

DERBY CITY DISCLOSURES



November 2002

LOUISVILLE IIA CHAPTER

PRESIDENT'S MESSAGE

Dear Members,

Well it is fall and the Halloween season is upon us. The ghosts must have been busy practicing their scaring techniques, for our turnout was light for the October meeting. For those unable to attend the meeting, our own Carl Balderson played no tricks but provided us a treat with an informative presentation on the IA Standard 1300. As chairperson of the IIA national committee of quality assurance, Carl Balderson is our own local guru to information on the IA Standard 1300- Quality Assurance and Improvement.

At our next meeting on November 12th, Randall Light of BMI Audit Services will speak on Auditing Health Care Benefits. As a new topic and applicable to all the membership, I am expecting the turnout to be good. Also, don't forget to mark your calendar for the December meeting with Rick Julien and Lawrence Rieger (formerly with Arthur Anderson) of Crowe Chizek, LLC. I have already received several calls for information on this meeting.

Don't forget this 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.

I hope every one has a wonderful month and I look forward to seeing you in November.

Your President,
Michele F. Welscher, CPA

GLOBAL GOVERNANCE PLAN

YOUR VOTE COUNTS-

October 15 – November 15 Online at www.theiia.com

NEXT MEETING:

Tuesday, November 12, 2002

Auditing Healthcare Benefits

See page 2 for details

OCTOBER MONTHLY MEETING

Auditing Healthcare Benefits

Speaker: Randall Light
Founder, Managing Partner
BMI Audit Services

Tuesday, November 12, 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:
Smoked Chicken Salad
Broiled Boston Scrod
Club Sandwich

Cost: \$20.00
Use PayPal at www.iialou.org or remit at meeting

RSVP by Friday, November 8, 2002

Carrie Ramsey
Office: 627-4738
Fax: 627-2550
Carrie.ramsey@lgeenergy.com

About Randall . . .

Randall Light is a noted technical expert in the field of Employee Benefits. His expertise is valued in the areas of health and welfare benefit plan design, underwriting review, contract review, analysis of funding techniques, and regulatory compliance. Mr. Light is currently the managing partner of BMI Audit Services, a premier health care benefits audit firm based in South Bend, Indiana.

Prior to founding BMI Audit Services, Mr. Light lead the Group Benefits Consulting practice for Crowe Chizek & Company, LLP, the nation's 8th largest accounting and consulting firm.

Mr. Light is a faculty member in the Continuing Education Division at Indiana University, South Bend and a frequent speaker on employee benefits topics.

"**Health Care Benefits Auditing**", will focus on the essential function of auditing self-insured health care plans. To be reviewed will be the underlying necessity for such audits including fiduciary oversight, cost-containment motives, and ongoing payment accuracy assurance. The presentation will also illustrate the development of an audit plan including data requirements, the use of electronic technology, error sampling methods, and investigative techniques.

NEW ADVERTISEMENT POLICY

Does your company have an opening? Tell your HR Department about us!

FREE recruiting advertisements are available on the local IIA Chapter website and in the monthly newsletter! Any employer is eligible for free advertising IF at least one employee is a member of the Institute of Internal Auditors, Louisville Chapter. Executive Search Firms will be charged a nominal fee. For more information on the advertising policy, contact IIA Louisville Chapter President Michele Welscher at president@iialou.org.

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!

CHAPTER NEWS

Visit www.ialou.org for more details!!

WELCOME NEW MEMBERS!

Two new members have joined our chapter. Please give a warm welcome to our newest members, Robin R. Snodgrass and Beth Stenberg.

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!

PAYPAL GOING STRONG!!

Join the growing group of Chapter members using PayPal, the online option to pay for monthly meetings and seminars using a major credit card or a debit card.

The process is simple. Start at the chapter web site (www.ialou.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.

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.

NATIONAL NEWS

Visit www.theiia.org for more details!

As a member of The Institute of Internal Auditors, you are **urged to vote** on the proposed amendments to The IIA bylaws. Those bylaw changes will be presented for final approval at a special membership meeting to be held on December 4, 2002, in Orlando, Florida U.S.A. The following describes the voting process and the IIA web site address for information.

VOTE - GLOBAL GOVERNANCE PLAN

OCT 15 - NOV 15

ONLINE AT WWW.THEIIA.ORG

1. Call for Special Meeting of Members, Time and Place:

On September 27, The IIA Board of Directors approved a new governance plan and related bylaw amendments that will substantially change the governance structure of The Institute. The Board has called a special membership meeting to approve the recommended bylaws. That meeting will be held on December 4, 2002, 2:00 pm, at the Sheraton World Resort in Orlando, Florida, U.S.A. All active members are eligible and encouraged to vote either in person or by assignment of a proxy.

IIA International Secretary Gerald D. Cox invites all members to vote on the bylaw amendments and related propositions. All current members (except student members) as reported by the affiliate as of August 31 are eligible to vote. Members may vote in person or by assignment of a proxy.

Members voting in person must cast their vote at the special membership meeting on December 4, 2002. **Members who cannot attend the meeting** may cast their votes by executing a **proxy ballot online** or by sending the completed proxy ballot (via e-mail, postal mail, or fax) to IIA Headquarters. All proxies must be received at IIA Headquarters on or before November 15, 2002, to permit validation of membership before the meeting on December 4, 2002.

2. Member Voting Process:

Members will need their IIA membership number and IIA Web site password to access the Proxy Ballot Form on the Web. If you do not know your identification number or Web site password, please call IIA's Customer Service group at (407) 937-1111 or email at custserv@theiia.org [<mailto:custserv@theiia.org>](mailto:custserv@theiia.org). Starting October 15 through November 15, the **proxy ballot** will be **available on The IIA Web site for members** who wish to cast their vote by completing a proxy on line. If possible, you should vote on line, the most efficient method for voting and computing results. You may also download the proxy ballot and e-mail it back to IIA Headquarters. Finally, you may print the ballot and mail or fax it to IIA Headquarters. All ballots must be received at IIA Headquarters no later than 11/15/02.

3. Global Governance Plan:

The Global Governance plan and the related bylaw amendments provide for a smaller Board of Directors with

more global representation, establishment of a North American Committee to oversee North American operations, identification of global products and services, and global funding to cover global operations.

You may visit The IIA's Web site www.theiia.org [<http://www.theiia.org>](http://www.theiia.org), for detailed information on the governance plan, proposed bylaws, frequently asked questions, financial implications, and voting instructions. The home page of The IIA Web site features links to the Global Governance section of the site [<http://www.theiia.org/ecm/iiaglance.cfm?doc_id=1214>](http://www.theiia.org/ecm/iiaglance.cfm?doc_id=1214) where all supporting documents appear, a link to the actual Proxy Ballot Form.

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 as well as information on how the membership vote will be conducted. Has been added to the Web site.

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 ...*

SEC proposals include requirement for internal control reports

THE U.S. SECURITIES AND EXCHANGE COMMISSION proposed rules October 16 to implement provisions of the Sarbanes-Oxley Act. They are available now on the SEC Web site. All the key requirements of Sarbanes-Oxley, the SEC, and America's stock listing exchanges are compared and contrasted in a 20-page analysis from The IIA Research Foundation. The document, which will be updated periodically, will help internal auditors stay abreast of the changing roles and relationships of the corporate governance entities in response to new legislative and regulatory requirements.

Also October 16, attendees of an IIA-sponsored corporate governance conference in New York were told that restoring public confidence in corporations will take the joint efforts of management, directors, auditors, and their professional associations to return to the old-fashioned values of honesty, transparency, and fairness. See news release for details and read about The Institute's other far-reaching corporate governance initiatives.

As a result of these and other governance-related actions, 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.

New training opportunities from The IIA

IIA HAS THE TRAINING YOU NEED. Eight new seminar topics have been introduced to meet the changing needs of practicing internal auditors. Our Web-based Training is expanding, too, with a new annual subscription training product called Skills Training that features over 1,000 NASBA-approved CPE hours for \$199. See the Training section of our Web site for more information.

Call for nominations 2003–2004

THE IIA IS SEEKING QUALIFIED MEMBERS to serve in leadership positions for 2003–2004. Volunteers provide essential leadership to and direction for The Institute through strategic planning, presentation of new ideas, development of programs, and accomplishment of specific tasks. Nominations for the Board of Directors, the Research Foundation Board of Trustees, regional representatives, district representatives (North America only), and the 19 IIA committees should be received by The IIA by **November 30**. Terms begin in June 2003. See the Call for Nominations at theiia.org for more information and submission forms.

Small audit shops to explore solutions

IF YOU ARE PART OF AN AUDIT SHOP with 10 or fewer practitioners, don't miss The IIA's first-ever conference especially for you. Small Audit Shops: Formulas for Success has everything you've asked for.

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)*

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.

NATIONAL CALENDAR

November 2002

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

December 2002

9-13	Seminars, Orlando, FL
16-18	Seminars, Cincinnati, OH
16-20	Seminars, New York, NY

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Position Opening: Risk Management/Internal Audit Senior Manager
Crowe Chizek

Basic Function & Responsibilities: The Senior Manager will lead and manage a wide range of risk management and internal audit client engagements. This role will make a significant contribution to the overall development of this business infrastructure including methodology development, recruitment, training, and business development. The Senior Manager will support partners as part of a business development team introducing this service to business executives.

Preferred Requirements: Bachelor's degree, CPA or MBA.

Candidates can contact Firmwide Recruitment, recruiting@crowechizek.com , or Fax (574)236-7609.

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Position Opening: Senior Staff Risk Management / Internal Audit
Crowe Chizek

Basic Function & Responsibilities: The Senior Staff Internal Audit/Risk Management will serve as a team member on a wide range of risk management and internal audit client engagements. This role will also make a significant contribution to the overall development of this new business's infrastructure including methodology development, recruiting, training and business development.

Must Requirements: Bachelor's degree and CPA required.
Preferred Requirements: MBA, CIA.

Candidates can contact Firmwide Recruitment, recruiting@crowechizek.com , or Fax (574)236-7609.

LOUISVILLE CHAPTER UPCOMING SCHEDULE

11/12/02	Auditing Health Care Benefits Randall Light BMI Audit Services	3/11/03	MIS Seminar To Be Announced
12/10/02	Corporate Governance Rick Julien and Lawrence Rieger (formerly with Arthur Anderson) Crowe Chizek, LLC	4/8/03	Center for Quality Management James Stiffle CQM Louisville
2/11/03	IIA National President Bill Bishop IIA National President	5/13/03	CRUISE ON STAR OF LOUISVILLE Interview Skills Stacy Robertson

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