

DERBY CITY DISCLOSURES



LOUISVILLE IIA CHAPTER

October 2006

PRESIDENT'S MESSAGE

Dear Louisville IIA members,

Hello and Happy Halloween. Yes, it is almost October, the weather is getting cooler and the harvest moon will be out soon. I hope everyone enjoys the Fall season.

I would like to thank Michael Peters for his presentation on ID Theft. He did a great job! Thanks to those who attended the meeting. We had one of the best turnouts for a monthly meeting. Way to go! This will give our Chapter more points toward obtaining our goal of gold status again this year. Please continue to encourage your colleagues and friends to attend our monthly chapter meetings.

This month I am really looking forward to our presentation on the COSO ERM Framework presented by John Bowman, Staff Claim Auditor, State Farm Insurance, and our Regional Representative. His presentation will be at the Bristol on October 10, 2006. I want to thank John for his offer to present to our group.

The IIA has a new DVD for reaching out to students. If you are interested in reaching out to the next generation of auditors, please contact Dave Barker or Dwayne Dowell (see contact information on page 3) to reach out to students at the University of Louisville, Bellarmine, or Indiana University Southeast. Also, please contact them if you are interested in attending or speaking at an event at any of these schools.

Please do not hesitate to contact me if you have any questions or suggestions. I look forward to seeing everyone at this month's presentation.

Connie A. Davis
Chapter President

NEXT MEETING:

Tuesday, October 10, 2006

at the **Bristol Downtown**

COSO ERM Framework

See page 2 for details

OCTOBER MONTHLY MEETING

COSO ERM Framework

John Bowman
State Farm Insurance

Tuesday, October 10, 2006

12:00 noon, 11:30 registration

1 CPE hour

(certificates available at the meeting or contact Michelle Beumel (502-627-2098))

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, October 5, 2006

Michelle Beumel

Office: 627-2098

Fax: 217-2738

michelle.beumel@eon-us.com

Menu selections:

Thai Chicken Stir Fry

Chicken stir-fried with peppers, onions, mushrooms and snow peas with Thai chili sauce over rice. Hot & spicy.

Portobello Sandwich

Grilled Portobello, topped with hot pepper cheese and roasted red peppers, served on a Focaccia bun with a side of red pepper mayonnaise.

Classic Caesar Salad

About John . . .

John graduated from Mount Vernon Nazarene College in Mount Vernon, OH in May, 1979 with a bachelor's degree in Sociology. Later that year he went to work for the Social Security Administration in the Detroit, Michigan area as a Social Insurance Representative. In May of 1985 he joined State Farm Insurance Companies as a Fire Claim Representative in their Ohio Regional Office.

Following a variety of claim positions with State Farm, all in Ohio, John transferred to the State Farm Corporate Audit Department in Bloomington, IL. He was promoted to his current position of Staff Claim Auditor, in October 2001. During his almost 10 years in Auditing John has performed a variety of audits, including support of integrity investigations, and has been involved in extensive project consulting work. He has also served in various administrative roles, including a three year stint as Departmental Budget Coordinator.

John has been a member of The Institute of Internal Auditors since 1998. He is a past president of the Central Illinois Chapter, and continues to be actively involved in that chapter as a member of the Board of Governors, as well as serving on several committees. In 2006, John was elected as the District Representative for the Central Region, District 3 of The IIA.

Among his educational accomplishments, John holds the Associate in Claims and Certified Internal Auditor designations. He remains active in insurance and other industry educational programs. He has also been active in the local community serving in volunteer roles with the local United Way and with The Baby Fold, a foster and adoptive care agency in the Bloomington-Normal area.

In his spare time John enjoys spending time with his wife and three daughters at home, visiting his two sons and grandchildren in Ohio, and taking care of the family dog.

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 Michelle Beumel** with your menu choice. All information is exchanged via HTTPS protocol (secure and encrypted) and remains with PayPal.

CHAPTER NEWS

Visit www.ialou.org for more details!!

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YOU'RE INVITED . . .

The Tri-State Chapter of the IIA is excited to announce their 2006 Fall Fraud Seminar presented by John Hall, Hall Consulting. The seminar will be on 10/19/06 at the Aztar Executive Conference Center in Evansville. Please see the attached registration form on page 6 for more details.

WELCOME TO OUR NEW OFFICER

Steve Zager of Stock Yards Bank has stepped up to the plate by volunteering his time to serve as our Secretary for this season. Thanks so much Steve!

A volunteer is needed to take over as Newsletter Editor. If you are interested in adding to your resume and helping your chapter at the same time, please contact our Chapter President Connie Davis at davisc@msdlouky.org.

HIT THE BOOKS WITH THE KIDS

Parts 1 & 2 of the CIA exam will be given on Wednesday, November 15; parts 3 & 4 will be given on Thursday, November 16. The application deadline is Saturday, September 30. For more information, contact Bob Aemmer at bob.aemmer@eon-us.com.

REFER-A-FRIEND PROGRAM

The IIA's Refer-A-Friend Campaign is launching this fall. For each new member referred from October 1 through November 15, 2006, the IIA will send them a US \$5 specialty coffee gift card as a thank-you and will enter them to win one of three US \$500 Visa® gift cards. Thank you in advance for helping make The IIA's 2006 Refer-A-Friend Campaign a success, and showing your colleagues the benefits of IIA membership!

REACHING OUT TO THE NEXT GENERATION

Our Chapter donated \$100 for scholarships to four local schools: U of L, Spaulding, Bellarmine, and IUS. While these donations will help some of the next generation of auditors with their expenses, our Chapter can also help them out with guidance and training. If you are interested in helping "the next generation," please contact Dave Barker or Dwayne Dowell.

U OF L CYBER-SECURITY AWARENESS WEEK

As part of their Cyber-Security Awareness week, U of L will offer **FREE** security related lectures on Thursday, October 5. For more information on the lecture topics, contact Bruce Edwards or go to <http://security.louisville.edu/news>. **FREE** fits into every company's budget!

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NATIONAL NEWS

Visit www.theiia.org for more details!

Headlines from www.theiia.org . . .

IIA responds to SEC concept release on Sarbanes-Oxley 404

The IIA has responded to the U.S. Securities and Exchange Commission's (SEC) request for comments on its *Concept Release Concerning Management's Reports on Internal Control Over Financial Reporting*. The IIA emphasizes the intent of Sarbanes-Oxley can be met with only two attestations — management's attestation and the external auditor's attestation over management's attestation. The IIA believes the SEC should provide additional principles-based guidance for companies of all sizes and made two recommendations to the SEC: 1) work with stakeholders to develop a corporate governance standard by which companies can assess their practices and 2) commission a working group to establish a joint position on internal controls and an assessment framework.

New issue of GAP News now available

In the September issue of [GAP News](#), read about the challenges and opportunities government auditors in small audit shops face, learn about a new U.S. Government Search from Google, and hear one opinion about whether or not government auditors should be involved in fighting public corruption.

Get insight on building tomorrow's auditor

In the September issue of [IIA Insight](#), find out how The IIA's new Internal Auditing Education Partnership program will prepare the new generation of internal auditors to tackle the demands of the profession. Also, read about the importance of understanding the *Standards* and successful ways to implement them.

IIA-China brings internal auditing to the small screen

"On the Way," a new dramatic series produced by China Central TV in conjunction with IIA-China, starts production this month. The leading character in the 20-episode series is the chief audit executive at a Top 100 national steel company. The series refers to the internal audit function as an organization's "immune system." Although some have referred to internal auditors as the new rock stars, this is the first dramatic series that showcases the profession and focuses on internal audit professionalism.

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 . . .

COSO recently released a guidance for Small Businesses.

For more information, see the News Releases section of the IIA's website, www.theiia.org.

NATIONAL TRAINING CALENDAR

OCTOBER 2006

9 - 13
Seminars,
Washington, DC

16 - 20
Seminars,
San Antonio, TX

23 - 27
Seminars,
Austin, TX

NOVEMBER 2006

1 - 3
Seminars
Atlanta, GA

6 - 10
Seminars
Phoenix, AZ

13 - 17
Seminars
Mississauga, Ontario

2006-07 Calendar of Events
Louisville Chapter of the IIA

10/10/06	COSO ERM Framework John Bowman State Farm Insurance
Mid-October	Roundtable Discussion Ernst & Young
11/14/06	Risk Management and Disaster Recovery Timothy A. Gudeman Public Services, Indianapolis, IN
12/12/06	Communication Skills TBD
Early December	ACL Seminar
1/9/07	IT Audit Bob Boyle Strothman & Company
2/13/07	Voluntary Compliance with the Sarbanes-Oxley Act of 2002 Roger LeMaster & Bob Miller Louisville Water Company
Mid-February	Data Mining Seminar
3/13/07	Credit Card/Purchasing Card Fraud Phil Noble US Secret Service
4/10/07	Standards Refresher Professional Practices Framework TBD
4/27/07 AM	Seminar-Third Party/Contract Auditing Tom Carlisle Cinergy Services
4/27/07 PM	Contract Fraud George Mullins Health South
5/8/07	Diversity on the Audit Team TBD

***TRI-STATE CHAPTER
OF THE
INSTITUTE OF INTERNAL AUDITORS***

Fraud Issues and Answers for Internal Auditors

October 19, 2006

The Tri-State Chapter of The Institute of Internal Auditors (IIA) is pleased to host a one-day seminar presented by John Hall, Hall Consulting, Inc.

Mr. Hall has 30 years of experience as a consultant, speaker and business owner and in public accounting, internal auditing, and corporate management positions. Prior to returning to his own business in 2002, he was North American Practice Director – Internal Audit Services for Jefferson Wells International. In this position, he was responsible for internal audit co-sourcing and related specialty services (including fraud, litigation services, construction, and lender services) for the firm.

Mr. Hall is a member of the American Institute of CPAs and the Institute of Internal Auditors. He was chair of the 2001 through 2003 AICPA National Conference on Fraud.

SEMINAR INFORMATION

When: October 19, 2006
Time: 8:00 am – 4:00 pm
Registration 7:30 am
Where: Aztar Executive Conference Center
Maple Room C
421 NW Riverside Drive
Evansville, IN
Topic: The Auditor's Role in Fraud Prevention,
Detection, and Handling

Cost: \$195 – IIA Members \$220– Non-IIA Members
Continental breakfast & lunch included.
8 CPE credits

The Tri-State Chapter reserves the right to cancel this seminar due to insufficient number of registrants.

Learning Objectives

This "how-to" course for internal auditing professionals will help participants be more effective in:


- Assisting management with fraud prevention and detection
- Identifying fraud exposures and risks
- Detecting fraud and misconduct
- Handling fraud incidents

Program Content

- The internal auditor's role in fraud risk management
- What the professional standards say (and what they don't say)
- Creating a Loss Scorecard
- Fraud Prevention: helping management create an anti-fraud environment
- Fraud risk assessment during audit planning
- Creating a fraud risk inventory for your organization
- Fraud discovery skills for internal auditors
- Fraud examples and the impact on audit planning, work programs and controls
- High payback audit steps
- Monitoring suggestions
- The internal auditor's role in investigations
- Documenting a fraud case
- Helping management correct control weaknesses

This seminar utilizes a combination of lecture, discussion and short exercises. The program length is one full day. In accordance with the standards of the National Association of State Boards of Accountancy (NASBA) Continuing Professional Education credits have been calculated based on a 50-minute hour.

The deadline for registration is October 11, 2006.

 Cancellations received by **October 12, 2006** will receive a full refund. If received after October 12, a \$50 cancellation fee, per attendee, will be charged and deducted from the refund to help cover costs.

Cancellations can be made by email or phone to sonya_leeds@deaconess.com or 812-450-2159.

NO-SHOWS WILL NOT BE REFUNDED.

Please fill out the information below and mail along with payment to:

Tri-State Chapter of the IIA
P.O. Box 3153
Evansville, IN 47731

Name: _____ Organization: _____

IIA Member: ____YES ____NO IIA Chapter: _____

Would you like to receive notices of our future seminars? ____YES ____NO

If yes, email address: _____

Amount enclosed: _____