

DERBY CITY DISCLOSURES



LOUISVILLE IIA CHAPTER

January 2007

PRESIDENT'S MESSAGE

Dear Louisville IIA Members and Non-Members,

Hi! I hope everyone has a Happy Holiday and a Happy New Year! So, how many of us are joining a gym to keep our New Year's resolution to lose a few pounds? I know I will be working out, maybe I'll see you at the YMCA. How many of us don't make resolutions, because we know we won't keep them?

Michael Vincent did a wonderful job entertaining us with his Presentation Skills for Auditors. It was very informative and he kept it interesting and lively. I would like to thank everyone who attended the meeting, and special thanks to the ISACA members who joined us.

On January 9, 2007, Bob Boyle from Strothman and Company will present on Technology Risk – The Game Has Changed! This is a joint meeting with ISACA and we look forward to networking with the ISACA members again. This meeting will be held at the **downtown Bristol Bar and Grill on Main Street**.

Also, on January 23, 2007, we will have a roundtable discussion on Fraud and Internal Auditing. Ernst & Young will be presenting. The roundtable will be at the **Jefferson Club** from 8:30 a.m. to 10:30 a.m. The cost is \$30.

Then on January 29, 2007, Dave Barker has arranged an IIA/ISACA Student Reception at the U of L Club. Please contact Dave Barker at dfbark01@louisville.edu if you are interested in attending and presenting/talking to the students.

If anyone has been published or has made presentations please let me know. We may be able to count your article or presentation on the CAP report.

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

Connie A. Davis, Chapter President

NEXT MEETING:

Tuesday, January 9, 2007

at the **Bristol Downtown**

Technology Risks – The Game Has Changed! – w/ ISACA

See page 2 for details

JANUARY MONTHLY MEETING

Technology Risks – The Game Has Changed! – w/ ISACA

Bob Boyle, Partner
Strothman & Company

Tuesday, January 9, 2007

12:00 noon, 11:30 registration

1 CPE hour

(certificates available at the meeting or contact Michelle Beumel)

Bristol Bar & Grille Downtown

614 West Main Street
(parking will NOT be validated)

Cost: \$20.00

Use PayPal at www.ialou.org or remit at meeting

RSVP your menu selection by
THURSDAY, January 4, 2007 to

Michelle Beumel

Office: 627-2098 Fax: 217-2738

michelle.beumel@eon-us.com

Menu selections:

Crab Cake Sandwich

Select crab meat, pan-fried and served on an onion bun with roasted pepper mayonnaise and slaw.

Penne Campania

Penne tossed with tomatoes, onions, garlic, green bell peppers, mild jalapeños & fresh herbs.

Grilled Chicken and Spinach

with roasted garlic, red onions, sun-dried tomatoes, bacon, goat cheese & served with Balsamic Vinaigrette.

About Bob . . .

Bob is with Strothman and Company, and serves as the firm's Technology Services Partner providing consulting and technology auditing services to his clients. He assists his clients by working to improve and increase the use of technology in their business. He reviews and evaluates many different aspects of clients' current use of technology and consults with them to help improve their success.

Prior to joining Strothman and Company, Bob held the position of Financial Auditor and moved into the position of EDP Auditor for the First Bank of Louisville where he developed the first comprehensive review of the technology department. He was responsible for performing program testing of bank applications. After leaving the bank, Bob served more than 20 years as the Director of Global Risk Management Services for PricewaterhouseCoopers, LLP (formerly Coopers & Lybrand), where he was responsible for the delivery of risk management and IT Audit services in the Kentuckiana area.

Bob has had significant involvement in both local and national community and professional organizations. In 1977 Bob helped to form the EDP Auditor's Association Chapter in Kentucky (Now called ISACA). He also served on the ISACA International Board of Directors for several years during the mid 1990s. He has also been involved in several technology groups including the IS Management Association along with several others.

Bob currently serves as Treasurer for the Council on Mental Retardation which advocates for the rights of the mentally handicapped. Bob resides in Louisville, Kentucky with his wife Delores and their three children, Stephanie, Robby and Emily.

PayPal is a quick and simple way to pay for monthly IIA meetings. From the chapter web site (www.ialou.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!!

OFFICERS

President

Connie Davis
MSD
(502) 540-6380
davisc@msdlouky.org

Vice President

Roger LeMaster
LWC
(502) 569-3647
rlemaster@lwcky.com

Treasurer

Bob Aemmer
E.ON U.S.
(502) 627-4033
bob.aemmer@eon-us.com

Secretary

Steve Zagar
Stock Yards Bank
(502) 625-3744
steve.zagar@syb.com

Webmaster

Bruce Edwards
University of Louisville
(502) 852-4363
Bruce@bruceedwards.com

GOVERNORS

James Rose

Humana, Inc.

jrose1@humana.com

Don Whitehouse

Insight Communications

whitehouse.d@insight-com.com

Michele Welscher

Hawkins Company CPA's

mwelscher@KHEAA.com

Heather DiEnno

E.ON U.S.

(502) 627-4626

heather.dienno@eon-us.com

Dwayne Dowell

Dwayne K. Dowell, PSC

(502) 657-6428

dkdowell@dkdcpa.com

WELCOME NEW MEMBERS

Four new members! Please welcome: Timothy Brown, Fernando Rubio, and Richard Dowdell of E.ON U.S. LLC; and Richard Schrader of Bellarmine University.

FRAUD / FRAUD PREVENTION ROUND TABLE

On January 23, 2007, we will have a roundtable discussion on Fraud and Fraud Prevention. Mike Sherrod from Ernst & Young will be the primary presenter. The roundtable will be at the Jefferson Club from 8:30 a.m. to 10:30 a.m. and the cost is \$30. See the last page of the newsletter for additional information.

CIA EXAM REMINDER

Parts 1 & 2 of the CIA exam will be given on Wednesday, May 16; parts 3 & 4 will be given on Thursday, May 17. The application deadline is Saturday, March 31. For more information, contact Bob Aemmer at bob.aemmer@eon-us.com or visit www.theiia.org.

ISACA TRAINING: SECURING AND AUDITING ACTIVE DIRECTORY

The Louisville ISACA chapter is offering a training course on Active Directory February 27 – 28, 2007 at the Marriott Downtown Louisville. The cost is \$295 for members, \$345 for non-members, and 15 hours of CPE is available.

CHAIRPERSONS

Academic Relations

Dave Barker
University of Louisville
dfbark01@louisville.edu

Membership/Attendance

Michelle Beumel
E.ON U.S.
michelle.beumel@eon-us.com

Audit

Will Metcalf
University of Louisville
wametco@louisville.edu

CIA Program

Bob Aemmer
E.ON U.S.
bob.aemmer@eon-us.com

Newsletter Editor

Corey Koellner
Ernst & Young
corey.koellner@ey.com

Government Relations

Jenni Schelling
Louisville, Jefferson Co. Metro
jenni.schelling@louisvilleky.gov

Seminars

Norman J. Pfaadt
Resources US
Norman.pfaadt@resources-us.com

NATIONAL NEWS

Visit www.theiia.org for more details!

Headlines from www.theiia.org . . .

Former IIA chairman tapped for PCAOB advisory group

Howard Johnson, the IIA's 1999-2000 chairman of the board, has been chosen to serve on the Public Company Accounting Oversight Board's Standing Advisory Group (PCAOB-SAG.) Johnson joins IIA representative Kimberly Gavaletz, from Lockheed Martin, who was appointed in 2005. Read more about The IIA's efforts to advocate for the profession and the role that Johnson and Gavaletz will play on this committee.

IIA to launch new Web site

For more than a year now, the IIA has been working on redesigning and restructuring the Web site, www.theiia.org. We are pleased to announce the new Web site will launch at the start of 2007.

Free public sector audit guide now available

In collaboration with other organizations, The IIA has developed new guidance that clarifies auditing's role in public sector governance. Rather than differentiating internal and external auditing, this practice guide focuses on methods for fulfilling responsibilities and key components of an effective public sector audit function. Another free practice guide is in the works that will address issues related to internal auditing in the government.

Read the latest issue of ITAudit

For the latest IT information, check out the December issue of *ITAudit*. This issue discusses how effective use of key IT controls is necessary to provide cost-effective risk management for the organization and how developing an incidence response plan can help organizations be better prepared when a data security breach occurs.

IIA seeking submissions for IT Auditing Research Symposium

The IIA International Advanced Technology Committee and the IIA Research Foundation are pleased to announce the second IT Auditing Research Symposium scheduled for Sunday, July 8, 2007 in Amsterdam, The Netherlands, in conjunction with The IIA's International Conference.

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 . . .

IIA Discussion Groups allow you to post general auditing questions for others to respond to and comment on?

For more information, refer to the IIA's website, www.theiia.org

NATIONAL TRAINING CALENDAR

JANUARY, 2007

22 – 26
Seminars
Phoenix, AZ

FEBRUARY, 2007

5 – 9
Seminars
San Francisco, CA
Chicago, IL

12 – 16
Seminar
Santa Ana, CA

19 – 23
Seminars
New Orleans, LA

26 – 28
Seminars
San Diego, CA

2006-07 Calendar of Events
Louisville Chapter of the IIA

1/9/07	Technology Risk – The Game Has Changed! w/ISACA Bob Boyle Strothman & Company
1/23/07	Fraud/Fraud Prevention Roundtable Mike Sherrrod Ernst & Young
1/29/07	IIA/ISACA Student Reception At U of L Club
2/13/07	Business Continuity Disaster Recovery Doug Hamilton
Mid-February	Data Mining Seminar E.ON U.S.
3/13/07	Credit Card/Purchasing Card Fraud w/IMA Phil Noble US Secret Service
4/10/07	QAR Brian Kruk Titus Group
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 at the Ali Center

ERNST & YOUNG ROUNDTABLE

Fraud and Fraud Prevention

Mike Sherrod, CPA, CFE
Manager, Ernst & Young

Tuesday, January 23, 2007

8:30 AM – 10:30 AM

2 CPE hours

(certificates available at the meeting or contact
Michelle Beumel)

Jefferson Club

500 West Jefferson Street
(parking will NOT be validated)

Cost: \$30.00

Use PayPal at www.iialou.org or remit at meeting

RSVP by THURSDAY, January 18,
2007 to

Michelle Beumel

Office: 627-2098 Fax: 217-2738
michelle.beumel@eon-us.com

About Mike . . .

Mike Sherrod is a Manager in the Fraud Investigation & Dispute Services (FIDS) Practice of Ernst & Young LLP in the Washington D.C. office. Mike has 2 years experience with Ernst & Young in a wide range of complex litigation and dispute advisory services involving financial services and healthcare. Mike specializes in the Fraud and Investigation area of FIDS where he has worked on several investigations with E&Y.

Prior to joining E&Y, Mike was an audit manager for Cherry Bekaert and Holland, a regional firm headquartered in Richmond, Va. Mike specialized in the audits of Cities, Counties, Authorities, School Boards, and closely held businesses concentrated in the areas of manufacturing and construction.

The following is a sample of the matters he has been involved with to date for E&Y:

Financial Services – Retained with outside counsel to assist a major financial institution undergoing multiple investigations (government regulator, SEC, DOJ, and independent investigator) related to accounting and internal control matters. The engagement involved a number of complex accounting areas, multiple years of financial information, and an extraordinarily large number of electronic and hard copy documents.

Audit Malpractice – Assisted outside counsel in defense of another “Big 4” firm with a pending audit malpractice lawsuit.

Stock Option Investigation - Assisted an E&Y audit team with an investigation into the stock option practices of a client.

Product Development – Assigned to a small team tasked with developing the firm's Fraud Prevention/Fraud Risk Assessment solution. Assisted two clients in a fraud risk assessment and have given presentations on the subject.

Mike holds a B.S. in Accounting from Virginia Tech and is a member of the Association of Certified Fraud Examiners – Associate Member, Virginia Society of CPA's, and the AICPA.