

DERBY CITY DISCLOSURES



LOUISVILLE IIA CHAPTER

June 2008

Dear Louisville IIA Members and Non-Members,

Welcome to the new chapter year! The officers and I are looking forward to working with you in the upcoming year and are already hard at work in planning next year's meetings and activities. Please let us know if you have any suggestions or "hot topics" you would like to see discussed.

It's official, the Louisville Chapter obtained gold status for the 2007-2008 chapter year – our sixth consecutive year obtaining this honor! At the district conference in Indianapolis on June 20th, John Bowman (IIA District Representative) and Donna Wiley (IIA Chapter Support Manager) presented the Gold award to Roger LeMaster. This award acknowledges our chapter's efforts in providing quality programming to our members and highlights our commitment to the profession (as measured through CAP). Congratulations to Roger, last year's officer group, and everyone who helped make this accomplishment possible.



For those of you who are unaware, the IIA's Chapter Achievement Program (CAP) is designed to recognize activities that promote the strategic objectives of The IIA. The program provides standards of performance, emphasizes the basic mission of the chapter, encourages chapters to perform that mission, and provides chapters with a means to evaluate their success in accomplishing that mission.

There are several exciting initiatives being undertaken to provide additional benefits to our members in the upcoming year (see information below). I look forward to working with you in the months ahead. Have a great summer!

Corey Koellner
Chapter President

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 per month of \$50 for a ½ page or \$100 for a full 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.

LOUISVILLE CHAPTER NEWS

Visit www.iialou.org for more details!!

OFFICERS

President

Corey Koellner
Ernst & Young LLP
502-585-6478
Corey.Koellner@EY.com

Vice President

Jodi Renn
Kentucky Higher Education
Student Loan Corp.
502-638-7462
jrenn@kheslc.com

Treasurer

Jim Andriot
E.ON U.S.
(502) 627-3979
Jim.Andriot@eon-us.com

Secretary

Derrick Singletary
Stock Yards Bank
502-625-3976
Derrick.Singletary@syb.com

Webmaster

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

GOVERNORS

Roger LeMaster
Louisville Water Co.
rlmaster@lwcky.com

Connie Davis
MSD

DAVISC@msdlouky.org

Don Whitehouse
Insight Communications
whitehouse.d@insight-com.com

Michele Welscher
Hawkins Company CPA's
Michele.Welscher@HawkinsCoCPAs.com

Heather DiEnno
E.ON U.S.
heather.dienno@eon-us.com

Dwayne Dowell
Dwayne K. Dowell, PSC
dkdowell@dkdcpa.com

Chapter Library Coming Soon

As a member of the Louisville IIA Chapter you will have the ability to review materials printed by the IIA Research Foundation by checking them out from the Chapter Library. Sullivan University will host the library at their campus located at 3101 Bardstown Road.

Stay tuned as we work out the details and stock the library with materials from the IIA Research Foundation. We will maintain a catalogue of the materials on our website and new materials will be added as the IIA Research Foundation publishes them.

Our Chapter donated \$500 to the IIA Research Foundation and below you will find some information about the foundation.

About The IIA Research Foundation

The Research Foundation was founded in 1976 by The Institute of Internal Auditors. Since that time, the Foundation has consistently set the standard for professional achievement in the internal auditing profession. The Foundation was formed as a tax-exempt* corporation to provide and expand research and education for the benefit of the internal auditor, the internal auditing profession, the business and government communities, and the general public.

CIA Review Course

The IIA is partnering with Sullivan University to offer a CIA review course. The class will start on October 4, 2008 and run five consecutive Saturdays, finishing on November 1, 2008. For more information, please contact Don Justice at djustice@sullivan.edu.

CHAIRPERSONS

Academic Relations

Dave Barker
University of Louisville
dfbark02@louisville.edu

Membership/Attendance

Tim Brown
E.ON U.S.
membership@iialou.org

Audit

Will Metcalf
University of Louisville
wametc01@louisville.edu

CIA Program

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

Newsletter Editor

Ken Bryan
Akebono
kbryan@akebono-usa.com

Government Relations

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

Seminars

Kevin Hitchcock
Al J. Schneider Co.
khitchcock@ajshotels.com

OTHER NEWS...

National IIA News and training opportunities includes:

Membership Madness Carnival Ends Soon

Don't let the carnival fold up its tents before you become part of the show. Encourage your friends and colleagues to join The IIA and you may win complimentary On-site Training worth US \$4,300 for you and your chapter. It's easy to win because your friends will save up to US \$70 through June 22 on individual membership application fees! Audit Groups that join will receive 20% off already discounted Audit Group fees when their organization's entire audit staff joins. The sooner they sign up, the sooner they save, and the sooner you become eligible to win! Download the application and tools that will help you win the big prize at www.theiia.org/games.

Eligibility Requirements: Applicants must complete the sponsor section of the special IIA Membership Application. The offer is open to chapters and residents in the U.S., Canada, and the Caribbean. at www.theiia.org/games.

Internal Controls: We've Got You Covered

Attend The IIA's August 18 - 20, 2008 Governance, Risk & Compliance Conference at The Breakers® in Palm Beach, FL, and hear from foremost authorities, including:

- Richard Brilliant, vice president & chief audit executive, Carnival Corp., PLC
- Catherine Crier, Emmy® award winning journalist, author, and Court-TV anchor
- Scott Friestad, associate director, Division of Enforcement, US Securities and Exchange Commission

You will benefit from dynamic instruction during keynote and concurrent sessions and pre- and post-conference workshops and roundtables on the topics you've expressed interest in: enterprise risk management strategies, best practices from high performance companies, building an ethical and risk conscience culture, and your role in helping to establish strong internal controls. While you earn up to 17.5 CPE hours, your family can enjoy The Breaker's world-class amenities. Register today at www.theiia.org/GRC08 or call +1-407-937-1111.

New Hot Topic Webinars

The IIA and Deloitte are pleased to present two exciting new interactive Hot Topics webinar series focusing on fraud and information technology (IT). All of the following Webinars are held from 10:00 - 3:00 p.m. ET.

- July 17, IT Internal Audit Risk Assessment
- Aug. 7, Fraud Risk Assessment

The following IIA-developed webinars are also scheduled for 2008:

- July 22, Continuous Auditing - What Works Best
- Aug. 12, Risk: Forward Thinking Approaches

Register for all IIA webinars and e-learning opportunities at www.theiia.org/e-learning.

THE QUEST FOR PROFESSIONALISM AND QUALITY IS ADVANCING

For the past decade the profession of internal auditing has been elevated to a whole new level of awareness and demand. Today, internal auditors play a more significant role within their organizations, regulatory requirements have increased and the standards guiding the profession - both self-imposed and those that are mandated by external regulators - are much more rigorous. Although the profession has taken great strides and we have reason to celebrate, it's important that we continue to focus on enhanced internal audit professionalism and adherence to the core principles and ethics of internal auditing.

Most professions have a set of principles, typically referred to as a "code of ethics," which they follow. For internal auditors, The Institute of Internal Auditors (IIA) has established a Code of Ethics that covers principles and rules governing integrity, objectivity, confidentiality, and competency. This Code of Ethics should be understood by all internal auditors and also should be made clear to those who rely on the activities performed by professional internal auditors. In addition, The IIA issues the *International Standards for the Professional Practice of Internal Auditing (Standards)* which provide significant mandatory guidance for its members.

The *Standards* require internal audit functions to establish a Quality Assurance and Improvement Program (QAIP). The establishment of the QAIP demonstrates a commitment to continuous improvement and helps internal auditors add value to their organizations.. The QAIP should include ongoing and periodic internal quality assessments (QA) and periodic external QAs. In order for your audit function to use the statement "...conducted in accordance with the *International Standards for the Professional Practice of Internal Auditing*," your internal audit function must have an external QA every five years. Internal audit functions in existence on or before Jan. 1, 2002, should have completed an external QA by Jan. 1st of 2007. Departments established after Jan. 1, 2002, have five years from the date of their creation to obtain an external QA in order to comply.

Responses to a recent survey conducted by The IIA, indicate that more than 88 percent of internal auditors believe that there is a benefit from obtaining an external QA of their internal audit function. External QA's build stakeholder confidence and provide evidence to the board, management, and staff that the internal audit activity is concerned about the organization's internal controls, ethics, governance, and risk management processes.

To learn more about Quality Assessments,, how to set up a QAIP and to gain more guidance please visit The IIA's Website at www.theia.org/quality.

JOB OPPORTUNITIES AVAILABLE

Brown-Forman Corporation Audit Consultant Louisville, KY

Job Description Scope/Basic Function

The IT Audit Consultant assists in managing projects from beginning to end. These projects are typically related to Information Technology (IT) and focus on improving business systems and processes to enable management to achieve their business objectives. The IT Audit Consultant is responsible for planning and performing projects for the purpose of evaluating:

- The adequacy of IT internal controls associated with information systems and processes and the adherence of those processes to Brown-Forman's policies and procedures
- The effectiveness and efficiency of IT operations, assuring that Company resources are superbly allocated
- The accuracy, availability, and completeness of presented business information
- The effectiveness, efficiency, and adequacy of controls and related processes surrounding SAP and other automated business systems

The IT Audit Consultant requires frequent communication with IT management to develop and execute a comprehensive program of IT audit coverage for Brown-Forman. The scope of this coverage includes assessment of business/technology risks and evaluation of processes for Brown-Forman. In the performance of responsibilities, the IT Audit Consultant will effectively partner with IT directors, managers, and staff to assess and report on the IT control environment. The Company has significant worldwide operations that will necessitate travel (approximately 20%) both domestic and international.

This position is responsible for planning, organizing, and conducting IT audits that ensure the audit work fulfills the objectives and responsibilities established in the audit charter and that the work conforms to professional standards and departmental policies.

Responsibilities

- Plan and perform IT audits to ensure Brown-Forman internal controls and processes are compliant with Sarbanes-Oxley regulations.
- Execute the annual audit plan based on an assessment of business and technology risks. The IT audit plan should consider all information systems and expected technology changes. Report regularly on the plan's status and provide operating and senior management with an independent, objective and timely appraisal of each component audited.
- Conduct reviews that include, but are not limited to, integrated business process audits, pre- and post-implementation reviews of new processes and technologies, and information security audits.
- Conduct reviews to evaluate the control environment surrounding the technical operations of the Brown-Forman Technology Solutions Group to include the data center, desktop support, infrastructure security, user profile security, change management, backup systems, contingency planning, system interfaces, etc.
- Provide advice and guidance to management concerning IT internal controls by participating on project teams in a consultative role.
- Prepare audit reports that effectively and accurately communicate issues and recommendations to management and process owners. This includes working collaboratively with client management to determine opportunities for improvement and agreed upon management action plans.

Must Requirements:

- Bachelor's degree in Accounting, Business Administration, AIS/MIS (Accounting/Management Information Systems), Computer Science, or related field and 3+ years progressive IT auditing experience.
- Excellent interpersonal skills with ability to maintain effective working relationships with all levels of management and the ability to excel in a team environment with internal and external contacts.
- Experience (auditing, managing, or operating) with computerized accounting and financial systems within an ERP, network, database, and PC environment.
- Excellent written and verbal communication skills (including presentation skills at an executive level) and negotiating skills.

- Strong analytical and problem solving skills with ability to analyze business activities, identify problems and opportunities, and develop creative solutions. Demonstrated understanding of business processes.
- Self starter, including the ability to act on own initiative and take action with little opportunity for supervision.
- Demonstrated ability to adhere to a strict code of ethics in handling confidential information.
- Ability to develop and coordinate multiple projects and execute assignments to meet deadlines.

About Brown-Forman Corporation:

Brown-Forman Corporation is an independent, publicly-traded producer and marketer of premium spirits, wines, and other adult beverages, including Jack Daniel’s Tennessee Whisky, Finlandia Vodka, Southern Comfort, Fetzer Vineyard California Wines, Korbel California Champagnes, Sonoma-Cutrer Estate Bottled Wines, Tuaca, and Bolla Italian Wines. Brown-Forman also owns Hartmann Luggage, based in Lebanon, Tennessee. For more information about Brown-Forman and our brands, please visit our website at www.brown-forman.com.

**Republic Bank & Trust Company
Not Traditional Products Auditor
Louisville, KY**

Reports To: Internal Audit Manager

Supervisory Responsibilities: Supervises temporary staff during tax season

POSITION PURPOSE AND OBJECTIVES:

Responsible for planning and conducting reviews of organizational and functional activities in the Non Traditional Banking Products (Tax Refund Solutions, Currency Connection, Humana Advance) along with evaluating the adequacy and effectiveness of management controls over those activities in accordance with the accepted professional standards. Responsible for determining whether the Non Traditional areas are performing their planning, accounting, custodial or control activities in compliance with management instructions, applicable statements of policy and procedures, and in a manner consistent with both company objectives and high standards of administrative practice. Responsible for managing the external audit function of the tax preparer offices and re-performing a sample of those audits. Responsible for coordination and performance of off-site tax preparer audits. Report audit findings and make recommendations for correction of unsatisfactory conditions as well as improvements in operations and internal controls.

MINIMUM QUALIFICATIONS:

- Bachelor degree in Accounting or related field required.
- Knowledge of Banking and Consumer Compliance Regulations
- Advance degree desirable
- Certification (CIA, CISA,CPA) desirable

PRINCIPLE JOB FUNCTIONS AND RESPONSIBILITIES:

DEPARTMENTAL AUDITS

1. Survey functions and activities throughout the Non Traditional Banking areas to determine the nature of operations and the adequacy of the system of control to achieve established objectives. Identify the key control points of the operations.
2. Determine the direction and thrust of the proposed audit effort. Determine the audit procedures to be used.
3. Plan the theory and scope of the audit and prepare an audit program.
4. Perform the audit in a professional manner and in accordance with the approved audit program.
5. Obtain, analyze and appraise evidentiary data as a basis for an informed, objective opinion on the adequacy and effectiveness of the system and efficiency of performance of the activities being reviewed.
6. Plan, develop and perform the audit. Communicate results to department management and executive management.
7. Make oral or written presentations to management during and at the conclusion of the examination, discussing deficiencies, recommending corrective action, and suggesting improvements in operations and internal controls.

8. Prepare formal written reports expressing opinions on the adequacy and effectiveness of the system and the efficiency with which activities are carried out.
9. Appraise the adequacy of the corrective action taken to improve deficient conditions.

ERO AUDITS

10. Select sample of Jackson Hewitt and Independent EROs for on-site audits. Relay to external auditors. Manage the external audit process.
11. Assist in the training of external auditors prior to season. Accompany external auditors on a sample of on-site audits during season to ensure compliance with the bank's program.
12. Select sample of JH and Independent EROs for off-site audits. Obtain RAL application and TILA from EROs and perform review of documentation.
13. Follow up on exceptions, communicate results to management.
14. Other duties as required

INTERPERSONAL SKILLS AND COMPETENCIES REQUIRED:

- Excellent verbal and written communications skills for effective interactions with associates, customers, external auditors and regulators.
- Must be self-motivated and also work in a team environment.
- Requires a high energy level and strong sense of urgency.

PHYSICAL REQUIREMENTS:

None

OTHER REQUIREMENTS:

- Travel to Tax Preparation Offices is required.
- Out-of-town travel is required.
- Activities outside the company to stay abreast of new developments, best practices, and statutory and regulatory changes require a flexible work schedule that will include some evening and weekend work.

CONTACT:

Ann Bauer
Republic Bank & Trust Company
Louisville, KY 40202
502.561.7138