

DERBY CITY DISCLOSURES



LOUISVILLE IIA CHAPTER

August 2008

Dear Louisville IIA Members and Non-Members,

What a great time to be involved in the Louisville Chapter of the IIA! As reported last month, our chapter obtained the gold status for the 2007-2008 chapter year (our sixth consecutive year). In addition, our chapter membership is growing – without a doubt a result of the terrific programming and benefits available to members in our chapter – and there are exciting new member initiatives being implemented.

The chapter library at Sullivan University, one of the new benefits mentioned last month, is now operational and available to everyone in the chapter. Please see the additional information below. Your chapter officers have also obtained commitments from several individuals in the area to present topics ranging from risk assessments to fraud. These should be engaging speakers with relevant subject matter. Also, Kevin Hitchcock, our seminar chairperson, is in discussions with some highly-recommended companies interested in providing affordable seminars to assist with our CPE requirements.

If you know of other professionals in your organization who are not members of the IIA (even if they are) and would like to take advantage of the benefits associated with an IIA membership, your company may want to consider becoming an IIA Audit Group. Now through August 18th, the IIA is offering an Audit Group membership at a **20% discount**. For more information, please visit www.theiia.org/membershipS08E -- feel free to pass this information on to your contacts within the profession.

For those who expressed an interest in becoming more involved with the chapter, consider serving on one of our committees or volunteering at one of our chapter meetings or events. Please feel free to contact myself or Jodi Renn with any questions. I hope everyone enjoys the remainder of the 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.
rlemaster@lwcky.com

Connie Davis
MSD
DAVISC@msdlouky.org

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 Operational

The initial IIA Research Foundation Materials have arrived (see the below listing under "Other News..." for Title and Item Number). As mentioned in the previous newsletter, these materials will be housed by Sullivan University at their campus located at 3101 Bardstown Road. Each member will be issued a library card by Sullivan University that will be needed to check out any of the materials. The library cards will be available at the September 9, 2008 monthly chapter meeting. Contact Jodi Renn if you would like to check out materials prior to the first meeting and she will arrange to get you the library card. The materials listing will be posted on our chapter website and new additions will be published in our newsletter. We are very excited about this member benefit and encourage you to take advantage of the library.

Programming for Chapter Year Has Begun

The Board of Governors met and is busy scheduling speakers and trainers for this year's monthly meetings and seminars. If you were not able to complete that chapter survey and have a name of a speaker/trainer or specific topic you think would be informative to the chapter, please contact Jodi Renn or Kevin Hitchcock to share the information.

Board of Governors Meeting Minutes

The Board of Governors met on July 11th to discuss items affecting the Louisville Chapter and to begin planning for the upcoming chapter year. Summary minutes are provided below for your reference. If you would like to review the minutes in their entirety, please contact Derrick Singletary.

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
David.barker@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...



IIA Research Foundation Materials:

IIA Research Foundation Materials Maintained by the Chapter Library	
Item #	Title
439	Adding Value: Seven Roads to Success
392	Assurance Services Within the Auditing Profession
5000	Audit Committee Effectiveness-What Works Best, 3rd Edition
500	Auditor Roles in Government Performance Measurement: A Guide to Exemplary Practices at the Local, State, and Provincial Levels
414	Balanced Scorecard Framework for Internal Auditing Department
503	Changing Internal Audit Practices in the New Paradigm: The Sarbanes-Oxley Environment
5001	Continuous Auditing: An Operational Model for Internal Auditors
475	Continuous Auditing: Potential for Internal Auditors
336	Control Model Implementation: Best Practices
408	Corporate Governance and the Board - What Works Best
440	Effective Compliance Systems: A Practical Guide for Educational Institutions
502	Enterprise Risk Management: Identifying Risks in B2B E-Commerce Relationships
456	Enterprise Risk Management: Pulling It All Together
433	Enterprise Risk Management: Trends and Emerging Practices
505	Factors Affecting Corporate Governance and Audit Committees in Selected Countries (France, Germany, the Netherlands, the United Kingdom, and the United States)
5006	Four Approaches to Enterprise Risk Management... and Opportunities in Sarbanes-Oxley Compliance
5010	A Global Summary of the Common Body of Knowledge 2006 (CBOK)
419	Independence and Objectivity: A Framework for Internal Auditors
420	Internal Audit Reengineering: Survey, Model, and Best Practices
473	Internal Audit's Role in Corporate Governance: Sarbanes-Oxley Compliance
464	Mergers, Acquisitions, and Divestitures: Control and Audit Best Practices
331	Outsourcing Dilemma: What's Best for Internal Auditing, The
482	PC Management Best Practices: A Study of the Total Cost of Ownership, Risk, Security, and Audit
467	Privacy: Assessing the Risk
520	Proactively Detecting Occupational Fraud Using Computer Audit Reports
349	Risk Management: Changing the Internal Auditor's Paradigm
5003	XBRL: Potential Opportunities and Issues for Internal Auditors

What is the Chapter Achievement Program (“CAP”) :

CAP was designed to recognize Chapter activities that promote the strategic objectives of The IIA. CAP provides minimum 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 three key areas that are evaluated and “credits” are awarded to a chapter:

- **Service to Members** – measured by the number of CPE opportunities offered by a Chapter plus the number of hours actually achieved by Chapter members. Examples include monthly meetings, seminars, and district or regional conferences.
- **Service to the Profession** – activities that benefit the auditing profession and results in benefiting directly or indirectly all internal auditors. Examples include increasing membership, academic relations, research, editorials, and speaker’s bureau.
- **Chapter Administration** – recognizes activities and management of the Chapter. Examples include: monthly newsletters, reporting activities to The IIA, and participation at leadership workshops and conferences.

There are four recognition levels a chapter may achieve based on credits earned during the year:

- **Bronze** 685 Minimum standard each Chapter is expected to achieve
- **Silver** 1,060 Beyond the minimum standards
- **Gold** 1,560 Well beyond the minimum standards
- **Platinum** if Gold is achieved 10 or more years consecutively

Credits may be earned anytime by the Chapter during the year (June 1st – May 31st).

Board of Governors Meeting:

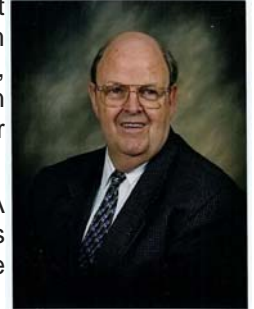
The Board of Governors and chairpersons met on July 11th. The following is a summary of activities and decisions made:

- The Louisville IIA chapter again achieved “Gold” status for CAP for the year ended May 31, 2008. We will do our best to reach this outstanding level again for the year ended May 31, 2009.
- The Louisville Chapter sent five representatives to a one-day District Conference in Carmel, IN in June.
- Monthly meeting rates will remain \$20 for members even though meal prices have increased at the Bristol. Non-members, however, will be charged \$25. Based on survey feedback, we will continue holding meetings primarily at the Bristol, but we will also plan a few outside of downtown Louisville. Based on the annual survey results, meetings will primarily be scheduled for one hour during lunch; however, if the topic is of high interest and an hour isn’t adequate, we may schedule a few 90-120 minute meetings. Based on survey results, meetings will continue to be scheduled for the 2nd Tuesday of each month September – May.
- We have developed a partnership with Sullivan University. We will have a library of audit resources housed at Sullivan University’s library. Soon, members will be authorized to checkout materials and resources. A listing of these resources will be on the website soon.
- Changes to the Chapter website are anticipated. We plan to have a “members only” section. The President and Vice President will continue to consider using a survey provider to allow us to survey members after each meeting. Immediate feedback will help with the planning of future activities and speakers.
- Based on the annual survey results, monthly meeting topics were assigned. [More information to come when speakers are scheduled].

National IIA News and training opportunities includes:

Retired D.C. professional recognized for 26 years of service to his profession

ALTAMONTE SPRINGS, Fla. - In honor of his outstanding contributions to the internal audit profession, William "Bill" Taylor, CPA, CGFM, was awarded a Lifetime Achievement Award from The Institute of Internal Auditors (IIA) at its 2008 International Conference, held in San Francisco, Calif., this week. The Lifetime Achievement Award is given to an IIA member who has shown extraordinary leadership and dedication over a lifetime of service to The IIA, and has had a major impact on the development of internal auditing.



"I am honored to recognize Bill, who has devoted his life to this profession and The IIA," said IIA Chairman of the Board Gerald D. Cox, CIA, MIIA. "He has been truly selfless in his time and is considered by many at The IIA to be a friend. I cannot think of anyone more willing to serve The IIA when asked - and no one more deserving of this award."

Taylor has been a member of The IIA for 26 years, serving at both the local and international levels. With IIA-Washington, D.C., Taylor served three terms as chapter president and several years on the chapter's Board of Governors. Taylor currently sits on multiple national and international IIA taskforces and committees. His previous roles at the international level include chairman of the board of the global IIA, and chairman of several high-profile initiatives such as The IIA's international conference, The IIA's International Relations Committee, and The IIA's global Common Body of Knowledge research study on the practice of internal auditing. He is currently a member of The IIA's Research Foundation Board of Trustees.

In 1994, IIA-Washington, D.C. presented Taylor with the Distinguished Service Award. He has also been recipient of two IIA global awards - the Bradford Cadmus Memorial Award and Exceptional Volunteer Citation. Taylor retired from the Inter-American Development Bank in Washington, D.C. in 2004 after a 41-year career in internal auditing.

Introducing Two New Global Technology Audit Guides - GTAG 10 and GTAG 11

Business Continuity Management - GTAG 10

A good business continuity management (BCM) program is designed to enable business leaders to manage the level of risk the organization could encounter if a natural or man-made disruptive event were to occur. This guide includes disaster recovery planning for continuity of critical information technology infrastructure and business application systems.

One of the fundamental stumbling blocks of a BCM program is finding the budget necessary to fund the program, as well as an executive sponsor that has the time to ensure its success. Business Continuity Management will help the chief audit executive (CAE) communicate business continuity risk awareness and support management in its development and maintenance of a BCM program.

Developing the IT Audit Plan - GTAG 11

Results from several IIA external quality assessment reviews reveal that developing an appropriate IT audit plan is one of the weakest links in internal audit activities. Many times, internal auditors simply review what they know or outsource to other companies, letting them decide what to audit.

To this end, *Developing the IT Audit Plan* can help CAEs and internal auditors:

- Understand the organization and how IT supports it.
- Define and understand the IT environment.
- Identify the role of risk assessments in determining the IT audit universe.
- Formalize the annual IT audit plan.

This GTAG also provides an example of a hypothetical organization to show how to execute the steps necessary to define the IT audit universe.

GTAG guidance is available for download on the IIA's website: <http://www.theiia.org/go?to=GTAGs10-11>

New Guidelines Aim to Reduce Fraud

New guidelines for fighting fraud have been released jointly by three leading professional organizations.

"Managing the Business Risk of Fraud: A Practical Guide" is sponsored by the Association of Certified Fraud Examiners (ACFE), the American Institute of Certified Public Accountants (AICPA), and The Institute of Internal Auditors (IIA). Principles for establishing effective fraud risk management, regardless of the type or size of an organization, are outlined in the guide. To obtain a free copy of the guide go to <http://www.theiia.org/media/files/fraud-white-paper/fraud%20paper.pdf>.

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.

**Metropolitan Sewer District
Internal Auditor
Louisville, KY**

MSD is looking for an Internal Auditor to advise MSD Senior Management, Board of Directors and external auditors on financial, operational, compliance and performance areas for routine and/or periodic audit. Determine the planning, development and implementation of audit programs and procedures in areas of audit focus. Report audit findings and recommendations to management and the Board of Directors as appropriate.

Qualified applicants must possess Bachelor Degree in accounting, business administration or a related field; five or more years related experience; an equivalent combination of education and experience may be substituted. Must possess a valid driver's license. Also, must have knowledge of auditing procedures and techniques; skill in oral and written communication; skill in managing multiple priorities; skill in exercising tact and diplomacy; ability to resolve problems; ability to analyze data; ability to exercise judgment and discretion; ability to operate a PC and associated Windows environment software (e.g. Microsoft Word, Excel, and Access); ability to be courteous and helpful under pressure.

Apply by sending resume by August 1, 2008 to:

Human Resource Director, MSD
P.O. Box 740011
Louisville, KY 40201

MSD IS AN EQUAL OPPORTUNITY/AFFRIMATIVE ACTION EMPLOYER

Ernst & Young LLP
Technology & Security Risk Services Senior
Louisville, KY

Ernst & Young, a global leader in professional services, is committed to restoring the public's trust in professional services firms and in the quality of financial reporting. Our 107,000 people in 140 countries pursue the highest levels of integrity, quality, and professionalism in providing a range of sophisticated services centered on auditing, accounting, tax, and transactions. We strive to help all of our people achieve both their professional and personal goals through an inclusive environment that values everyone's contributions, appreciates diversity of thought, fosters growth, and provides continuous opportunities for development. Recognized by organizations such as Fortune, Working Mother, and Training magazine, Ernst & Young continually strives to be a great place to work

Job Description: Within EY's Technology & Security Risk Services (TSRS) practice, the Senior participates in and supervises multiple client engagement teams and other related activities. Engagements focus on the assessment and/or evaluation of Information Technology (IT) systems and the mitigation of IT-related business risks. Engagements may be either assurance (attestation) and/or risk advisory in nature, and vary considerably in size and complexity. All of our TSRS services, whether assurance or advisory in nature, are designed for the dual purpose of strengthening internal controls and, in so doing, helping to improve IT and business performance. In addition to assurance-related engagements such as financial attestation and SAS 70 engagements, our IT risk advisory services focus on IT governance and effectiveness; IT program management and assurance; security and controls of Enterprise Resource Planning (ERP) implementations; and business intelligence and information analysis. This professional serves as a fieldwork leader to assist clients in employing proper information systems, resources, and controls to maximize efficiencies and minimize risk. The successful candidate will work with client personnel to analyze, evaluate, and enhance information systems facilitating the business internal control process, and will assist clients and other TSRS professionals in performing information technology control and security engagements.

Responsibilities: Collaborate with other members of the engagement team to plan the engagement and develop work program timelines, risk assessments, and other planning documents. Work with the engagement team to document the business processes dependent on information technology. Serve as a fieldwork leader by directing the daily progress of fieldwork, informing supervisors of engagement status, and managing staff performance. Demonstrate and apply a thorough understanding of complex information systems. Use knowledge of the current IT environment and industry IT trends to identify the engagement and client service issues, and communicate this information to the engagement team and client management through written correspondence and verbal presentations. Demonstrate and apply strong project management skills, inspire teamwork and responsibility with engagement team members, and use current technology and tools to enhance the effectiveness of deliverables and services.

Ernst & Young LLP, an equal opportunity employer, values the diversity of our work force and the knowledge of our people.

Qualifications: To qualify, candidates must have:

- a bachelor's degree and approximately 2 years of related work experience; or a graduate degree and approximately 1-2 years of related work experience
- a degree in business, accounting, finance, computer science, information systems, engineering, or a related discipline
- a minimum of 18 months of experience working as an IT auditor or IT risk adviser for a public accounting firm, a professional services firm, or within industry
- significant experience in applying relevant technical knowledge in at least one of the following engagements: (a) financial statement audits; (b) internal or operational audits; (c) SAS 70 engagements; and/or (d) ERP security and control reviews (Oracle, SAP, PeopleSoft)
- project management skills
- strong written and verbal communication skills and presentation skills
- leadership, teamwork and client service skills
- demonstrated integrity within a professional environment

CPA, CA, CISA, CISSP, CISM, CBCP, CIA or CFE certification is desired; non-certified hires are required to become certified to be eligible for promotion to Manager.