

# DERBY CITY DISCLOSURES



**LOUISVILLE IIA CHAPTER**

**February 2009**

Dear Louisville IIA Members and Non-Members,

While growing up, my mom used to call me the “Curious Journal” because I always wanted to know what was going on or who she was talking with on the phone. Perhaps this curiosity is what led to my career in auditing, or maybe this gig is just temporary until my journalism career takes off – who knows.

Nowadays, as part of my daily effort to keep up on the happenings around me I visit foxnews.com, among other interesting websites (check out <http://thevillevoice.com/> or <http://springston.blogspot.com/>). Unfortunately, today’s job news was rather bleak; “Pink-Slip Monday” I believe they described it. Approximately 55,000 job losses were announced today alone. That news bit made me think again about the timeliness of our February meeting on Social Networking and the importance of our monthly gatherings. After all, if I were unfortunate enough to be impacted by the downturn in the economy, I would definitely turn to my social network for support.

So please join us on February 10<sup>th</sup> as Robbie Chitwood discusses with us what are sure to be some interesting aspects of social networking. And don’t come alone, invite a couple colleagues to join you and expand their social network.

One other note... we are accepting officer nominations for the 2009 – 2010 chapter year. The IIA is no different than other volunteer organizations; we need fresh faces and people with new ideas to remain successful. If you are interested in serving, please contact Jodi Renn or myself.

All the best,

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](mailto:president@iialou.org) or Secretary at [secretary@iialou.org](mailto:secretary@iialou.org).

# FEBRUARY MONTHLY MEETING

**Social Networking**  
Robbie Chitwood, CPA  
Resources Global Professionals

**Tuesday, February 10, 2009**  
12:00 noon, 11:30 registration

**1 CPE hour**  
(Certificates available at meeting or contact  
[Tim Brown](#))

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

**Cost: \$20.00 member / \$25 non-member**  
Use PayPal at [www.ialou.org](http://www.ialou.org) or remit at  
meeting

**RSVP with your menu selection by**  
Thursday, February 5, 2009 to

Tim Brown  
Office: 627-4580 Fax: 217-4003  
[membership@ialou.org](mailto:membership@ialou.org)

## **Menu selection:**

**BLACKENED TUNA NICOISE**  
*yellow fin tuna served atop mixed greens &  
olives, capers & red potatoes marinated in  
Balsamic Vinaigrette.*

**BLACKENED CHICKEN SANDWICH**  
*dredged in flour & grilled, served on an onion  
bun with mayonnaise. Served with chips.*

**VEGGIE STIR-FRY**  
*stir-fried peppers, onions, mushrooms, & snow  
peas with Thai chili sauce. Served over rice.*

## **About Robbie. . .**

After 14 years in public accounting as an audit executive with Andersen and Ernst & Young, Robbie joined Resources Global Professionals in 2007 to help develop a consulting practice for the firm in the state of Kentucky and southern Indiana. Throughout her career, Robbie has remained in a client-facing role.

As a CPA and external auditor, Robbie provided assurance and advisory services to clients in varying industries, types and sizes -- from privately held, middle-market companies to Global 1000 corporations. As a Director of Resources Global, Robbie focuses on business development, delivering high quality services, and talent attraction and retention.

**PayPal** is a quick and simple way to pay for monthly IIA meetings. From the chapter web site ([www.ialou.org](http://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 Tim Brown** with your menu choice. All information is exchanged via HTTPS protocol (secure and encrypted) and remains with PayPal.

# LOUISVILLE CHAPTER NEWS

Visit [www.ialou.org](http://www.ialou.org) for more details!!

## OFFICERS

### President

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Dwayne Dowell  
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[dkdowell@dkdcpa.com](mailto:dkdowell@dkdcpa.com)

### Welcome New Members

Three new members! Please welcome: William Southerland of Humana, Rose Torres of Your Community Bank and Norman Williams of Williams Financial Investigations LLC.

### IIA / ISACA Student Reception

The annual IIA / ISACA Student Reception will be held on February 26, 2009 from 4 – 6 pm at the University Club on the University of Louisville campus. Members are encouraged to attend and share your experiences with the students. Volunteers are needed; if interested, please contact Dave Barker.

### Survey Winner!

The winner of January's Survey drawing is Tonya May. Congratulations Tonya! Tonya, selected \$20 off a chapter seminar as her prize. To be eligible for the drawing, you must complete the meeting survey, including your name (once again there were two people that completed the survey this month but did not include their name) and select to participate in the drawing, you then choose from either a \$20 Thornton's Gift Card or \$20 off a Chapter Seminar. Thank you to everyone who took time to complete the survey.

### Save the Date – District Conference

Indianapolis Chapter is sponsoring a conference on April 20 and 21. Please see the attached flyer at the end of this newsletter for more information. There are economical sponsorship opportunities for any organization interested, please contact Jodi Renn and she will forward you the sponsorship packet.

### Upcoming Chapter Seminars

February 20 at E.ON headquarters we are bringing in the MIS Training Institute trainer (Hernan Murdock) to provide training on Using Risk Assessment to Build an Individual Audit Program. See below for more details.

### Leadership Opportunity Available

The Louisville Chapter is looking for a Newsletter Editor. The Newsletter Editor is responsible for preparing the monthly newsletter for distribution to the general membership. For additional information or to express interest, please contact Corey Koellner or Ken Bryan.

### Louisville Chapter Member Social

Come one, come all! Mark your calendar to join fellow IIA members on April 17th at Howl At The Moon (4th Street Live) from 5:00 - 8:00 pm for a happy hour social. This will be a good opportunity for newer members to meet others in the chapter in a relaxed, social setting. There is no cost and a complimentary buffet will be provided. Please drink responsibly.

## CHAIRPERSONS

### Academic Relations

Dave Barker  
University of Louisville  
[David.barker@louisville.edu](mailto:David.barker@louisville.edu)

### Membership/Attendance

Tim Brown  
E.ON U.S.  
[membership@ialou.org](mailto:membership@ialou.org)

### Audit

Will Metcalf  
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[wametc01@louisville.edu](mailto:wametc01@louisville.edu)

### CIA Program

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E.ON U.S.  
[bob.aemmer@eon-us.com](mailto:bob.aemmer@eon-us.com)

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Akebono  
[kbryan@akebono-usa.com](mailto:kbryan@akebono-usa.com)

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### Seminars

Kevin Field  
Kentucky Housing Corp.  
[kfield@kvhousinga.org](mailto:kfield@kvhousinga.org)

# **2008-09 Calendar of Events**

## **Louisville Chapter of the IIA**

\*additional seminars to be added as confirmed

- |                          |  |
|--------------------------|--|
| <b>February 10, 2009</b> | <b>Robbie Chitwood, Resources Global Professionals</b><br>- Social Networking (1 CPE)  |
| <b>February 20, 2009</b> | <b>Hernan Murdock, MIS Training Institute</b><br>- Using Risk Assessment to Build Individual Audit Programs Seminar (7 CPEs) |
| <b>February 26, 2009</b> | <b>Student Reception @ University of Louisville</b>  |
| <b>March 10, 2009</b>    | <b>Bob Miller, Municipal &amp; Financial Services Group</b><br>- Governance (1 CPE)  |
| <b>March 20, 2009</b>    | <b>Dennis Dycus, State of Tennessee</b><br>- Auditing for Fraud (7 CPE)  |
| <b>April 14, 2009</b>    | <b>Paul Tirey, Lisa Buckner and Tim Brown - E-On US</b><br>- Continuous Auditing (2 CPEs)                                    |
| <b>April 17, 2009</b>    | <b>Chapter Social @ Howl At The Moon</b>   |
| <b>May 15, 2009</b>      | <b>Brandy Baltz, Harrah's Entertainment - Horseshoe</b><br>- Social Meeting (1 CPE)  |

## **OTHER NEWS...**

### **The CAP Chat:**

We continue to exceed our goals year-to-date and anticipate reaching the gold level. Thanks to all of our members for their attendance and participation in the local chapter. Expected strong attendance at our upcoming seminars (Risk Assessments on 2/20/09 and Fraud on 3/20/09) should give us a boost in CAP points.

As a reminder, the three key areas evaluated by the IIA are service to members, service to profession, and chapter administration. The Chapter Achievement Program is made up of three performance levels; BRONZE 685, SILVER 1,060, and GOLD 1,560. The total goal for the Louisville Chapter is 1,655 credits this year. For the complete YTD goal versus actual results, please see below.

IIA Louisville Chapter - CAP Goal Summary YTD											
BUDGET									YTD ACTUAL	YTD	
JUN	JUL	AUG	SEPT	OCT	NOV	DEC	JAN	TOTAL	TOTAL	VAR	
SERVICE TO MEMBERS	-	5	-	32	32	32	123	42	266.00	272.82	7
SERVICE TO PROFESSION	27	27	84	38	38	38	38	38	328.24	343.91	16
CHAPTER ADMINISTRATION	42	20	60	44	22	12	12	12	224.00	248.00	24
<b>CAP TOTALS</b>	<b>69</b>	<b>52</b>	<b>144</b>	<b>114</b>	<b>92</b>	<b>82</b>			<b>818</b>	<b>864.73</b>	<b>46.49</b>

## Junior Achievement (JA)

### The IIA and JA Worldwide

Have you ever wondered how you could invest your time and get involved in inspiring future business professionals? In 2005, The IIA signed a Memorandum of Understanding (MOU) with Junior Achievement (JA) Worldwide to partner in support of good governance and strong ethics in the business community. This partnership is helping to educate K-12 students on business issues such as ethics, integrity, corporate accountability, and financial literacy. Through age-appropriate curricula, JA programs begin at the elementary school level, teaching children how they can impact the world around them as individuals, workers and consumers.

IIA headquarters staff takes time to work as JA volunteers in the community to raise awareness of The IIA and how internal auditors bring value to an organization. Members are encouraged to volunteer with their local JA to make a difference to tomorrow's business professionals.

### Why Volunteer?

- The students need you! You can make a difference by helping shape someone's future.
- It is a chance to mentor young people who will soon be part of the work force.
- It is an opportunity to share your experiences and personal stories with young people.
- You can contribute something of value to your community.
- It can be a learning and self-development experience for you, too.
- Your profession needs you! You can explain to tomorrow's professionals what internal auditors do and illustrate the value they bring to an organization.

### How Chapters Can Benefit

Each JA activity is worth five (5) Chapter Achievement Program points (CAP). **Even if you're involved with JA through your workplace**, it can still be counted as a JA activity for your chapter.

If you currently participate with JA through your workplace, or, if you have additional questions on how to get involved with JA, please email Derrick Singletary at [Derrick.Singletary@SYB.com](mailto:Derrick.Singletary@SYB.com).

## CIA Review Course Update

The inaugural CIA review course partnership between the Louisville Chapter and Sullivan University has come to an end. The chapter is currently in the process of preparing for the 2009 CIA review course offerings and is preparing a survey to gather feedback on the schedule. Additionally, as part of this process the chapter is looking to create a list of potential instructors. If you are a CIA, have attended the IIA Instructor Development Course or have experience teaching at the adult level, and would be interested in learning more about facilitating the course please contact Bob Aemmer at [bob.aemmer@eon-us.com](mailto:bob.aemmer@eon-us.com).

## National IIA News and training opportunities links:

### News

[Call for Papers for IT Audit Research Symposium](#)

[Slate Announced for Global Board of Directors](#)

[Plan Now for International Internal Audit  
Awareness Month](#)

### Training

[Dashboards – The Metrics Tool to Manage Your  
Department](#)

[New Fraud Seminars](#)

[New IFRS and XBRL Courses](#)

## Using Risk Assessment to Build Individual Audit Programs

**When:** Friday, February 20, 2009; Registration 8:00 a.m., 8:30 a.m. – 4:30 p.m.  
**Where:** E.ON Headquarters  
**Cost:** \$250 members - \$295 nonmembers (*savings of over \$300 for one day seminar*)  
**CPE credits:** 7 CPE Credits  
**Presenter:** Dr. Hernan Murdock, CIA, Senior MIS Instructor  
Delivered by MIS Training Institute ([www.misti.com](http://www.misti.com))  
**Includes:** Continental breakfast, lunch, afternoon snack, drinks, and materials  
**RSVP:** Please RSVP by February 13, 2009 to Tim Brown [membership@iialou.org](mailto:membership@iialou.org) to confirm your seat

### **Summary:**

In this revealing one-day seminar you will learn how to use risk assessment -- generally applied to annual audit plans -- to help build individual audit programs that will boost auditor productivity and provide the control assurance required by Sarbanes-Oxley. You will explore the differences between traditional, control-based risk assessment and a new, business risk-based approach that addresses management's concerns at the individual audit level. This progressive risk-based approach will demonstrate how assurance and consultative auditing can be performed simultaneously to maximize your audit resources and generate high-impact outcomes.

### **About the Instructor:**

Hernan Murdock is a Senior Consultant for MIS Training Institute. Before joining MIS he was the Director of Training at Control Solutions International where he oversaw the company's training and employee development program. Prior to that, he was a Senior Project Manager leading audit and consulting projects for clients in the manufacturing, transportation, high tech, education, insurance and power generation industries. Dr. Murdock also worked at Northeastern University, Arthur Andersen, Liberty Mutual and KeyCorp and has completed projects in North America, Latin America, Europe and Asia. Dr. Murdock is a lecturer at Northeastern University where he teaches management, international business and ethics. He is the author of articles on whistle-blowing programs, fraud, deception and behavioral profiling and has delivered numerous invited talks and conference presentations at internal audit, academic and government functions in the United States, Latin America and Europe.

## Association of Certified Fraud Examiners – Seminar – “Investigating By Computer”

**When:** February 2 and 3, 2009  
**Where:** Louisville, KY  
**CPE Credits:** 16 CPE Credits  
**Presenter:** TBD  
**Cost:** Available using below link

Are you using technology to the best of your advantage? Presented in nontechnical terms, this course will teach you how to use the computer and the Internet to effectively conduct fraud examinations and locate information.

As part of this instructor-led course, learn the necessary procedures for requesting and using the data you seek, as well as methods for preserving this electronic evidence. Learn about legal issues affecting computer investigations, how to do public record searches online, how to use data mining and analysis and how to trace the origins of e-mail communications central to your examination. Registration, pricing and course description information are available using the following link: [Louisville ACFE Seminar](#)

## Congratulations Barry

Congratulations to Louisville Chapter member Barry Scott (pictured on right) from the University of Louisville on his recent certification as a Certified Internal Auditor (CIA).





The Kentuckiana Chapter of ISACA is proud to provide this unique four day (June 8 – 11) seminar with two corporate governance relevant topics taught by Gordon Smith, President and CEO of Canaudit, Inc. In today's environment of change and soon-to-be corporate regulatory requirements, it is essential to become savvy in application of technical and enterprise governance. The two courses below can be taken individually, or together. Space is extremely limited and given the relevance of the topic, we expect an extremely high volume of interest. Please take advantage of our early bird prices (Through March 31<sup>st</sup>).

These courses will be provided at the Hyatt Hotel in Downtown Louisville, Kentucky. This exciting venue is located just a few hundred feet from one of Louisville's most exciting spots, [4<sup>th</sup> Street Live](#).

Please check out the Kentuckiana ISACA website [HERE](#) for pricing and sign-up information.

For more information, please send email to [mvincent@humana.com](mailto:mvincent@humana.com) (Michael Vincent, KY ISACA President)

### **#1 – Understanding & Preventing Electronic Fraud**

**When:** Monday, June 8 and Tuesday, June 9, 2009

**Time:** 8:00 am sign-in, 8:30 am to 5:00 pm

**Instructor:** Gordon Smith, President and CEO of Canaudit, Inc.

#### **Summary:**

Electronic fraud is one of the best-kept secrets of modern business. While it is constantly occurring, most organizations cover up electronic fraud, absorb the loss as a cost of doing business and move on. This not only increases the cost of doing business, but it ensures that the perpetrators can continue their activities, moving from one target to the next without fear of being apprehended, let alone a conviction. If they are caught, the faulty security and shoddy controls enable the defense lawyers to create reasonable doubt. If E-business is to survive, E-fraud and theft must be stopped. It is time to draw the line in the sand and this course will help you do just that.

The instructor will provide the participants with an understanding of the types of E-fraud, how to detect it and how to prevent it. The participants will learn the need for network, application, and server security, as well as the need to build fraud sniffers, monitors, and surveillance applications. They will also learn how to convince management that strong controls must be in place to enable successful apprehension and prosecution of E-fraud cases.

*Continued Next Page*

## **#2 - Corporate Insecurity: Pillaging Information Assets, Destroying Established Reputations**

**When:** Wednesday, June 10 and Thursday, June 11, 2009

**Time:** 8:00 am sign-in, 8:30 am to 5:00 pm

**Instructor:** Gordon Smith, President and CEO of Canaudit, Inc.

### **Summary:**

Corporations, governments, and universities have one thing in common. They have all been targets of hackers and dishonest employees. Bank of America and Wachovia had client data sold by staff. Citi Group, City National and Time Warner lost electronic media; Card System Solutions, USC, California State University Chico and ChoicePoint had customer data taken. All of these institutions not only had to perform costly remediation, but their issues were widely reported in newspapers across the land and around the world. Clearly, traditional control structures have failed! Servers, databases and even outsourced operations are exposed to pillagers!

Executive management is not only embarrassed, but they feel that they have been deceived by incorrect assurances from middle managers, security staff and even auditors that their systems and data were safe. They provided management with a false sense of security based on testing and verifying antiquated controls that are not effective against the skilled cyber-thief. In this highly charged and controversial presentation, Gordon Smith, President and CEO of Canaudit Inc., will demonstrate how old-style controls can be easily defeated. Section by section, control by control, he will demonstrate how easy it is to defeat control structures. This is a session that must not be missed!



## Gordon E. Smith

Home Base: Hamburg, Pennsylvania

Gordon Smith, President and CEO of Canaudit, Inc., has over a quarter century of progressive audit experience. He continues to explore new audit and security technology as he develops new auditing procedures and techniques. Specializing in high-tech auditing, Gordon is a recognized expert on auditing complex networks, operating systems, databases, and forensic auditing. He is the original developer of the Canaudit Penetration Testing methodology and continues to be a leading member of the penetration audit team.

As a practicing auditor with a strong business sense, Gordon is adept at tying critical audit findings to the key objectives of the organization. He has been the keynote speaker at many national and international conferences. His highly energetic and enthusiastic presentations make audit topics interesting, exciting, and informative. His motivating style and dynamic delivery techniques capture the interest of the audience, open their minds, and inspire them to accept new methodologies and techniques. His innovative audit techniques and ability to translate complicated technology into simple English make Gordon one of the most popular speakers on the audit and computer security lecture circuit.

Gordon is a distinguished career auditor with both internal and external audit experience. He founded Canaudit in 1985 to provide professional development and consulting services to the international audit community. Through Canaudit, Gordon has provided training and audit consulting services to many of the larger organizations such as banks, utilities, insurance companies, retail, government, and manufacturing concerns and has provided extensive services in the medical services industry.

Gordon pioneered the integrated audit concept and assisted many of the above organizations in making the transition to the integrated audit concept. His unique ability to explain complex information technology concepts has enabled many internal auditors to succeed in becoming “true” integrated auditors. His structured COSO-compliant approach enables integrated auditors to provide increased audit coverage while dramatically reducing the time required to perform integrated application audits.

Gordon was the recipient of the 2002 Wasserman Award for Outstanding Achievement in the field of Information Systems Auditing and Control. He is a Certified Management Accountant (Canada) who graduated in 1981. He is also a Certified Government Financial Manager and a member of The Institute of Internal Auditors and The Association of Government Accountants. Gordon is listed in the *Who's Who of Leading American Executives* and has published two books titled *Network Auditing: A Control Assessment Approach* and *Control and Security of ECommerce*, both published by John Wiley and Sons.