

DERBY CITY DISCLOSURES



LOUISVILLE IIA CHAPTER

February, 2004

PRESIDENT'S MESSAGE

Greetings,

A special thank you to all the planners and participants of our ½ day seminars on January 30th. Both seminars were well attended. They provided reduced cost for CPE and training and an opportunity for local chapter members to interact outside of a regular luncheon meeting. As a side note, Roger LeMaster from the Louisville Water Company and Mike Evans from the University of Louisville were the recipients of the \$25 gift certificates given away at the end of each seminar.

Mark your calendar for our next regular monthly meeting to be held February 10, 2004, at Vincenzo's. Margaret Kruse from the Integrity Life Insurance Company will be presenting "Retirement Plans for the Self Employed".

An unofficial congratulation is an order for our local chapter. As of January 31, 2004, we have exceeded the minimum requirements for "Bronze Status" from National Headquarters. The Bronze Status represents our chapter's hard work throughout the calendar year and means we have achieved the minimum necessary ratings in the following areas: service to members, service to the profession and chapter administration. The Bronze Status along with Gold and Silver are shared by only a handful of IIA chapters. CONGRATULATIONS TO US!!

The 2004-2005 succession plan is underway and we are actively looking for members to be a part of our chapter's leadership team. The success of our chapter and the quality of our programs depends on each of us. If you would like to volunteer or simply share an idea to strengthen our chapter, contact myself or another member of the current leadership team.

God Bless.

John Kilroy
President

NEXT MEETING:

Tuesday, February 10, 2004 at **Vincenzo's Restaurant**

Retirement Plans for the Self-Employed

FEBRUARY MONTHLY MEETING

Retirement Plans for the Self-Employed

Margaret Kruse
Integrity Life Insurance Company

Tuesday, February 10, 2004
12:00 noon, 11:30 registration

1 CPE hour
(certificates available upon request)

Vincenzo's Restaurant
105 S. 5th Street, Louisville, KY
(parking will NOT be validated)

Menu selections:

Cobb Salad
The Country Club
Farfalle w/Grilled Chicken

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

RSVP by Friday, February 6, 2004

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

About Margaret . . .

Margaret A. Kruse serves as Product Tax Counsel for Integrity Life Insurance Company in Louisville, Kentucky. She received a J.D. from the University of Notre Dame Law School in 1985 and an LL.M from William Mitchell College of Law in 1997. Prior to joining Integrity in 1998, Margaret was a Trust officer for First Bank in Minnesota and a Financial Planning Analyst for American Express Financial Advisors. Margaret also completed a year of service with Americorps in 1998. In 1999 she traveled to England for a year to study art history at the Christie's auction house in London before returning to Integrity. She is an enthusiastic collector of American studio glass.

PayPal is an quick and simple way to pay for monthly IIA meetings. From the chapter web site (www.iialou.org), go to the meeting and seminar schedule page. Click the "pay now" button for the meeting you wish to pay for. If you already have a "PayPal" account, simply verify the amount, enter your log-in and password. *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). 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.

CHAPTER NEWS

Visit www.iialou.org for more details!!

WELCOME NEW MEMBER!

We have a new member . . . Ray Paulin of Brown and Williamson, Inc. Welcome!

MONTHLY MEETING REMINDER

Please remember to RSVP to Carrie Ramsey for any monthly meetings you will be attending. **BUT**, if you register to attend the monthly chapter meeting and later decide you need to cancel your reservation please contact Carrie Ramsey by noon on the Friday prior to the meeting. The chapter is charged for the number of lunches submitted to Vincenzo's regardless of the number of individuals that actually attend.

COSO AND CSA TRAINING

In response to Sarbanes-Oxley, Commonwealth Industries Inc. is hosting a 2-3 day training seminar conducted by The Institute of Internal Auditors (IIA). The training is designed to focus on management's implementation of COSO and CSA rather than having an internal auditor's focus. The IIA will be presenting this advanced blended training with content from the following IIA seminars: **Evaluating Internal Controls – A COSO-based Approach *UPDATED!***; **Introduction to Control Self-Assessment**; and **Facilitating Results Using CSA**

This is considered advanced training and attendees should have knowledge of COSO and CSA.. Seating is Limited and is on a First Come basis. For more details, see the final pages of this newsletter. RSVP to **Don Whitehouse, Director, Internal Audit, Commonwealth Industries, Inc., 502-588-3942** or don.whitehouse@ciionline.com.

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Established leader in residential programs for persons with disabilities and disadvantaged youth has the following open positions:

Financial Control Analyst

3-5 years experience in accounting or related field. Bachelor's degree in Accounting, CPA desirable. Strong technical skills, including experience with internal auditing and management reporting. Experience with establishing and monitoring internal controls is essential. Candidate must possess excellent interpersonal, communication, organizational and project management skills.

Assist with the responsibility for the documentation and testing of internal controls, as it relates to the adoption of the Sarbanes-Oxley legislation. This will include project management to ensure the Company is in compliance with applicable rules and regulations as they relate to internal controls. Ideally, this position will lead to an internal audit position which will assist in coordination of financial internal audit functions and annual compliance efforts.

For consideration, send cover letter (MUST SPECIFY POSITION) including salary requirements and resume to:

ResCare
Recruitment Specialist
10140 Linn Station Road, Louisville, KY 40223
lbyers@rescare.com

NATIONAL NEWS

Visit www.theiia.org for more details!

More than 100 items added to guidance sections

THE IIA CONTINUES to provide professional information on its [guidance](#) and [technology pages](#). Numerous items have been added to support efforts in [governance](#), [information technology](#), [information security management](#), and others. [Development Practice Aids](#) are another great source of information for the audit practitioner and items from around the world have been compiled and organized by the various audit standards. Finally, in the representation arena several [responses](#) have been recently submitted to PCAOB, IFAC, OSC, and others.

CIA exam materials under revision

STUDY MATERIAL FOR THE MAY 2004 Certified Internal Auditor (CIA) exam is under revision. The 2004 Model Exam Questions and the Gleim study materials will be available during February, and MicroMash study materials during March. More information will be available Feb. 10. For additional information about the new CIA exam syllabus, refer to the [Executive Summary](#) or learn more about other Certification [products and special offers](#).

Share knowledge

AS AN INTERNAL AUDIT MANAGER, you want to be confident that you have a staff with depth of experience, one in which any number of individuals could step in and take over an important project. Visit the audit career center and [read more](#).

Meeting the 404 challenge

THE IIA's NEXT WEBCAST will be Feb. 10. "[Are you ready for IT Control Identification & Testing?](#)" will focus on best practices, identifying and testing IT general and application controls, and how COBIT may fit.

NATIONAL CALENDAR

FEBRUARY, 2004

9 – 13 Seminars, New Orleans, LA
16 – 20 Seminars, San Diego, CA

1 – 5
8 – 12
31 – 4/2

Seminars, Baltimore, MD
Seminars, Orlando, FL
Seminars, Las Vegas, NV

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OPERATIONS AUDITOR

LG&E Energy LLC is looking for experienced applicants to provide independent, objective assurance and value added consulting for improvement of the organization's operations including health and safety, engineering, systems, and environmental areas.

The successful applicant will hold a bachelor's degree in an operations related area, or an alternate combination of education and experience which results in equivalent job knowledge; professional certification and/or MBA/master's degree desired; three or more years' business or operational experience (utility experience preferred).

Please email your credentials and salary requirements to strategicstaffing@lgeenergy.com and reference Operational Auditor #**5910** in the subject line of your response.

2003 – 2004 MEETING SCHEDULE

Louisville Chapter

- 2/10/04** **Effect of the New Tax Bill**
Margaret Kruse, Tax Attorney – *Integrity Life Insurance Co.*
- 3/9/04** **Security and the Workplace, Terrorism and You.**
FBI
- 4/13/04** **Business Continuity – State and Local Government Response to
Businesses following a Local or Regional Disaster**
Charles Bogart – KY Disaster Emergency Services
- 5/11/04** **Networking**
Leslie Goldhill – *Ajilion*
Ohio River Lunch Time Cruise Riverboat

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As the eighth largest public accounting and consulting firms in the United States, Crowe Chizek offers specialized services with a client focused, relationship based culture. By continually delivering on the Core Ideology: "Building Value with Value," our Internal Audit Services have established a position of leadership across the nation.

We are currently seeking experienced staff and management level professionals to lend their expertise in a wide variety of risk management and internal audit disciplines. These roles will make a significant contribution to the overall development of business infrastructure including methodology and business development. We are looking for candidates with strong backgrounds in either operational or IT audit as well as a Bachelor's degree, CPA, CIA or CISA certification and experience in various risk management roles.

Please forward you resume to:
Crowe Chizek and Company LLP
Firmwide Recruitment
Email: cbrens@crowechizek.com

Visit our website: www.crowechizek.com

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Compliance Auditor

Kentucky Housing Corporation is seeking a Compliance Auditor. Position requires audit experience or knowledge of affordable housing programs. In-state travel required. Salary Range: \$30,459-\$48,655.

Please send resume and salary history to Human Resources Director, KHC, 1231 Louisville Road, Frankfort, KY 40601.

For additional information, please visit www.kyhousing.org.
An Equal Opportunity Employer M/F/D/V

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ADVERTISEMENT POLICY

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 of \$50 for ½ page advertisement and one month of posting open positions on our webpage. Payment must be received prior to advertising / posting. For more information, contact the IIA Louisville Chapter President at president@iialou.org or Secretary at secretary@iialou.org.

HAPPY VALENTINE'S DAY!



Calling All...

Auditing staff, supervisors, and managers seeking first-hand experience and practical guidance as they select and implement the COSO framework in their own organizations.

In response to Sarbanes-Oxley, Commonwealth Industries Inc. is hosting a 2-3 day training seminar conducted by The Institute of Internal Auditors (IIA).

Join us for a unique COSO and CSA training experience.

The training is designed to focus on management's implementation of COSO and CSA rather than having an internal auditor's focus. The IIA will be presenting this advanced blended training with content from the following IIA seminars:

- Evaluating Internal Controls – A COSO-based Approach **UPDATED!**
- Introduction to Control Self-Assessment
- Facilitating Results Using CSA

This is considered advanced training and attendees should have knowledge of COSO and CSA.

Seating is Limited and is on a First Come basis:

- Days 1 and 2 are limited to 30 participants. 14 CPE
- Day 3 is limited to 10 participants and 10-20 observers. 21 CPE

Your Opportunity To...

- Learn how the COSO framework expands upon traditional concepts of internal control.
- Discuss the variety of roles auditors are undertaking in response to SEC financial certification requirements in response to the Sarbanes/Oxley Act of 2002.
- Share insight into how leading-edge audit departments are using COSO to reengineer their audit practice.
- Learn to tailor COSO-based evaluation tools to your own environment.
- Receive "best practice" evaluation tools to use as models in creating your own tools.
- Gain insight into emerging trends: control self-assessment, risk-based auditing, and management reporting on internal controls.

The following course outlines are the outlines from each 2-½ day seminar. The IIA Training materials for each full 2 ½ day seminar will be provided for this advanced training, but some sections will either not be covered or will be lightly covered.

Day 1, March 1, 2004

Evaluating Internal Controls – A COSO-based approach *UPDATED!*

COSO Overview: "The Heart of the Beast"

- Preview your free copy of *Internal Integrated Framework*
- Key concepts and implications
- "Guided tour" of the COSO report
- Two central COSO implementation principles and how to apply them
- The revolutionary challenges COSO presents to the internal audit profession

SEC Financial Certification Requirements of the Sarbanes/Oxley Act of 2002

“Hard” and “Soft” Controls

- The distinction between “hard” controls and “soft” controls
- Practical ways to evaluate “soft” controls
- Using the COSO report as an “idea generator” to identify key points of focus for a given audit assignment

Entity-wide Evaluation

- Successful entity-wide evaluation tools provided by various organizations
- Five powerful entity-wide evaluation tools
- Design an entity-wide evaluation technique for your own organization

Activity-level Evaluation

- Successful activity-level evaluation tools provided by various organizations
- Five high-payback evaluation tools
- Design an activity-level evaluation technique for your own organization
- Risk-based auditing under COSO
- CSA workshops and two alternative self-assessment techniques

Day 2, March 2, 2004

Introduction to Control Self-Assessment

Background and Overview

- Understand what CSA is and what it is not
- The benefits of CSA
- Discuss the internal auditing controversies surrounding CSA
- The origin and development of CSA
- Fully implemented view of CSA

Cultural Necessities: Assessing Organizational Culture

- Evaluate your organization’s culture
- Impact of employee empowerment on the CSA process
- Use of an instrument designed to access organizational culture as it relates to CSA
- Options for implementing CSA in your organization
- Understand how voting technology is used in CSA
- Relate CSA to your own organization

CSA Formats

- Understand the major formats organizations are using in CSA workshops, surveys and others
- Be aware of the advantages and disadvantages of the various CSA formats
- Select the appropriate format for your organization
- Relying and reporting on CSA results
- Coordination with other audit efforts

Control Frameworks: Tools for Meeting Organizational Objectives

- Understand how to use a framework in CSA
- Identify control frameworks available for use in CSA
- Understand how to design controls

Reporting and Quality Assurance

- Understand how organizations are reporting CSA results
- Understand the work needed to rely on CSA results
- Discuss the impact of implementing CSA in your organization
- Perform a quality assurance of CSA results

CSA Skills Introduction

- CSA facilitation strategies and generic facilitator responsibilities
- Additional responsibilities for CSA facilitators
- Understand several different approaches to facilitating workshops
- Understand the importance of recording data in the workshop
- Understand the basic skills needed to facilitate a CSA workshop
- Learn how to use mechanized data gathering techniques in a workshop

CSA Implementation

Be familiar with the resources CSA implementation requires

Understand various implementation options available

Know what to do next with CSA

Develop a plan to implement and market CSA

Become familiar with current CSA cost trends

Optional Day 3 Training (limited seating) March 3, 2004
Facilitating Results Using CSA

Control Self-Assessment Background and Overview

- How others are using CSA
- Identifying others with whom you may want to share CSA experiences
- CSA historical background
- CSA drivers, benefits, and concerns
- Major CSA implementation steps

The Art of Facilitation

- Generic vs. CSA facilitator responsibilities
- Traits of an effective facilitator
- The personality parade-handling different types of behavior
- Rules for group decision-making
- Getting a group to reach consensus

Preparing for a CSA Workshop

- Steps necessary for preparing for a CSA workshop
- Commonly asked questions about CSA
- The hierarchical nature of business objectives
- Selecting workshop objectives
- Selecting workshop participants
- Practice your facilitation and recording skills
- Logistics and setup of facilities
- Icebreakers and controls training

Hands-on CSA Workshop Practice

Running a CSA workshop

Identifying objectives for use in CSA workshops

Providing feedback to others as they practice their facilitation skills

Role-playing various personality types to provide others experience in handling different workshop situations

Refining your questioning techniques

Using a control framework during the workshop

Recording data for a workshop

Audit Tools and Readings

- Checklists for running a workshop
- Checklist: What to consider when selecting the first workshop and participants
- Articles on CSA best practices
- Control framework samples

Cost:

Day 1 and Day 2 Training (March 1, 2004 – March 2, 2004)

Includes all materials and lunch \$495.00 per person

Day 1, Day 2 and Day 3 Training (March 1, 2004 – March 3, 2004)

Includes all materials and lunch \$595.00 per person

Training Location:

Louisville Water Company

550 South 3rd Street

Louisville, KY 40202

To make reservations or for additional information, please contact:

Don Whitehouse

Director, Internal Audit

Commonwealth Industries, Inc.

502-588-3942

don.whitehouse@ciionline.com