

DERBY CITY DISCLOSURES



LOUISVILLE IIA CHAPTER

February, 2006

PRESIDENT'S MESSAGE

Hello to All!

Thanks to all the participants of our January Roundtable discussion and those that attended. Thanks again to:

Dave Barker, U of L, Moderator
Debbie Shelton, E. ON U.S.
Brian Day, Jefferson Wells
Brian Kruk, Titus
James Youngblood, YUM
Dawn Felice, Institute of Internal Auditors

Fraud Seminar

Courtenay Thompson will be here February 2nd for an 8 hour seminar. Please see the enclosed announcement for more information. This should be a very interesting and informative seminar.

February Meeting- Valentine's Day, February 14, 2006

Show how much you love our Chapter by attending our February meeting! We will be back at the Bristol and our speaker this month will be Tony Belak, Director of Sullivan University's Alternative Dispute Resolution Center. The topic will be "The Role of Alternative Dispute Resolution in Business, Managing Conflict and Controlling Costs". I look forward to seeing you all there!!

Ideas for Training Courses for next year

As always, if anyone has any ideas or topics that they would like to see next year, please don't hesitate to send ideas to me at dkdowell@dkdcpa.com. We are always looking for ideas, so please don't hesitate.

I look forward to seeing everyone in February!

Dwayne K. Dowell
Chapter President

NEXT MEETING:

Tuesday, February 14, 2005

at the **Bristol Downtown**

The Role of Alternative Dispute Resolution,
Managing Conflict and Controlling Costs

See page 2 for details

FEBRUARY MONTHLY MEETING

The Role of Alternative Dispute Resolution, Managing Conflict and Controlling Costs

Tony Belak
Sullivan University

Tuesday, February 14, 2005
12:00 noon, 11:30 registration

1 CPE hour
(certificates available upon request)

Bristol Bar & Grille Downtown
614 West Main Street
(parking will NOT be validated)

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

RSVP by THURSDAY, February 9, 2005

Carrie Ramsey
Office: 627-4738 Fax: 217-2447
Carrie.ramsey@lgeenergy.com

Menu selections:

LINGUINI PIETRO

Linguini tossed with mushrooms, sun-dried tomatoes, garlic, capers in olive oil & white wine

CHAPALA POLLO

Grilled chicken breast topped with green pepper, chilies & red onions. Topped with jack cheese and served on a baguette. Served with chips.

CLASSIC CAESAR SALAD

With blackened chicken

About Tony . . .

Tony Belak is the Executive Director of the International Center for Dispute Resolution and Leadership at Sullivan University and faculty in its online Master of Science in Dispute Resolution program. He is President of the Mediation Association of Kentucky, past president of the Federal ADR Council, Inc., a shared neutral program in Indiana and Kentucky, Chair of the Louisville Bar Association ADR/Mediation Section, and past chair of the Kentucky Bar Association ADR Committee. Tony is a trainer and consultant in workplace dispute resolution nationally and internationally and is a practicing mediator and arbitrator, having formerly been the Senior Dispute Resolution Counsel for the Department of Veterans Affairs and its national ADR coordinator.

PayPal is a quick and simple way to pay for monthly IIA meetings. From the chapter web site (www.iiailou.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.iiLou.org for more details!!

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WELCOME NEW MEMBERS

Our chapter is growing! We have five new members in our chapter. Please welcome: Corey Koellner and Dale Shinkle of Ernst & Young LLP; David Carlsen of Kentucky Higher Education Student Loan; Matt Alvey of Republic Bank & Trust Company; and Kevin Jones of YUM Brands Inc.

COURTENAY THOMPSON COMING

If you've never had the pleasure of attending a Courtenay Thompson fraud seminar, here's your chance! Courtenay will be coming to Louisville for a one day fraud seminar on Thursday, February 2. Courtenay has taught several courses through the IIA, and is known across the country for his innovative and informative seminars. More information follows on pages 6 - 8. Space is limited!!

CENTRAL KY CHAPTER EVENTS

The Central Kentucky Chapter is hosting a two-day seminar on Audit Report Writing on March 1st and 2nd. This is the same course that the IIA provides through their regional conferences and is being offered at a fraction of the cost. Barbara Clark from IIA headquarters will be our instructor. There is a class size limit of 35 so make sure you go to the Central Kentucky Chapter web page and sign-up early!

Wednesday, Mar 01, 2006-Thursday, Mar 02, 2006, 8:00 am to 5:00 pm

Marriott Griffin Gate Hotel - Lexington, Kentucky

15 CPE hours

\$350.00 Members | \$400.00 Non-Members | \$200.00 Students

Contact: [Katie Maher](mailto:Katie.Maher@theia.org) at (859) 514-4886

or go to the Central Kentucky Chapter website at:

<http://www.theia.org/chapters/index.cfm/home.page/cid/206>

TIME TO CRACK THE BOOKS

The CIA exam will be here before you know it. The application deadline for the exam is March 31. Parts 1 & 2 will be given on Wednesday, May 17; parts 3 & 4 will be given on Thursday, May 18. More information will be included in the next few newsletters. If you're interested in taking the exam, and for more information, contact Bob Aemmer at bob.aemmer@eon-us.com. And don't forget to check out all the study resources on the IIA's website!

CONGRATULATIONS DWAYNE!

Our Chapter President, Dwayne Dowell, passed the Certification in Control Self-Assessment exam! Already a CPA, CFE, CIA, and an all-around good guy, Dwayne has only to complete the facilitator's course before receiving the CCSA certification. Congratulate Dwayne on his hard work the next time you see him. Way to go, Dwayne!

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Seminars

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NATIONAL NEWS

Visit www.theiia.org for more details!

Headlines from www.theiia.com . . .

IIA president to participate in AICPA conference

IIA President Dave Richards will serve as a speaker and moderator at a Jan. 31 conference in New York, N.Y., titled "Fraud: Can Audit Committees Really Make a Difference?" sponsored by the American Institute of Certified Public Accountants (AICPA). Richards will address small business control guidance, fraud prevention and detection programs, and best practices of audit committees. He also will moderate a discussion titled "How Management Perpetrates Fraud – Management Override of Internal Controls and the Audit Committee's Responsibility."

Learn how spyware programs infiltrate corporate networks

In the January issue of *ITAudit*, internal auditors will learn how effective online communication policies and procedures prevent employee misuse of corporate resources. Also, read how spreadsheets affect corporate compliance efforts with government regulations, and learn the different ways organizations can protect corporate networks and computers against botnet attacks.

Slate announced for the North American Board and District Representatives

The IIA has announced the 2006-2007 slate (PDF 14KB) of North American Board officers and members, and District Representatives. These nominees have agreed to serve subject to their election at the North American Membership meeting, to be held in Orlando, Fla., at 8 a.m. on May 1, 2006.

Call for award nominations

The Institute has issued a call for nominations for its three most prestigious awards: the Bradford Cadmus Memorial Award, the Victor Z. Brink Award for Distinguished Service, and the Lifetime Achievement Award. Recipients of these awards will receive complimentary registration and travel arrangements for the International Conference in Houston, Texas, USA in June, 2006. The deadline for nominations is March 1, 2006.

November 2005 exam results

Exam results for the November 2005 Certified Internal Auditor (CIA) exam were mailed out on **January 20, 2006**. We appreciate your patience and understanding. Results for candidates outside the United States and Canada will be express-mailed to the local IIA affiliate on the same date for distribution to individual candidates by the affiliate.

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.

Did You Know . . .

Registrations for the November 2005 CIA exam reached an all-time record high with more than 69,000 registered parts compared to 45,800 in November 2004 a 50 percent increase.

NATIONAL TRAINING CALENDAR

FEBRUARY, 2006

6 - 10
Seminars,
Atlanta, GA

13 - 17
Seminars,
Orlando, FL &
Santa Ana, CA

27 - March 3
Seminars,
San Diego, CA

MARCH, 2006

1 - 3
Seminars,
San Diego, CA

6 - 10
Seminars,
Las Vegas, NV

27 - 31
Seminars,
Lake Buena Vista, FL

2005 – 2006 UPCOMING EVENTS Louisville Chapter

2/2/06 full day seminar	Fraud 2006 Courtenay Thompson Courtenay Thompson and Associates
2/14/06	Alternative Dispute Resolution in Business Tony Belak Sullivan International Dispute Resolution Center
3/14/06	Quantitative Risk Assessment in Action Bruce Edwards University of Louisville
4/12/06	An Overview of Audit Processes Relating to SOX Section 404 Internal Control Reporting and Associated Costs Ben Foster University of Louisville
5/9/06	TBA

Staff Auditor

The Kentucky Lottery Corporation is currently seeking an individual to prepare audit programs, working papers and audit recommendations for all assigned audit projects, under the supervision of the Audit Manager, and in accordance with IIA standards; observe promotional drawings and complete associated documentation as assigned; perform duties related to Internal Audit's responsibilities for game loads; make recommendations to Audit Manager for improvements in KLC's program of regular audits, and administrative Internal Audit standards. Incumbent must possess a bachelor's degree from an accredited college or university with a major in Accounting or other applicable business program; at least one year of professional experience in internal audit or public accounting; certification as an internal auditor (CIA) or public accountant (CPA) preferred. Starting salary range \$35,012-\$42,527 w/o certification, \$37,419-\$46,791 w/ certification.

Only those candidates meeting the minimum requirements and listing salary requirements will be considered. Please responded by email, fax or mail your resume to the address listed below.

FAX: 560-1592

E-Mail: klcjobs@kylottery.com (E-MAIL PREFERRED)

Kentucky Lottery Corporation
Atten: Human Resources
1011 West Main Street
Louisville, KY 40202

Equal Employment Opportunity Employer
KLC is Committed To A Diverse Workforce

*The Louisville Chapter
of the Institute of Internal Auditors
is pleased to announce the following seminar:*

Fraud 2006

Presented by Courtenay Thompson
February 2, 2006

Registration and Breakfast will start at 8:00 a.m.
Seminar starts at 8:30 a.m. and ends at 4:30 p.m.

At the E.ON U.S. building (formerly LG&E Energy)
220 West Main Street
Louisville KY 40202

*(Direction and where to go inside the E.ON Building are
on the last page of this seminar announcement)*

**\$125 includes Breakfast, Lunch
8 CPEs**

To Reserve: e:mail Carrie Ramsey - Carrie.Ramsey@eon-us.com
by January 27, 2006. Space is limited.

Send check to Carrie (payable to the IIA) at the above address or
pay via Paypal @ <http://www.iialou.org/meetsem/meetsem.htm>

About the Course

Fraud is alive and well in 2006. Auditors and managers are being challenged as never before to provide the leadership, techniques and technology to keep fraud to a minimum.

This course explores the current fraud-related challenges facing auditors and their organizations and provides practical proven solutions to real problems. The program will be highly participative. Attendees will have the opportunity to share their questions and greatest fraud-related concerns, and share their own proven techniques and ideas.

- **Fraud – What all auditors must know!**
- **Get executive commitment.** Changing executive belief, defining management responsibility for detection, implementing a major fraud initiative.
- **Fraud implications of the changing business and regulatory environment.** Explore globalization, restructuring, reengineering, downsizing, markets and distribution methods, technology, the current computerized business environment, the Internet, cost pressures, relying on outsourcing, marketing fraud, and diversity of experience and values.
- **Lessons from recent major cases.** Examine the lessons for auditors and management, and learn how to protect your organization.
- **What is new in fraud!** Explore technology and Internet fraud, sales-related fraud, fraudulent financial reporting, investments, and fraud by vendors and contractors. What new exposures do you have?
- **Fraud-related best practices.** Learn what other organizations are doing, and share your own effective practices.
- **Mistakes to be avoided.** Examine the mistakes and practices that have cost auditors and their organizations dearly.
- **Practical approaches to fraud-related controls.** Discover how some departments have been able to encourage management responsiveness and accountability. Learn sixteen reasons controls breakdown and what auditors can do to promote control conscious management.
- **More effective detection.** Learn specific techniques for building detection into routine audits, monitoring for fraud, and using data mining for detection.
- **Bring your current concerns and questions.**

About Courtenay Thompson

Mr. Thompson is a recognized authority on training managers, auditors and investigators in fraud-related matters. Since 1981 he has designed and presented courses on fraud prevention, detection and investigation for business and government organizations worldwide. His courses are known for providing practical, proven approaches to real problems. These practical approaches have yielded dramatic results for class attendees.

In addition to providing training on fraud-related matters, Mr. Thompson provides training on behavior and communication skills and internal auditing and developed *Auditing Contracts: Auditing That Pays* offered through the IIA. He is the co-developer with R. L. Townsend, of a series of courses on audit and control of construction costs. He is also co-developer with Richard Stohl of a series of courses on audit and control of health benefits administration. For 13 years, Mr. Thompson was editor of "Fraud Findings" in *The Internal Auditor* magazine.

Mr. Thompson's experience prior to entering the consulting field includes public accounting, audit supervisor for consumer financial services for a large retailer, and director of auditing for a life insurance company. His career in public accounting and internal auditing provided exposure to a number of types of impropriety including embezzlement, insurance fraud, loan fraud, stock fraud, kickbacks and bribery, misappropriation of funds and mail fraud.

In addition to personally detecting and investigating suspected fraud cases; he established corporate policies for fraud and trained other auditors in fraud detection and investigation. Responsibilities included working with top management and reporting to the audit committee on the status of open cases. He has worked closely with legal counsel, law enforcement and prosecutors.

Courtenay Thompson received his BBA and MBA degrees from Southern Methodist University and is a Certified Public Accountant. He is a member of the Institute of Internal Auditors, Inc., the American Institute of Certified Public Accountants, and the Texas Society of Certified Public Accountants.

Directions

The E.ON U.S. building is located at the corner of 3rd and Main downtown.

There are two parking garages on the same block as E.ON U.S. (one entrance is off Market St. immediately past The Old Spaghetti Factory the other at the Courtyard Marriott off 2nd). The Actor's garage is also located across the street from the E.ON U.S. building (There are two Actor's entrances one off Main and the other is off 3rd). Parking will not be validated. If you need more detailed driving directions please email carrie.ramsey@e.on-us.com

The garage off Market St. is the best choice, when you come down the elevator make a right through the glass doors and the covered walkway will take you directly into the building and to the correct guards' desk.

Once inside the E.ON Building

Sign-in at the guards' desk on the East side of the building. You will then go up to the 12th Floor, someone will be upstairs to greet you. Let the guard know you are here for the IIA Seminar.