Message from the President

Happy New Year, IIA Louisville!

I trust that everyone had a great holiday and enjoyed ringing in the new year. Hopefully everyone enjoyed various renditions of *Auld Lang Syne* in various states of awareness (or lack thereof).

If you currently hold an IIA certification (CIA, CRMA, etc.) please remember to report all your CPE into the IIA CCMS reporting tool, if needed.

I would like to thank our December 10th speakers, Tony Belak and John-Robert Curtin. We enjoyed hearing their presentation on corporate bullying and how the University of Louisville Ombuds Office helps to provide a confidential mediation service for individuals seeking help and guidance if they feel bullied in the workplace. The presentation was wrapped up with the message that internal auditors also have a responsibility to provide a confidential setting for individuals that might need to contact someone about a hostile environment. Thinking about the COSO model, the presence of a hostile work atmosphere can generate “company culture” and “tone at the top” risks that may prevent the control environment from operating properly.

I would also like to congratulate Jim Andriot, Ann Bauer, Connie Davis, and Jodi Renn on their recent elections to the Board of Governors. I am very excited to be working with these four audit professionals. Their knowledge and understanding of the audit profession, as well as their previous Louisville IIA experience, will be a tremendous asset to our chapter.

Finally, please check out the rest of the newsletter for two January events and opportunities for three hours of CPE during the month.

Michael Vincent, CIA, CRMA, CISA, PMP, MBA
Louisville IIA Chapter President

Monthly CAP Update

The CAP total as of November 30, 2013, is 1,092 points. The chapter has achieved Silver CAP status and will reach Gold/Platinum status for the year with another 468 points. Recent highlights of our CAP earning activities include sponsorship of a November fraud seminar, along with the monthly luncheon meeting on “Diversity and Inclusion”, chapter member Tammy Scruggs completing a five week Junior Achievement volunteer program, and two member certifications. Below are the chapter’s current CAP totals by category:

- Service to Members — 545 points;
- Service to Profession — 331 points;
- Chapter Administration — 216 points.
Topics Covered and Learning Objectives

Since the emergence of the Internet and the World Wide Web, the prominence and sophisticated use of Web applications has continued to expand, making online access to information and services from anywhere on the planet increasingly easier. Meanwhile, this global reach exposes the same information and services to threats of various types with equally expanding prominence and sophistication. In this session, we will discuss the types of threats to which our organizations may be exposed through the use of Web applications, the implications of these security threats to the business, the most common Web application security vulnerabilities, and approaches we can take to improve Web application security overall.

Presenters Profiles

Andy Stewart is a manager in PwC’s Health Industries practice. He has over 15 years of security consulting experience, including security assessment and strategy; security program planning and management; IT and security infrastructure and process planning design and implementation; and enterprise security standards development. He earned his undergraduate degree in Business Information Systems and master degree in Management from Indiana Wesleyan University. Andy is a CISSP, and has led an information security blog, hosted a series of security leadership seminars in partnership with (ISC)2, and spoken publicly on a number of information security topics.

Dan Resnick is a senior associate within PwC’s Advisory Health Industries Privacy and Security practice. He has over four years of professional consulting experience in the healthcare industry. His primary areas of expertise include: enterprise and application security, identity management, network security analysis, information technology strategy and IT GRC assessments. Dan attended Indiana University and received his degree in Computer Information Systems, as well as a master degree in Information Systems. He holds multiple certifications including CISSP, CISM, CRISC, and is a HITRUST Certified Assessor.
January Afternoon Meeting
“Emerging Issues in Banking, Fraud, & Accounting Topics”

Date: Tuesday, January 21, 2014
Registration: 2:30 pm – 3:00 pm ET
Meeting Time: 3:00 pm – 5:00 pm ET
Presenter(s): Curtis Schuman, David Calvert, and Nathan Perry – U.S. Dept of Treasury
CPE credits: 2 hours
Cost: Free (registration required)
Location: Republic Bank – Springhurst
9600 Brownsboro Road
Louisville, KY 40241
RSVP: Register Here

Presenters Profiles

Curt Schuman is an assistant deputy comptroller with the Office of the Comptroller of the Currency (OCC). He currently heads the OCC’s Louisville Field Office. Curt has more than 35 years of bank regulation experience and facilitates Mastering the Basics, one of the director seminars sponsored by the OCC. He is a graduate of Miami University in Oxford, Ohio, a Certified Public Accountant, and a member of the Indiana Society of CPAs. Curt is married and has three daughters.

David Calvert is a Certified Public Accountant and is an accounting policy advisor assigned to the Central District of the OCC. He has been with the agency since March 2012. David’s primary responsibility is to provide technical accounting support to examiners and bankers in the OCC’s Central District. Prior to the OCC, he began his career as an external auditor in 2002 at Crowe Horwath, where he specialized in external audits of financial institutions. He then joined Nicor Gas, a publicly traded utility company, where he was involved in SEC reporting, accounting research, and financial planning and analysis. David earned a B.S. in Accountancy and a master of Accounting Science from Northern Illinois University.

Nathan Perry is an assistant deputy comptroller in the OCC’s North Chicago Field Office. He has been with the agency for 28 years working in several offices throughout the country, including a stint as executive assistant to the comptroller in Washington D.C. Nathan has also been a Certified Fraud Examiner for half his career and has led many bank fraud investigations. He currently coordinates the Central District’s fraud examining program.

Social Event at Drake’s

Immediately following the January 21st east end afternoon meeting, we will be hosting a social event at Drake’s in the Paddock Shops (previously The Summit Plaza). Appetizers will be provided by the chapter beginning at 5:00 pm (ET). All Louisville IIA members are invited to attend, even if you can’t make it to the afternoon meeting. We hope you can stop by to mingle with other members while enjoying some great food! Location info is below:

Drake’s
3921 Summit Plaza Drive
Louisville, KY 40241

Certifications Awarded

The Louisville Chapter of The Institute of Internal Auditors and The Institute of Internal Auditors (IIA) are proud to announce that the Certified Internal Auditor® certification has recently been awarded to local chapter members.

Shannon Charnas and Erin Bukowski have earned the designation of Certified Internal Auditor® (CIA®).

Congratulations to Shannon and Erin on their hard work and esteemed accomplishment!

Additional Meeting/Seminar Opportunities

<table>
<thead>
<tr>
<th>Chapter</th>
<th>Date</th>
<th>Location</th>
<th>Presenter(s)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Central KY IIA Chapter</td>
<td>January 14, 2014</td>
<td>Ashland Inc. – Lexington 11:30 am – 2:00 pm</td>
<td>Leadership – Scott Kiefer</td>
</tr>
<tr>
<td>Kentuckiana ISACA</td>
<td>January 17, 2014</td>
<td>Mountjoy Chilton Medley LLP</td>
<td>Stopping Advanced Phishing Threats – Jeffrey Rogers</td>
</tr>
<tr>
<td>Central Ohio Chapter of the ACFE</td>
<td>May 5-6, 2014</td>
<td>Greater Columbus Convention Center 400 N. High Street-Columbus</td>
<td>14th Annual Emerging Trends in Fraud Investigation &amp; Prevention Conference</td>
</tr>
</tbody>
</table>
New Research Explores Third-Party Risks

Data from a recent study published by The Institute of Internal Auditors (IIA) Research Foundation and Crowe Horwath LLP suggests there are opportunities for organizations to improve their management of third-party risks. The new research report, which is largely based on a survey of 164 chief audit executives (CAEs), found that more than three-quarters (78 percent) of the respondents said they had either “some concern” or “high concern” about difficulties with monitoring third parties’ risk management practices. IIA members can download the report for free.

IIA President and CEO Richard Chambers views third-party risk and control assessment as a logical function of modern-day internal audit activities. “With the prevalence of outsourcing in today’s business arena, the involvement of the internal auditors in assessing third-party risk is not only legitimate, but essential,” he says. “The challenge, though, is ensuring they have the requisite resources and executive-level support to fill this need.”

Where will Internal Audit Be Focused in 2014?

In a recent blog, IIA President and CEO Richard Chambers, CIA, CGAP, CCSA, CRMA, shared his personal reflections and insights on the internal audit profession. Here’s an excerpt:

“I started this year with a blog post detailing what I thought auditors should be focused on in 2013. As the year draws to a close, I wanted to focus on the year ahead—the outlook for internal auditing and what’s on the radar for chief audit executives (CAEs), as measured by the Audit Executive Center’s recent North American Pulse of the Profession report, “Defining Our Role in a Changing Landscape”. While I recognize that this survey is somewhat North America-centric, my recent global travels lead me to believe that many of these trends will be observed around the world.”

Read the full Internal Auditor online blog from President Chambers and leave any of your own thoughts regarding the internal audit profession.

Future IIA Seminars and Conferences

<table>
<thead>
<tr>
<th>Event</th>
<th>Date</th>
<th>Location</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>2014 General Audit Management Conference</strong></td>
<td>March 24 – 26, 2014</td>
<td>Hilton Orlando Bonnet Creek/ Orlando, FL</td>
</tr>
<tr>
<td><strong>2014 Gaming Conference</strong></td>
<td>April 14 – 16, 2014</td>
<td>The Mirage/ Las Vegas, Nevada</td>
</tr>
<tr>
<td><strong>2014 Central Regional Conference</strong></td>
<td>May 18 – 21, 2014</td>
<td>Hyatt Regency/ Indianapolis, IN</td>
</tr>
<tr>
<td><strong>2014 International Conference</strong></td>
<td>July 6 – 9, 2014</td>
<td>ExCeL London Exhibition and Conference Centre/ London, England</td>
</tr>
</tbody>
</table>
**Calendar of Meetings/Seminars**

**Louisville IIA Chapter Events for 2013-14**

<table>
<thead>
<tr>
<th>Date</th>
<th>Meeting / Seminar Title</th>
<th>Speaker(s)</th>
<th>CPE</th>
<th>Location</th>
</tr>
</thead>
<tbody>
<tr>
<td>1/14/14</td>
<td>Web Applications(^{(a)})</td>
<td>Andy Stewart and Dan Resnick – PwC</td>
<td>1</td>
<td>Bristol Bar &amp; Grille Downtown</td>
</tr>
<tr>
<td>1/21/14</td>
<td>Emerging Issues in Banking, Fraud, and Accounting Topics(^{(a)}) (Joint meeting with ACFE)</td>
<td>Curtis Schuman, David Calvert, and Nathan Perry – U.S. Dept of Treasury</td>
<td>2</td>
<td>Republic Bank (Springhurst branch)</td>
</tr>
<tr>
<td>2/11/14</td>
<td>The Kentucky Lottery - How Winners are Created(^{(a)})</td>
<td>Chip Polston – Kentucky Lottery Corporation</td>
<td>1</td>
<td>Bristol Bar &amp; Grille Downtown</td>
</tr>
<tr>
<td>3/11/14</td>
<td>Internal Audit - The Coolest Profession(^{(a)})</td>
<td>Melissa Bayer – Humana, Inc.</td>
<td>1</td>
<td>Bristol Bar &amp; Grille Downtown</td>
</tr>
<tr>
<td>4/08/14</td>
<td>Physical Security(^{(a)})</td>
<td>A.J. Armour – PwC</td>
<td>1</td>
<td>Bristol Bar &amp; Grille Downtown</td>
</tr>
<tr>
<td>4/22/14</td>
<td>Information Risk in ERM (^{(a)})</td>
<td>Charles Saunders – Franklin University</td>
<td>TBD</td>
<td>East end</td>
</tr>
<tr>
<td>5/13/14 (tentative)</td>
<td>TBD(^{(a)})</td>
<td>TBD</td>
<td>TBD</td>
<td>TBD</td>
</tr>
</tbody>
</table>

\(^{(a)}\) = denotes meetings that are included in the annual subscription discount program.

---

**Government Auditors Roundtable**

On January 30, 2014, at 10:00 am (ET), a group of governmental auditors will be attending a meeting with representatives from the Auditor of Public Accounts (APA) to build relationships and share information. The agenda for the meeting includes:

- **Hot Topics** – Each agency can bring one or two hot issues on their audit plan to share.
- **IT Security Common Issues** – APA to present common issues they have seen. (Security Administrators with government agencies are welcome to attend.)
- **Financial Common Issues** – APA to present on common issues they have seen.
- **Business Continuity/Disaster Recovery** – Each agency to speak to how they handle BC/DR within their agency.

The meeting will be held at the APA’s office located at 209 St. Clair Street, Frankfort, KY 40601. Attendance is free, but you must contact Jodi Renn to pre-register for this event. If you are a government auditor and are interested in being a roundtable panel participant, please contact Jodi.
Officers and Committee Chairpersons

President and Nominating Committee Chair
Michael Vincent
LG&E and KU Energy
(502) 322-0216

Vice President
Maria Hawkins
Humana, Inc.
(502) 580-1580

Secretary and Chapter Achievement Program Chair
Jenni Schelling
Metropolitan Sewer District
(502) 540-6380

Treasurer
Nancy Paus
Schulte Hospitality Group
(502) 882-8256

Past President and Promotions Committee Chair
Jennifer Vittitoe
Humana, Inc.

Academic Relations
May Porter
Louisville Metro Government

Brittany Schaefer
Hilliard Lyons

Advocacy/Diversity
Jigisha Shroff
Humana, Inc.

Danny Wooten
Humana, Inc.

Audit
Shawn Stevison
CHAN Healthcare Auditors

Certifications
Bob Aemmer
LG&E and KU Energy

Chief Audit Executive Roundtables
Ann Bauer
Republic Bank

Government Relations
Connie Davis
Kentucky Retirement Systems

Junior Achievement
Derrick Singletary
Stock Yards Bank & Trust

Membership
Mike Kernan
Audit and Business Analysis Professional

Gretchen Wagner
Humana, Inc.

Newsletter Editors
Adam Murphy / Jackie Chism
Kentucky Housing Corporation

Programs/Seminars
TBD/Vacant

Quality Assessment Reviews
Jodi Renn
Kentucky Higher Education Student Loan Corporation

Melissa Koellner
PharMerica

Social Activities
Andrea Higgins
Robert Half Management Resources

Webmaster/Social Media
Sonja Heath
Kentucky Higher Education Student Loan Corporation

Board of Governors

Elected Terms
Jim Andriot (Thru 12/31/2015)
LG&E and KU Energy

Ann Bauer (Thru 12/31/2014)
Republic Bank

Connie Davis (Thru 12/31/2015)
Kentucky Retirement Systems

Jodi Renn (Thru 12/31/2014)
Kentucky Higher Education Student Loan Corporation

Past Presidents Terms
Melissa Koellner (Thru 5/31/2014)
PharMerica

Jennifer Vittitoe (Thru 5/31/2015)
Humana, Inc.

Quality Assessment Reviews
Jodi Renn
Kentucky Higher Education Student Loan Corporation

Melissa Koellner
PharMerica

Social Activities
Andrea Higgins
Robert Half Management Resources

Webmaster/Social Media
Sonja Heath
Kentucky Higher Education Student Loan Corporation

Elected Terms
Jim Andriot (Thru 12/31/2015)
LG&E and KU Energy

Ann Bauer (Thru 12/31/2014)
Republic Bank

Connie Davis (Thru 12/31/2015)
Kentucky Retirement Systems

Jodi Renn (Thru 12/31/2014)
Kentucky Higher Education Student Loan Corporation

Past Presidents Terms
Melissa Koellner (Thru 5/31/2014)
PharMerica

Jennifer Vittitoe (Thru 5/31/2015)
Humana, Inc.

Advertisement Policy
Area employers are eligible for free recruitment postings on the Louisville IIA website and in the monthly newsletter, IF at least one employee is a member of the local chapter. Newsletter advertisement rates for employers without a local chapter member and executive search firms are: $50 – ½ page; $100 – full page. Paid advertisements also include posting of recruitment information on the chapter website for one month. Payments must be received prior to posting. For more information, please email the Louisville IIA Chapter President or Secretary.