAINING

Our chapter is partnering with The institute of Internal Auditors to offer our members annual subscriptions to **IIAOnlineCPE** Web-based training for only \$95.

In addition, for every ten (10) members who subscribe to **IIAOnlineCPE**, our chapter will receive two (2) free annual subscriptions to be raffled at chapter meetings.

Here is some information about **IIAOnlineCPE**:

- Your choice of over 75 educational courses currently used by more than 50% of Fortune 500 companies.
- Unlimited access to all courses.
- Courses use streaming video technology with excellent visual aids and graphics. At least 4 new lectures (courses) are added monthly.
- Timely information on financial news and trends.
- A personal CPE record that tracks the hours you've earned.
- The ability to print your own CPE certificates.
- One year subscription with unlimited usage (up to 48 hours of CPE credits). That's less than \$2 per CPE credit hour, an incredible value!!
- **IIAOnlineCPE.org** offers two free demonstration courses, so you can try before the buy.

To subscribe call or e-mail Ray Brindley, Seminar Development, The Institute of Internal Auditors at 407-830-7600, extension 295 (rbrindley@theiia.org)

CONTACTS		CLASSIFIEDS
<p style="text-align: center;">OFFICERS</p> <p><i>President</i> Chris Lewis LG&E Energy Corp. (502) 627-3363 chris.lewis@lgeenergy.com</p> <p><i>Vice President</i> Michele Welscher KHEAA / KHESLC (502) 696-7467 mwelscher@kheaa.com</p> <p><i>Treasurer</i> Carl Balderson (502) 627-2366 LG&E Energy Corp. Carl.balderson@lgeenergy.com</p> <p><i>Secretary</i> Bob Boyle Strothman & Company (502) 581-7829 rboyle@strothman.com</p> <p>Webmaster Bruce Edwards Bruce@bruceedwards.com</p> <p>GOVERNORS</p> <p>Kelly Hopper (502) 874-2866 Tricon Kelly.Hopper@Tricon-yum.com</p> <p>Dr. Betty Brown University of Louisville Betty.Brown@louisville.edu</p> <p>Lynn Hillebrand Stock Yards Bank Lynn.Hillebrand@syb.com</p> <p>Dave Heilman LG&E Energy Corp. Dave.heilman@lgeenergy.com</p> <p>James Rose Humana Inc. jrose1@Humana.com</p> <p>Jerald Miles (502) 574-3256 City of Louisville jmiles@louky.org</p> <p>Don Whitehouse (502) 588-3842 Don.whitehouse@cacky.com</p> <p>Bruce Edwards Bruce@bruceedwards.com</p>	<p style="text-align: center;">CHAIRMANSHIPS</p> <p><i>Academic Relations</i> Don Whitehouse Commonwealth Industries, Inc. (502) 588-3942 don.whitehouse@cacky.com</p> <p><i>Attendance/Hospitality</i> Jerald Miles City Of Louisville (502) 574-3256 jmiles@louky.org</p> <p><i>Government Relations</i> Phil Bezehertny Ky Office of the Auditor of Public Accounts (502) 573-0067 pbezehertny@kyauditor.net</p> <p><i>CIA Program</i> Carl Balderson LG&E Energy Corp. (502) 627-2366 carl.balderson@lgeenergy.com</p> <p><i>Editorial/Newsletter</i> Michele Welscher</p> <p><i>Audit</i> Betty Brown University of Louisville (502) 852-4889</p> <p>Membership OPEN</p> <p style="text-align: center;">WE NEED YOUR HELP !</p> <p>Make our chapter better than ever by volunteering your time. Contact Chris Lewis at (502) 627-3363 for more information.</p>	<p style="text-align: center;">Jefferson Wells</p> <p style="text-align: center;">.....</p> <p style="text-align: center;"><i>Providing a progressive blend of operating and consulting solutions to internal audit, financial, and tax departments nationwide.</i></p> <p>As a high quality and affordable alternative to Big Five firms for a range of quality services, Jefferson Wells is rapidly becoming the leader in providing Internal Audit solutions to our growing client base.</p> <p>Our team of seasoned professionals partner with Internal Audit departments to assist in addressing routine and complex IT Audit issues, financial and operational audit challenges, compliance projects, fraud investigations, and special projects requiring unique skill sets.</p> <p>We also provide audit personnel to assist the internal audit department with staffing challenges, and assist you in meeting your annual audit plans. Other services offered by Jefferson Wells include Enterprise Systems Services, Accounting, and Tax Accounting.</p> <p>For more information about Jefferson Wells services, please visit our Jefferson Wells.com web site, or call us at 513-421-2100 and ask for either Tim Kelly or Jacqueline Bauereis. You can also write us at Jefferson Wells, 312 Walnut St., Suite 1020, Cincinnati, Ohio 45202.</p>

CALENDAR OF EVENTS
IIA 2001 – 2002 Meeting Schedule

Mark the following dates on your calendar for the monthly meeting of the Louisville Chapter of IIA. (Speaker and topic listed):

Date	Speaker	Topic
April 9, 2002	Dave Richards, CIA Audit Manager of Internal Audit First Energy and Chairman of the Board of the IIA	The New Audit Consultant
May 14 , 2002	Star of Louisville Cruise	Networking

IIA National Events
For more information, log-on to www.theiia.org

APRIL 2002	
21 - 25	Vision University, Asheville, North Carolina, United States
24 - 26	IIA/AICPA Value-Added Auditing Services Conference, Las Vegas, Nevada, United States
MAY 2002	
1 - 3	Industry Audit Series Conference: Financial Services, Utilities, and Telecommunications, Chicago, Illinois, United States
6-8	Government Public Offering Seminars, Sacramento, California, United States
6-10	Introduction to SAP Audit Seminar, San Francisco, California, United States
13-17	Security, Auditability, and Control of PeopleSoft Systems Seminar, Columbus, Ohio, United States
15-16	Certified Internal Auditor (CIA) examination
16	Certification in Control Self-Assessment (CCSA) examination
16	Certified Government Auditing Professional (CGAP) examination