

DERBY CITY DISCLOSURES



September 2002

LOUISVILLE IIA CHAPTER

PRESIDENT'S MESSAGE

Dear Members,

I am looking forward to serving as your Chapter President during the coming year, and I think you will be excited at what we have planned and the changes that we have made.

We have quite a year planned, as you will see by our meeting schedule. I am excited to have two former Arthur Anderson partners speaking at our December meeting on Corporate Governance. I feel the question and answer section will be very stimulating. And in addition to that, National IIA President Bill Bishop will be speaking at our February meeting!!

We are wrapping up the details on a seminar on Performance Management in the fall and an IT seminar in the spring. Watch for details in upcoming monthly newsletters.

I would like to take this time to thank Michele Martin for volunteering to be our Newsletter Editor. She has wonderful ideas for improvement with our newsletter, so expect to see some changes. In addition, our newsletter will be issued in a PDF format that should eliminate some of the formatting problems experienced with the WORD format used previously. Since our monthly newsletter will now only be issued via email, it is important that you keep your email address updated with IIA National or Carrie Ramsey (Carrie.Ramsey@lgeenergy.com).

I am pleased to announce the ability to pay online for the monthly meeting via credit card. Look for more information in this newsletter regarding the updates made to our local website (www.ialou.org) for online registration. I would like to thank Bruce Edwards for making this possible, and for all the work he does for maintaining our website.

We have a wonderful group of volunteers, but we still need help. As you know, we are a non-profit organization staffed through the volunteer efforts of professionals just like yourself. We are still in need of Chairpersons for the Membership, Seminar, Government Relations and Attendance/Hospitality committees. If anyone is interested in these areas, please contact any of the Officers or myself.

Our first meeting should be interesting: "Internal Auditors as Change Agents" presented by Don Whitehouse. I look forward to seeing everyone at our meeting on September 10th!!

Your President,
Michele Welscher

NEXT MEETING:

Tuesday, September 10, 2002

INTERNAL AUDITORS AS CHANGE AGENTS

See page 2 for details

SEPTEMBER MONTHLY MEETING

INTERNAL AUDITORS AS CHANGE AGENTS

Speaker: Don Whitehouse, CIA, CPA
Director of Internal Audit
Commonwealth Industries

Tuesday, September 10, 2002
12:00 noon, 11:30 registration

1 CPE hour
(certificates available upon request)

Kunz's Restaurant
107 S. 4th Street, Louisville, KY
(parking will be validated)

Menu selections:
Broiled Boston Scrod
Chicken Caesar Salad
Steak Sandwich

Cost: \$20.00

RSVP by Friday, September 6, 2002

Carrie Ramsey
Office: 627-4738
Fax: 627-2550

Carrie.ramsey@lgeenergy.com

About Don . . .

Don Whitehouse is a CIA and CPA. A graduate of the University of Kentucky, Don is a past member of the KSCPA Members in Industry Committee. He was also the President of the Louisville IIA Chapter, and is now a member of the Board of Governors. Currently Don is the Director of Internal Audit at Commonwealth Industries, Inc., which uses scrap aluminum to manufacture aluminum sheet metal for various industries. Commonwealth Industries also manufactures flexible aluminum conduit and aluminum tube.

Attendance at this meeting will enhance your knowledge of how internal auditors serve as change agents by supporting corporate initiatives, understanding the complete business life cycle and identifying new risks and controls for continued survival. Hope to see you there!

ADVERTISEMENT

Position Opening: **Manager, Internal Audit Services**
Brown-Forman Corporation

Basic Function & Responsibilities: This position reports to the VP, General Auditor, analyzes risks to the company and manages projects that best address the most significant risks to the company. These projects are typically consultative, operational, financial, compliance, or IT in scope and focus on improving business processes to enable management to achieve their business objectives. This role is rotational with planned progression opportunities within the greater Brown-Forman organization. The Manager is responsible for directing company internal auditors and other partners in performing projects for the purpose of evaluating the adequacy of internal controls associated with business processes and the adherence of those processes to company policies and procedures. Must Requirements: BA, Accounting and CPA. Preferred Requirements: MBA, CMA.

Candidates should submit resume including REF code: **IIAL-BF-FIN-IAM** to James_Thornton@B-F.com, or call James Thornton at 502-774-7098.

ADVERTISEMENT

Position Opening: **Financial and Operational Auditor**
Retail Operation

MBA preferred, 3+ year's experience, 75-80% travel, and salary range 55-65K. Contact Leslie Goldhill or Wayne Barber at 502-893-8333.

CHAPTER NEWS

Visit www.iialou.org for more details!!

USE MAJOR CREDIT CARDS FOR MONTHLY FEES!! By Webmaster Bruce Edwards

The Louisville chapter of the IIA has recently opened a "PayPal" account, which will allow you to pay for your meeting or seminar via our web site! You will now be able to pay by any major credit card or directly from your bank account.

The process is simple. Start at the chapter web site (www.iialou.org) and go to the meeting and seminar schedule page. You will see buttons to "add to cart" and "check out" by each meeting. Simply click on the button(s) for the meeting(s) you wish to pay for. If you already have a "PayPal" account, the process will be familiar (simply verify the amount, enter your log-in and password, etc. and you're done). If you don't already have a "PayPal" account, you will need to fill in the information for new members (similar to other e-commerce web sites such as Amazon) which includes all the typical stuff such as name, credit card, billing address, etc. Once you have completed the transaction, you will be sent an e-mail receipt by PayPal and be returned to the Louisville IIA web site. The local chapter also receives an e-mail that tells us you have paid. You will still need to contact Carrie Ramsey with your menu choice.

All information is exchanged via HTTPS protocol (secure and encrypted) and remains with PayPal. PayPal is accepted as a method to pay by many on-line businesses. The risk is no greater than with any other large e-commerce site, plus PayPal is being acquired by eBay, so you can be assured of the endeavor's continued presence.

I have used the service personally, both to pay for items and receive funds, and can vouch for it's convenience and workability. Give it a try!! Maybe our Treasurer Carl Balderson will be able to put his receipt book away soon and not bring it to any more meetings! If you have any questions about PayPal feel free to e-mail me at Bruce@BruceEdwards.com. Thanks!

NEW MEMBERS:

Membership in the Institute of Internal Auditors has its advantages! Not only do members benefit from the camaraderie, networking and local seminars, but also discounted national class fees. Welcome to our newest Louisville IIA members:

William A. Zoeller	Louisville Gas and Electric.
James Lawrence Czerwonka	Orr Safety Corporation
Donna T. Dominguez	Humana
Robin A. French Henderson	National Bank
Joe H. Smith	Papa Johns International
Clark W Spader	Papa Johns International

THANK YOU!!

The Louisville Chapter of the Institute of Internal Auditors is a non-profit organization. The fees assessed for monthly meetings and bi-annual seminars are calculated to cover the anticipated costs our chapter will incur. As auditors, we all know that the miscellaneous cent difference has to go somewhere. Right?? Well, the officers, chairpeople and governors of your local IIA chapter voted to use the excess cents from last season (2001-2002) for scholarship donations to local universities. After crunching numbers (as we all do), it was determined that our chapter can award a \$100 scholarship and a 1-year subscription to Internal Auditor magazine to four up-and-coming local students!! The lucky students are:

<u>Spaulding University</u> - Margaret McMullough	<u>Bellarmine University</u> - Carol Huff
<u>University of Louisville</u> - Julia Karcher	<u>Indiana University Southeast</u> - undetermined

On behalf of these up-and-coming students, THANK YOU for your participation in last year's events. Your participation in this season's meetings and seminars will assist more up-and-coming students. So GET INVOLVED and HELP THE FUTURE!!

CHAPTER NEWS *cont'd . . .*

NEW CIAs !!!

Congratulations to new CIAs!!

Kevin R. Field	Kentucky Housing Corporation
Mark A. Bond	Crowe Chizek CPA's
Paul F. Tirey	Louisville Gas & Electric
Scott A. Muhlenbeck	Louisville Water Company

Anyone interested in preparing for the CIA exam have a few options. Study materials are available on the IIA's online bookstore, www.theiia.org. Glenn Sumners of Louisiana State offers review classes at various locations nationwide (see schedule below).

CIA review classes are not offered locally. Yet with enough interest, we may be able to schedule a review class after the 1/1/03. If you are interested, please let Carl Balderson or Michele Martin by email, addresses on page 7.

CIA Exam Review 2002 Schedule

Location	Dates	Days	Parts	Contact Person	Phone/Fax/E-mail
Dallas	Sept. 13	Fri.	I	Scott Sullins	Phone: (972) 431-5990 ssullins@jcpenny.com
	14	Sat.	II		
	15	Sun.	III		
	16	Mon.	IV		
Chicago	Sept. 23	Mon.	I	Mike Seward	Phone: (312) 557-5152 ms74@ntrs.com
	24	Tue.	II		
New Orleans	Sept. 27	Fri.	I	Sheri Mahoney	Phone: (504) 576-6645 Fax: (504) 576-4466 smahone@entergy.com
	28	Sat.	II		
	29	Sun.	III		
	30	Mon.	IV		
Houston	Oct. 4	Fri.	I	Wilson Van Tine	Phone: (281) 293-6932 c-wilson.van-tine@usa.conoco.com
	5	Sat.	II		
	6	Sun.	III		
	7	Mon.	IV		
Los Angeles	Oct. 13	Sun.	I	Ray Mullen	Phone: (909)594-0929 Fax: (909)594-0957 Ray.mullen@jfshea.com
	14	Mon.	II		
	15	Tue.	III		
	16	Wed.	IV		
Norfolk	Oct. 17	Thur.	II	Monica Anderson	Phone: (757) 687-1467 Fax: (757) 687-1469 Mcander1@sentara.com
	18	Fri.	III		
Tallahassee	Oct. 24	Thur.	I	Sabrena Watson	Phone: (850) 488-4026 watsons@doacs.state.fl.us
	25	Fri.	II		

Instruction Team		For General Information
Lydia Lafleur	225-925-1535	Fax: 225-766-7083 or email
Glenn E. Sumners	225-766-7788	gsumners@hotmail.com

Got a meeting idea? Want to help your chapter? Know someone who'd make a great guest speaker? We'd love to hear from you! Your input can benefit all members. Just drop a message to any of the officers!

NATIONAL NEWS

Visit www.theiia.org for more details!

Why Global Governance?

In April, The IIA's Global Advisory Committee introduced a Global Governance Plan to The IIA Board of Directors that contains recommendations regarding board membership, board operations, establishment of a permanent North American Committee, financial cost sharing between Global and North American operations, proposed Global services, and staffing. This plan has been in discussion and development for more than three years.

The Board of Directors approved exposure of the plan to members that plan, and has asked that all members become familiar with its provisions and be ready to vote on the recommended Bylaw changes either in person at a special membership meeting in Orlando on December 4 or by secure proxy ballot. An electronic proxy will be available on this Web site beginning in mid-October.

The IIA's vision of a global profession includes the:

Internationalized standards for the global practice of the profession.

- Globalization of the professional certifications for internal auditors.
- Representation of the global profession before regional and international bodies.
- Availability of resources to develop the program profession and expand membership.
- Robust sharing of information among member affiliates.
- Globalize the mindset of the Board of Directors, affiliate leaders, international committee members, and staff.

The primary recommendations of the plan include:

- Decreasing the existing board of directors from 64 to 37 members with directors from larger affiliates giving it a more balanced global representation. The smaller size will increase the interaction and effectiveness of directors in strategically managing The Institute.
- Establishing a new North American Committee to manage North American operations and focus on issues specific to the United States, Canada, and the Caribbean.
- Increasing the number of products and services that are global in nature by overseeing and managing specific global initiatives and by identifying and integrating products and services from IIA affiliates into the *Professional Practices Framework*.

- Holding an annual Global Forum or Council of affiliate representatives in conjunction with The IIA's International Conference. This increased interaction gives affiliate representatives an opportunity to share issues impacting The IIA, provide input to the organization's strategic direction, and discuss other global issues. Global Forums, which in the past have been held every two years, have proven to be highly productive strategic planning sessions for sharing ideas and concerns, setting goals and objectives, and ensuring a sound and productive future for The Institute and the profession as a whole.
- Continuing the existing Finance Committee's development and oversight of a financial reports which distinguishes North American funding from global funding and which funds are shared. An important premise of the Global Governance Plan is that global funding should support global operations.

Please review the plan and its related documents (there is a link on the www.theiia.org home page) so that you can cast an informed vote. Advanced copies of the Bylaws changes will be added to the Web site soon, as will information on how the membership vote will be conducted.

Direct any questions or concerns to your local leadership or to Dave Richards at richardsda@firstenergycgroup.com.

Certified Financial Services Auditor exam offered

The IIA will offer a pilot of the revised Certified Financial Services Auditor (CFSA) exam on November 21 at examination sites around the United States. The IIA assumed management of the CFSA certification as part of merger with the National Association of Financial Services Auditors in June. Read more on the WEB!!!

NATIONAL NEWS *cont'd ...*

Provide feedback on IIA global governance plan . . . visit www.theiia.org

THE IIA BOARD OF DIRECTORS will be asked on September 27 to approve the bylaws changes needed to implement The IIA's new global structure – the result of more than three years of work by volunteer and staff leaders. If these changes are approved, IIA members worldwide will be asked to concur at a special membership meeting in Orlando on December 4. Members unable to attend the special meeting will be able to vote by secure proxy ballot, available on this Web site beginning in mid-October.

The IIA's Global Advisory Committee currently is seeking the views of IIA members. If you are a member, carefully review the plan and its related documents and then submit a related questionnaire.

Tell us what makes a global internal auditor

IIA is conducting a survey to assess the knowledge, job skills, and abilities today's global internal auditor needs. Your participation will help ensure the continued relevance of The IIA's premier designation – Certified Internal Auditor®. Complete the survey in English, Chinese, French, German, Italian, Japanese, Spanish, or Taiwanese. Hurry: The response deadline is **October 11, 2002**.

NYSE-listed companies must have internal audit function

AT THE URGING OF THE IIA, the New York Stock Exchange has clarified that its newly revised listing standards, which now must be approved by the U.S. Securities and Exchange Commission, require all companies to have an internal audit function! Read more about The Institute's far-reaching corporate governance initiatives.

As a result of the governance-related actions of the NYSE, Congress, and others, some organizations without an internal audit function are initiating one; others are beefing up their existing audit shop. The IIA has available a wide variety of resources to help these firms establish internal auditing as integral to good governance.

NATIONAL CALENDAR

September 2002

2-4	Fraud Conference, Boston, MA
16-20	Seminars, Charlotte, NC
18-20	Enterprise Risk Management and Control Self-Assessment Conference, Chicago, IL
23-24	State and Local Government Conference, Springfield, IL
23-27	Seminars, St. Louis, MO
30	Registration/Application <u>deadline</u> for 11/02 CIA, CCSA, CFS & CGAP Exams

October 2002

7-11	Seminars, Orlando, Florida
8-10	IIA/MIS Control & Audit of Information Technology Conference, Washington DC
13-16	2002 Western Region Conference, Anaheim, CA
21-23	IIA's Focused Conference: Consulting-Exploring the New Frontier, Orlando, FL
21-25	Seminars, Washington DC

OUR SISTER CHAPTERS ARE BUSY, TOO!!

The Central Kentucky, Tri-State Evansville, Cincinnati and Indianapolis IIA chapters have busy schedules this upcoming year. Check out their sites for an update at www.theiia.org , Membership, IIA Affiliates, then list by either location or region.

LOUISVILLE CHAPTER UPCOMING SCHEDULE

10/8/02	Peer Review Carl Balderson Louisville Gas and Electric	2/11/03	IIA National President Bill Bishop IIA National President
10/21/02*	Performance Management Glenn P. Hoffman Highmark, Inc.	3/11/03	MIS Seminar To Be Announced
11/12/02	Auditing Health Care Benefits Randall Light BMI Audit Services	4/8/03	Center for Quality Management James Stiffle CQM Louisville
12/10/02	Corporate Governance Rick Julien and Lawrence Rieger (formerly with Arthur Anderson) Crowe Chizek, LLC	5/13/03	CRUISE ON STAR OF LOUISVILLE Interview Skills Stacy Robertson K-Force

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CONGRATULATIONS VALLEY SPORTS

2002 Little League World Champions!!