

DERBY CITY DISCLOSURES



October 2002

LOUISVILLE IIA CHAPTER

PRESIDENT'S MESSAGE

Dear Members,

We had a great first meeting in September! Don Whitehouse spoke to the members on "Internal Auditors as Change Agents." At our next meeting on October 9th, Carl Balderson will be speaking on "IA Standard 1300-Quality Assurance and Improvement." This should be an informative meeting, and I hope you will join us.

On Friday, October 25th, the Chapter is hosting an all day seminar on "Performance Measurement" at the Seelbach Hilton. We planned this seminar on a Friday for those members that may travel during the week. Look for more information in the newsletter regarding the seminar, and don't forget to register soon. I hope to see you there.

REMEMBER- We have established the PayPal system for members to pay for our monthly meetings. Several members used the PayPal system feature for our first meeting, with great success! We encourage all members to use the PayPal system. For those members that have used the online payment service, please send your comments and suggestions to Bruce Edwards (Bruce@bruceedwards.com) or myself at (mwelscher@kheaa.com).

This month is Membership Madness Month. Individuals may join the IIA for a discounted rate of \$85, which is a \$25 off the normal amount of a new individual membership. To take advantage of this offer, return a complete application only available through the chapter. See more information in the newsletter.

Don't forget to mark your calendars for the monthly meetings. I think you will enjoy the speakers we have lined up for the year, and hope that you will join us for the monthly meetings. This is a great opportunity to earn CPE while networking with your fellow members.

See you in October !

Your President,
Michele Welscher

PERFORMANCE MEASUREMENT SEMINAR

Friday, October 25, 2002
Seelbach Hilton

See page 3 for details

NEXT MEETING:

Tuesday, October 8, 2002

IA Standard 1300-Quality Assurance and Improvement

See page 2 for details

OCTOBER MONTHLY MEETING

IA Standard 1300- Quality Assurance and Improvement

Speaker: Carl Balderson, CIA, CPA, CFE
Director, Audit Services
LG&E Energy Corp.

Tuesday, October 8, 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:
Parmesan Encrusted Salmon
Cobb Salad
Grilled Turkey Melt Sandwich

Cost: \$20.00

RSVP by Friday, October 4, 2002
Carrie Ramsey
Office: 627-4738
Fax: 627-2550
Carrie.ramsey@lgeenergy.com

About Carl . . .

Carl Balderson is a CIA, CPA and CFE. A graduate of the Virginia Tech University, Carl has served two terms as President of the Louisville IIA Chapter, and is now the Treasurer and the chairperson for the CIA Program. Currently Carl is the Director of Audit Services at LG&E Energy Corporation. Among his vast experience in auditing, Carl has also managed to find the time to serve on several committees, task forces, councils and Boards of Directors of Alzheimer's Association Chapters in KY and Southern Indiana!

Attendance at this meeting will enhance your knowledge of the IA Standard, related Practice Advisories and the new Quality Assurance Manual. Carl will also share some of his personal experiences regarding the application of the Standard. 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: **IAL-BF-FIN-IAM** to James.Thornton@B-F.com, or call James Thornton at 502-774-7098.

ADVERTISEMENT

Positions Open:

Audit Supervisor Strong manufacturing background. 7+ years experience ("Big 5" & private industry preferred). BS Accounting minimum, Masters and CPA preferred.

Auditor Strong manufacturing background. 4+ years experience ("Big 5" & private industry preferred). BS Accounting minimum, Masters and CPA preferred.

Auditor 2-5 years experience. BS Accounting or Finance. CPA or exam eligible. Minimal overnight travel.

Financial/Internal Reporting Accountant 5+ years applicable accounting / JD Edwards experience. BS Accounting minimum.

Interested candidates can fax or email resumes to Lavonda McGlory at 931-454-9760 or forefronti@aol.com.

PERFORMANCE MEASUREMENT SEMINAR

Friday, October 25, 2002

Seelbach Hilton 500 S. Fourth Street, Louisville, KY

Presented by

Glenn P. Hoffman, CIA, CPA, CBA, CFSA

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| <p style="text-align: center;">Course Outline:</p> <p><u>Performance Measures</u></p> <ul style="list-style-type: none">• The concepts and benefits of performance auditing• Performance auditing standards - GAO and IIA• Introduction to Performance Measures <p><u>Management Issues, Concerns and Functions</u></p> <ul style="list-style-type: none">• <u>Statement of Management Purpose</u>• Management functions and how they address issues and concerns• Working in a constructive partnership <p><u>Performance Measures</u></p> <ul style="list-style-type: none">• What to consider when auditing Performance Measures• A sample Audit Program of Performance Measures | <p style="text-align: center;">Fee: Only \$200 full day</p> <p>Includes:</p> <ul style="list-style-type: none">• Seminar (8 hours CPE Credit)• Continental Breakfast• Lunch• Afternoon Snack <p style="text-align: center;"><u>Registration Deadline 10/16/02</u></p> <p>Register by phone or email to:</p> <p>Carrie Ramsey Phone: 502-627-4738 Fax: 502-627-2590 Email: carrie.ramsey@lgeenergy.com</p> <p>Please forward payment of \$200 through PayPal or by check to:</p> <p>LG&E Energy Corp. Attn: Carrie Ramsey 4th floor 220 West Main Street P. O. Box 32030 Louisville, KY 40232-2030</p> |
|---|---|

Glenn is a Senior Accountant for Highmark Inc. in their National Business Accounting Department. Prior to joining the National Business area in 2001, Glenn worked in the internal auditing profession for eight years. He is experienced in all phases of the internal audit function including planning the audit, developing and analyzing the risk assessment and the audit program, managing the audit fieldwork, and reporting the audit testing results to management. He has specialized in healthcare audits (operational and compliance), and he has coordinated the continuing professional education within Highmark. Prior to joining Pennsylvania Blue Shield (the predecessor to Highmark Inc.), Glenn was an Audit Senior for PNC Bank where he also specialized in compliance audits.

Glenn is a graduate of the Pennsylvania State University with dual majors in Finance and Professional Accountancy and he earned his MBA from Lebanon Valley College in 1993. He earned his Certified Bank Auditor designation in 1993, earned his Certified Financial Services Auditor designation in 1996, became a Certified Public Accountant in 1997, and became a Certified Internal Auditor in 1999.

Glenn has been an instructor for the American Institute of Banking since 1988 and has been a member of the Adjunct Faculty of the Harrisburg Area Community College since 1996. Glenn was instrumental in developing six courses offered by the Capital Area Chapter of the American Institute of Banking as well as countless seminars and serves as the lead instructor for three of those courses.

He has been a member of The Institute of Internal Auditors since 1995 and serves as President of the Central Penn Chapter. He has been a Distinguished Faculty Member of The IIA since 1997.

CHAPTER NEWS

Visit www.iialou.org for more details!!

PAYPAL A SUCCESS!!

As announced in the September newsletter, members now have the option of paying for meetings and seminars online using a major credit card or directly from a bank account. Several members used the PayPal system for the September meeting fee.

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 "pay now" for each meeting. Simply click on the button for the meeting 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 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, which you can use to pay many other 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 endeavors continued presence.

MADNESS MONTH!

Do you know someone who would benefit from membership in the IIA? Well, October 1 through November 15 is Membership Madness Month! Here is how it works: Nonmembers who are contacted by their local IIA chapter can join The Institute between October 1 and November 15 for as little as \$85 with no application fee. If you know someone interested in joining our chapter, contact President Michele Welscher at mwelscher@kheaa.com. This chapter-driven outreach effort will definitely attract new members. Your assistance in this membership drive will be greatly appreciated!

CIA INFO

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 |
|-------------|---------|-------|-------|-----------------|--|
| 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
Glenn E. Sumners 225-766-7788

Fax: 225-766-7083 or email
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@firstenergygroup.com.

DO YOU KNOW what the CIA® designation can do?

FOR NEARLY THREE DECADES, The IIA's premier certification, the Certified Internal Auditor (CIA) designation, has reflected competence in the principles and practices of internal auditing and has served as the only internationally accepted designation for internal auditors. But did you also know that attaining the CIA designation could make a world of difference for you?

IN YOUR CAREER ...

ATTAINING THE CIA DESIGNATION outwardly signifies your achievement and commitment to the profession. Whether you choose to stay within the field of internal auditing or move up within your organization, the broad-based understanding of business, risk, and control required of CIAs will serve as an invaluable base of knowledge.

IN YOUR ORGANIZATION ...

CIAS OFFER ADDITIONAL EXPERTISE and thorough knowledge of operations; CIAs are a valuable resource to executive management and boards of directors in accomplishing overall goals and objectives. Such diversity gives internal auditors a broad perspective on the organization.

Visit www.theiia.org for more information and to register.

NATIONAL NEWS *cont'd ...*

NEW MEMBER BENEFIT:

Unlimited CPEs Online through the IIA's WEB-BASED TRAINING Annual Subscriptions

Our chapter is partnering again with The Institute of Internal Auditors to offer our members annual subscriptions to IIAOnlineCPE.org's two Web-based training subscription products for [only \\$199 each](#).

In addition, for every seven (7) members who subscribe to one of IIAOnlineCPE's subscription training products, our chapter will receive one (1) free annual subscription to be raffled at chapter meetings.

Here is some information about the two subscription training products at IIAOnlineCPE.org:

- Issues and Answers From the Experts (formerly IIAOnlineCPE.org)

You pick the time. Then log on and choose from over 110 lectures (CPEs) through out the subscription year from leading experts and teachers. Courses use streaming video technology with superb visual aids and graphics. At least four (4) new lectures (courses) are added monthly.

Issues and Answers From the Experts keeps track of your CPEs. You can print your CPE certificate off the system.

Issues and Answers From the Experts is available to IIA members for an annual subscription fee of [only \\$199](#), which gives the subscriber access to 110 hours of CPE credits per year. That's less than \$2 per CPE.

- (NEW) Skills Training

Skills Training is an annual subscription featuring more than 1,000 NASBA approved credit hours and hundreds of multi-media and text driven skills-based courses for one low price of [only \\$199](#).

Courses include downloadable course materials, instantly graded exams, the ability to track credits and print your CPE certificate at completion of the course.

Choose from categories including accounting and auditing, financial planning, consulting, management, computer applications, taxation, and more.

Purchase both Issues and Answers From the Experts and Skills Training for [\\$299 and Save!](#)

IIAOnlineCPE.org offers two free demonstration courses, so you can try before you buy.

Special Discount Offered for organization group purchases. Call for details!

To subscribe or to ask questions contact Ray Brindley at The IIA (407-937-1341), or (rbrindley@theiia.org)

NATIONAL CALENDAR

October 2002

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

November 2002

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|-------|---|
| 4-5 | <u>Small Audit Shops: Formulas for Success</u> Conference, Dallas, TX |
| 4-8 | Seminars, Cincinnati, OH |
| 11-14 | Vision University, Orlando, FL |
| 11-15 | <u>Security, Auditability and Control of Peoplesoft Systems</u> , Columbus, OH |
| 18-22 | Seminars, San Francisco, CA |
| 20-21 | CIA Examination |
| 21 | CCSA Examination CGAP Examination CFSA Examination |
| 20-22 | <u>Assessing Business Risk: The Gateway to Value-Added Results</u> Seminar, San Francisco, CA |

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 | IA Standard 1300-Quality Assurance and Improvement Carl Balderson Louisville Gas and Electric | 2/11/03 | IIA National President Bill Bishop IIA National President |
| 10/25/02 | Performance Measurement Seminar 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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Have a SPOOK-TACULAR HALLOWEEN!!