

# DERBY CITY DISCLOSURES



February 2003

LOUISVILLE IIA CHAPTER

## PRESIDENT'S MESSAGE

Dear Members,

Even with the artic cold weather, our first meeting at Vincenzo's went smoothly. We have received positive feedback from the membership on our new location. If you have comments on our new location, feel free to email me. Your feedback is important to our success.

Our speaker, Marvin Goetz, was very informative on Identity Theft. This was a topic that was important for all of us individually and something that all our organizations should consider to protect our customers/consumers. Mr. Goetz wanted to notify the membership of a Louisville area publication, Snitch, which contains weekly crime reports from the Louisville area listed by zip code. This publication is available free at most Kroger and Winn-Dixie stores in the Louisville area.

I am excited to announce that we will have a two-day seminar on March 3 & 4 on IS Auditing for Non-Technical Auditors with Tom Salzman, Illinois State Univeristy. I had the privilege to attend a one-day seminar given by Mr. Salzman and it was wonderful. Mr. Salzman is a very entertaining and engaging speaker. This is a seminar that you will not want to miss. We already have twenty-three participants registered for this seminar and space will be limited, so register early to ensure a place in this seminar. See further details in the newsletter.

Don't forget to mark your calendar for the February meeting with Mr. Bill Bishop, National IIA President. Mr. Bishop will speak on the Changes in IIA and the Internal Audit Industry. I look forward to seeing you at our February meeting. Don't forget we are at our new location –Vincenzo's.

Your President,  
Michele Welscher

## **NEXT MEETING:**

Tuesday, February 11, 2003 at Vincenzo's Restaurant

## **Auditing in a Dynamically Changing Context**

*See page 2 for details*

# **FEBRUARY MONTHLY MEETING**

## **Auditing in a Dynamically Changing Context**

Speaker: Bill Bishop, IIA National President

President Bishop will discuss the most current information affecting the profession and The Institute of Internal Auditors. The talk will provide information on matters that effect change such as the SEC's final rules on auditor independence, e-business, transition economics, and the Professional Practices Framework. In addition, Bishop will give an update on IIA strategic initiatives.

**Tuesday, February 11, 2003**

12:00 noon, 11:30 registration

**1 CPE hour**

(certificates available upon request)

**Vincenzo's Restaurant**

105 S. 5<sup>th</sup> Street, Louisville, KY  
(parking will NOT be validated)

### **Menu selections:**

Chicken w/Mushrooms & Spinach  
Rotini w/Grilled Chicken  
Trio Salad

Cost: \$20.00

Use PayPal at [www.iialou.org](http://www.iialou.org) or remit at meeting

**RSVP by Friday, February 7, 2003**

Carrie Ramsey

Office: 627-4738

Fax: 627-2550

[Carrie.ramsey@lgeenergy.com](mailto:Carrie.ramsey@lgeenergy.com)

## ***About President Bishop . . .***

In his position as President of The Institute of Internal Auditors, William G. Bishop III, CIA, is the organization's chief paid executive. Prior to assuming the presidency in 1992, Bishop was general auditor for Shearson Lehman Brothers, Inc., in New York City where he directed a worldwide group of 90 auditors. Before joining Shearson in 1986, Bishop was vice president and general auditor of the American Express Company.

A native of Chattanooga, Tennessee, Bishop graduated from the University of Tennessee with a degree in accounting and attended graduate school in finance at the University of Detroit. In 1964, after serving two years in the U.S. Army, he joined Ford Motor Company. He served Ford's auditing department as as manager of North American auditing, manager of supplier auditing, and manager of European auditing based in the United Kingdom.

Bishop was one of The IIA's representatives to the advisory board of the National Commission on Fraudulent Financial Reporting (Treadway Commission) and serves as The IIA's representative on the Committee of Sponsoring Organizations of the Treadway Commission (COSO). Bishop worked with many other volunteers and IIA leaders to produce the COSO report, Internal Control - Integrated Framework, the landmark guide on internal control.

An active member of The IIA since 1982, Bishop served as vice chairman of the international professional issues committee, director-at-large, and governor of the New York Chapter. He is currently a member of the Central Florida Chapter. He has published several articles in Internal Auditor magazine and, in 1991, was awarded The IIA Chairman of the Board's Exceptional Volunteer Citation. He is a past president and member of the executive committee of the internal audit division of the Securities Industry Association.

# CHAPTER NEWS

Visit [www.iialou.org](http://www.iialou.org) for more details!!

## **NOMINATIONS NEEDED FOR NEXT YEAR'S OFFICERS**

The end of this IIA season is fast approaching, which means new officers are needed for next year. If you or anyone you know is interested in taking on such a rewarding task, send a nomination to President Michele Welscher at [mwelscher@kheaa.com](mailto:mwelscher@kheaa.com) or call 502-696-7467.

## **VINCENZO'S - NEW MONTHLY MEETING LOCATION**

With the new year comes a new location for our monthly lunch meetings. Located at 150 South 5<sup>th</sup> Street in downtown Louisville, Vincenzo's has been chosen as the new location for our meetings through the end of the year. Parking tickets can not be validated through Vincenzo's, so plan ahead when attending. Two parking lots are nearby, on Market Street between 5<sup>th</sup> and 6<sup>th</sup> streets, and on 6<sup>th</sup> street between Main and Market.

## **DIRECTOR'S ROUNDTABLE with PRESIDENT BISHOP**

Audit managers and directors will have the opportunity to speak with IIA President Bill Bishop before the monthly meeting on Tuesday, February 11, 2003. A roundtable discussion with IIA President Bill Bishop will be held between 10 and 11:30 am at the Courtyard Café at Vincenzo's. There is no additional fee to attend. Any audit managers or directors interested in attending should contact Carrie Ramsey at [carrie.ramsey@lgeenergy.com](mailto:carrie.ramsey@lgeenergy.com) or (502) 627-4738 by Friday, February 7, 2003.

## **PAYPAL USE INCREASING**

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.iialou.org](http://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.

## **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](mailto:president@iialou.org).

# IS AUDITING FOR NON-TECHNICAL AUDITORS

(Sponsored by Louisville Chapter – Institute of Internal Auditors)

Date: March 3 & 4, 2003  
Location: Seelbach Hilton  
CPE: 16 hours  
Cost: \$270 IIA & ISACA Members  
\$280 Others

Does Information Systems Auditing mystify or befuddle you? Are you being asked to take on the role of IS auditor with only limited guidance and support? If so, this comprehensive Two-day course is exactly what you need.

We demystify Information Systems auditing, making it simple to understand and conduct. How? Well, the key is to first recognize that technology is a business tool to be managed and, as such, can be assessed from a management perspective. From that perspective, we bring together proven audit programs and explanations of the following IS auditing procedures:

- Application Controls Reviews
- Systems Development Audits
- Logical, Physical and Environmental Security Evaluations
- Business Continuity (Disaster/Recovery) Reviews
- General Controls Reviews in a Mainframe Environment
- General Controls Reviews in a LAN and Client/Server Environment
- Debit Card and Procurement Card Audits
- Software License/Copyright
- Manual and Automated Testing Techniques

We also fortify you with the following:

- A review of popular audit software packages, including ACL generalized audit software, various automated flowcharting software, key security audit software and audit planning and risk assessment software products.
- Discussions on how to audit these new accounting systems being installed and driving us crazy!
- Internet-based (i.e. FREE!) audit tools.

In addition to looking at each of these areas and examining the provided audit programs, this session also introduces the non-technical auditor to the following IS audit issues:

- The information systems environment.
- What REALLY are the controls in an IS environment.
- IS audit testing techniques that non-technical auditors can apply NOW.

Bring a big suitcase, because we provide LOTS of handouts. Also provided is Tom Salzman's IS Audit and Control! SourceBook providing a list of: 350 audit software packages, 380 IS audit books, 70 IS audit and control magazines and periodicals, 30 professional associations, and 15 professional certifications.

Speaker  
Thomas Salzman, CISA  
IT Audit Manager  
Illinois State University

Mr. Tom Salzman manages all computer audits conducted by Illinois State University. In this capacity, he works with educational and administrative departments throughout the University to streamline security procedures and improve operational processes and controls. Tom frequently involves student interns with his work to develop their interpersonal and business skills.

In addition, Tom teaches and instructs on a variety of computer and audit topics. He has presented seminars internationally, including Kuwait, Hungary, Cyprus, Turkey, England, Indonesia, Singapore, Tokyo, Bali, Jamaica, Buenos Aires, and United Arab Emirates. Tom has presented numerous successful Certified Information Systems Auditor review courses.

Tom also is an instructor for MIS Training Institute. He is the presenter of courses in application controls, general controls, mainframe and client/server operations, e-commerce, debit card and procurement card management and introductions of IS auditing to non-technical auditors.

Tom previously served as Director of Professional Services for The Information Systems Audit and Control Association (ISACA), where he was responsible for establishing and supporting their worldwide network of educational programs, conferences and special events. This included the Professional Seminar Series and the Computer Audit, Control and Security Conference (CACCS). While at ISACA, Tom was the Editor and co-author of *The ISACA CISA Review Manual*.

Prior to ISACA, Tom was 9 years with Coopers & Lybrand, heading up their Chicago-based Technical Training and Information Security practices.

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**IS Auditing for Non Technical Auditors**

Cost: \$270 IIA/ISACA Members / \$280 Others

Registrations must be received by: February 21, 2002

Name: \_\_\_\_\_ IIA/ISACA MEMBER # \_\_\_\_\_

Company: \_\_\_\_\_

Address: \_\_\_\_\_

Phone: \_\_\_\_\_

Mail Check or Money Order to: IIA Seminar  
C/O Carrie Ramsey  
LG& E Energy Corp  
P O Box 32030  
Louisville, KY 40232-2030  
Phone (502) 627-4738  
FAX (502) 627 - 2590

OR REGISTER ONLINE AT [WWW.LOUJIA.ORG](http://WWW.LOUJIA.ORG) AND PAY VIA PAYPAL !!!!

# NATIONAL NEWS

Visit [www.theiia.org](http://www.theiia.org) for more details!

## IIA seeks comments on proposed Standards changes

THE INTERNAL AUDITING STANDARDS BOARD is seeking comments on proposed changes to the *Standards for the Professional Practice of Internal Auditing*. The newly released [Exposure Draft](#) contains ten new or replacement *Standards* and a number of editorial changes to the current *Standards*. Comments on the Exposure Draft are requested by May 15, 2003.

## Sarbanes-Oxley Webcast series provides guidance

THE IIA WILL PRESENT a leading-edge Webcast series, "Fostering Compliance with the Sarbanes-Oxley Act: Internal Auditing's Role." Designed to help you and your organization understand and adhere to the requirements of new legislation, the four-part series will cover everything from roles and responsibilities to best practices. Although all Webcast panel discussions will be archived and available for purchase, the live broadcast will afford participants the opportunity to pose questions and receive answers from the panel members. [Register now](#) to reserve your space! For more information, see [The IIA's Web-based Training](#).

## Register now for The IIA's premier event!

The IIA's International Conference will be held in Las Vegas, Nevada, USA, June 22-25, 2003. The conference will provide a one-of-a-kind career development program with dynamic keynote speakers and 8 professional tracks of topics of current interest to the global internal auditing community. The conference will be held at the MGM Grand Hotel and Casino with room rates of \$123 for single or double. Register online at [www.theiia.org](http://www.theiia.org); fax +1-407-937-1101, or call +1-407-937-1111. Hotel reservations may be made by calling +1-702-891-7468; fax +1-702-891-3136, or online at [www.mgmgrand.com](http://www.mgmgrand.com). For more information, visit The IIA Web site at [www.theiia.org](http://www.theiia.org) and click the Las Vegas Conference logo.

## NATIONAL CALENDAR

### February 2003

- |       |   |
|-------|---|
| 3-7   | <a href="#">Security, Auditability and Control of PeopleSoft Systems</a> , Columbus, OH |
| 10-14 | Seminars, New Orleans, Louisiana  |
| 24-28 | Seminars, Las Vegas, NV   |

### March 2003

- |        |  |
|--------|--|
| 10-12  | <a href="#">General Audit Management Conference</a> , Orlando, Florida |
| 10-14  | Seminars, Dallas, TX   |
| 24-28  | Seminars, Orlando, Florida   |
| 31-4/4 | Seminars, Los Angeles, CA  |

## CHECK OUT OUR SISTERS

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](http://www.theiia.org) Membership, IIA Affiliates, then list by either location or region.

## LOUISVILLE CHAPTER UPCOMING SCHEDULE

2/11/03	<b>The Internal Audit Industry</b> Bill Bishop IIA National President	4/8/03	<b>Center for Quality Management</b> James Stiffle CQM Louisville
3/3 & 3/4/03	IS Auditing for Non-Technical Auditors Tom Salzman Illinois State University	5/13/03	<b>CRUISE ON STAR OF LOUISVILLE</b> Interview Skills Stacy Robertson K-Force
3/11/03	<b>Sarbanes-Oxley Act</b> Jim Moore Price Waterhouse Coopers		

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#### Seminars

OPEN

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*Happy Valentine's Day*