



Kentuckiana ISACA Website

The purpose of this news letter is to provide a medium by which the Kentuckiana ISACA members can share auditing information, enable new members to establish a professional network, provide valuable career opportunities to members, and keep membership updated on the industry trends. Also available from your Kentuckiana ISACA group is our web-page that contains similar information in a dynamic and GUI format. If you have not seen our website, please check it out [here](#).

This award winning site contains chapter general information, career opportunities, past newsletters, contact information, reference material and more.

Next ISACA Lunch Meeting

Time: November 2, 2005

11:30 Check-in and Networking

12:00-1:00 Lunch and Presentation

CPE: 1 CPE Hour (*certificates available upon request*)

Speaker - Topic:

Dr. S. Srinivasan – Database Security & Control

Speaker Bio:

Dr. Srinivasan is a professor of computer information systems in the College of Business and Public Administration at the University of Louisville. His research interests are in telecommunications security, and he has published several papers on mathematics and computer science. He has performed IT consulting work for major businesses and government. Currently he concentrates his teaching in telecommunications and databases. In addition, he is a senior member of the Institute of Electrical and Electronics Engineers.

Location:

Yum! Brands, Inc., 1441 Gardiner Lane, Louisville, KY
(*directions included on last page of newsletter*)

Menu Selections:

Lunch will be provided by Yum! Brands. No advance menu selections are required.

RSVP: Carrie Ramsey by October 31, 2005.

Office: (502) 627-4738

Carrie.Ramsey@lgeenergy.com

Cost: FREE

Career Opportunities

The KY ISACA Chapter strongly believes in providing a medium through which members can network and grow professionally. To that end, the KY ISACA chapter offers a web page for job opportunities to our members and to the community. If you are interested in posting job opportunities on our website, please contact Michael Vincent for more information.

Current career opportunities posted are located on our [Louisville Area Job Openings Page](#).

Thank you for supporting the KY ISACA Chapter.

PayPal is a quick and simple way to pay for monthly IIA meetings. From the chapter web site (www.iialou.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 ecommerce 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 Carrie Ramsey** with your menu choice. All information is exchanged via HTTPS protocol (secure and encrypted) and remains with PayPal.

Hurricane Disaster

The unprecedented disaster in the Gulf Coast area has caused a human tragedy that can only be described as egregiously horrific. The Kentucky ISACA board members would like to express our deepest concern and sympathy for those members in the Kentuckiana area that have loved ones and friends who are impacted by this disaster. We encourage all Kentucky Chapter members to consider monetary donations to reputable disaster relief agencies.

PRESIDENT'S MESSAGE

From the desk of
Matthew Smith

Dear Members,

Thanks to Active Reasoning for their great presentation at our September meeting on “Sustainable IT Compliance” and for giving a complimentary copy of their book (“IT Compliance for Dummies”) to all those who attended. Anyone interested in obtaining additional copies can contact David Greene directly at Active Reasoning (david.greene@activeresaoning.com).

We have another great FREE presentation lined up for you at our November meeting. Dr. S. Srinivasan from the University of Louisville will be speaking to us about database security and control. We are honored to have Dr. Srinivasan present to our group, as his work has been published in the “Information Systems Control Journal”. See the upcoming events section of the newsletter for additional details. I look forward to seeing you there – don’t forget it will be FREE, lunch will be provided, and you can get 1 hour of CPE.

Congratulations to all our members who successfully passed the CISA or CISM exam in June! We wish you continued success during your career.

Please try to complete the membership survey we sent out in September if you haven’t already – it will take less than 10 minutes of your time. We value your feedback and we’d like to hear back from as many of the members as we can to ensure this exercise has a positive impact.

Thank you for your time and I hope you can make it to the November meeting.

Regards,

Matthew Smith

CobIT Certification

Increased worldwide adoption of *Control Objectives for Information and related Technology* (COBIT) framework has created a need for IT professionals and auditors to become skilled at using it within their organizations. To address this need, the IT Governance Institute (ITGI) and the Information Systems Audit and Control Association (ISACA) released today the COBIT Foundation Course, a self-paced, electronic tutorial developed by ITpreneurs.

COBIT (www.isaca.org/cobit), published by ITGI and now in its third edition, is internationally accepted as good practice for control over information, IT and related risks. COBIT is used to implement governance over IT and improve IT controls, and has become a tool used by many companies working toward regulatory compliance, including the Sarbanes-Oxley Act in the US.

The COBIT Foundation Course can be completed in approximately eight hours and features case studies; real-world examples; an overview of COBIT's control objectives, control practices, management guidelines and audit guidelines; and 40 sample questions that help prepare users for the COBIT Foundation exam. The course helps users understand:

- How IT management issues affect organizations
- The principles of IT governance and who should be responsible for it
- The need for a control framework
- How COBIT is used with other best practices and standards
- The many components of COBIT

"Organizations around the world are increasingly recognizing the need for better IT governance driven by IT's strategic significance and growing regulatory requirements," said Gary Hardy, advisor to the ITGI Committee and director of IT Winners, South Africa. "The COBIT Foundation Course provides the knowledge and real-life examples that can help organizations successfully use COBIT to implement effective governance over IT that increases the value of IT and mitigates IT-related risks."

The COBIT Foundation Course consists of five modules:

1. Responding to IT Challenges
2. Introducing COBIT
3. What COBIT Provides
4. Applying COBIT in Practice
5. Products and Support Available From ITGI

Registration for the course is US \$499. For additional information or to register for the course, visit www.isaca.org/cobitcampus.

Congratulations

Congratulations to those individuals who successfully passed the latest CISA/CISM exams this past cycle. You worked hard and studied long hours to achieve this level of success and the KY Board members want to extend our most sincere congratulations to you.

For the names of those that passed, see page 6.



Policy for Posting Positions:

There have been several inquiries from various parties regarding the KY Chapter of ISACA and posting job inquiries. Below is the requirements as outlined within KY ISACA Board meeting Minutes:

- \$50 for two months members and \$200 or so for non-members)

Please contact Mike Vincent for details.

Certifications X 2

Due to high demand, the following change to the CISA and CISM exams have been posted on the ISACA web site:

More than 20,000 candidates worldwide have registered for the June 2005 CISA and CISM exams. These unprecedented registration numbers demonstrate the vast demand and interest in the achievement of each credential. ISACA will add a second annual administration of each exam in order to accommodate more CISA and CISM candidates, beginning this December.

The December exam will be offered in [select locations](#) and languages, based upon demand. For those candidates interested in gaining their CISA credential, the December 2005 exam will be the last exam covering the current CISA job practice areas. CISA exams offered in 2006 will cover new CISA job practice areas as defined in a recent job practice analysis.

ISACA National News and Information

CISA/CISM Receive ANSI Accreditation

We are extremely proud to advise you that the American National Standards Institute (ANSI) has awarded accreditation under ISO/IEC 17024 to ISACA's Certified Information Systems Auditor (CISA) and Certified Information Security Manager (CISM) certification programs. ANSI's accreditation:

- Promotes the unique qualifications and expertise our certifications provide
- Protects the integrity of our certifications and provides legal defensibility
- Enhances consumer and public confidence in the certifications and the people who hold them
- Facilitates the mobility of certified individuals across borders or industries

Accreditation by ANSI signifies that ISACA's procedures meet ANSI's essential requirements for openness, balance, consensus and due process. To maintain ANSI accreditation, certification bodies such as ISACA are required to consistently adhere to a set of requirements or procedures related to quality, openness and due process.

The American National Standards Institute (ANSI) is a private, nonprofit organization that administers and coordinates the US voluntary standardization and conformity assessment system. Its mission is to enhance both the global competitiveness of US business and the US quality of life by promoting and facilitating voluntary consensus standards and

conformity assessment systems, and safeguarding their integrity.

This accreditation and adherence to ISO/IEC 17024 are being used as an industry benchmark. For example, the U.S Department of Defense (DoD), to ensure a knowledgeable and skilled workforce, has developed a directive that requires every full- and part-time military service member, defense contractor, civilian and foreign employee with privileged access to a DoD system, regardless of job series or occupational specialty, to obtain a certification credential that has been accredited to the ISO 17024 standard.

With this accreditation, we anticipate that significant opportunities for CISAs and CISM's will continue to open in the US, and we believe it will be a strong motivator for similar recognition by governmental entities outside the US. As such, we encourage those of you inside the US to inform your members, credential holders and state and local governmental entities of this achievement, and outside the US to promote this accreditation to the proper authorities and representatives in your countries to obtain similar recognition and support. Finally, please let us know of the outcome of your efforts so that we can share your experiences with others.

ISACA chapters have long played an important role in the widespread recognition and adoption of CISA and CISM, and there is no question that your support contributed to the ANSI accreditation. Thank you for all you do to promote ISACA and the certifications.

Forum

Switching Costs

The concept of switching costs is derived from the realm of economics and literally means what it says: How much will it cost me to switch from this to that. This concept is used by organizations as a way to prevent current customers, vendors, partners, etc. from changing to another organization. One example may be your bank.

How difficult would it be for you to change banks. On the surface, it may seem relatively simple. You walk into the bank, tell them to close your accounts, get your money and walk out, right? Maybe, but more than likely there are other little loose ends that will require your attention. Do you use online money transfer services, such as PayPal? How about your personal banking software such as Microsoft's Money, or Quicken? You will have to change those as well. Not to even mention getting new checks, changing automated bill pay processes, and the list goes on.

Pretty soon, you may be doubting if you really want to change. These extra services offered by banks become integrated into our lifestyle that is not so easily removed.

So what does this scenario have to do with auditing? Everything! During your audits, you are inspecting the current processes performed by an organization. You are then making recommendations to that organization on how best to approach making improvements to their process environment. Implementing those changes have a significant number of costs, including switching costs.

It is important to remember that when completing an audit, you may receive active or passive resistance to your recommendations not

necessarily because the client does not agree with your findings, but because the client is internally assessing the needed activities required to implement the recommendations. After running through the scenarios, the client may be hesitant in responding positively to your recommendations because of the switching costs required.

Realizing that this resistance may be inevitable, we must be prepared to defend why the switching costs are worth the expense. For example, if we require an organization to implement procedures that have inherent switching costs, we must be able to demonstrate that the switching costs are more tolerable than the potential repercussions if a risk is not adequately mitigated.

This means that an organization must have some understanding of a general risk appetite, or you must be able to demonstrate that a potential risk exceeds an organizations tolerance. Once you sell this point, then the required switching costs are no longer a viable barrier.

It is easy for an auditor to get into a battle of politics, semantics, and personality differences. During these confrontations, it is important to attempt to understand the client's resistance source then eliminate the source of concern. In the case of switching costs, we must demonstrate that status quo is far more expensive than implementing recommended change.

*Kentuckiana Chapter Officers***

Officer	Position	Company	email
Matthew Smith	President	YUM!	matthew.smith@yum.com
Bruce Edwards	VP & Web master	U of L	Bruce@quasarcomics.com
Michael Vincent	VP & Newsletter	Humana	mvincent@humana.com
Diane Kissel	VP Programming	Kindred Health Care	diane.kissel@kindredhealthcare.com
Bob Boyle	Treasurer	Strothman & Company	rboyle@strothman.com
Debbie Shelton	Past President, Secretary	LG&E Energy	Debbie.Shelton@lgeenergy.com
Carla Shields	Membership Director	Ajilon Finance	carla.shields@ajilonfinance.com
James Rose	Standards Liaison	Humana	jrose1@humana.com
Dave Barker	Academic Liaison	U of L	dfbark01@louisville.edu
Melissa Perry	CISA Coordinator		melissaperrycpa@yahoo.com
Danette Dillow	Asst. Treasurer	Republic Bank	DDillow@republicbank.com

Congratulations to those below who passed the CISA or CISM!

Mr. David Ryan Roling
Mr. Littlefield Matthew William, CISA,CPA
Mr. Michael Edward Kleopfel, CISA
Carolyn Fiske
Barry V. Scott, CISA
Lt.Col. Edward J. Maloney, III
Mr. Charles Raymond Snyder, PMP
Mr. Carl Lutes, CISA
Mr. Jeffrey Bradshaw
Mrs. Brogan Darla Jan, CISA
Mr. David Thomas Kozora, CISA
Brad Wolff
Mr. James E. Andriot, CPA, CIA
Mr. Richard Lee Taylor
Mrs. Carey Fansler
Mr. Phillip C. Forrest, ISO
Mr. Jeffrey O. Gercken, CISSP,CCNP,MCSE

Calendar of Events

ISACA

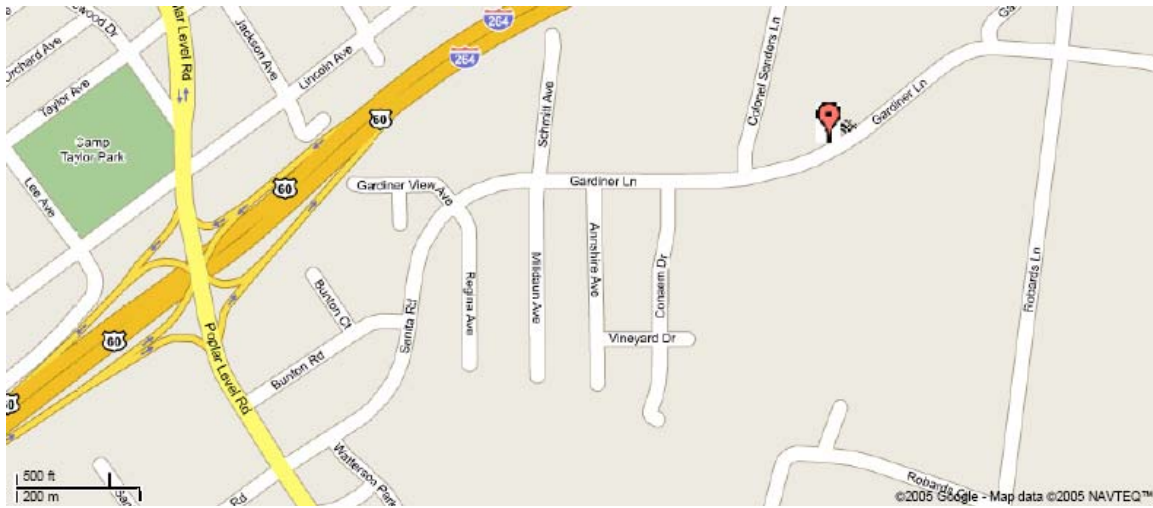
RSVP: carrie.ramsey@lgeenergy.com

Date / Location	Topic	Speaker
September 5 / Kindred Healthcare	IT Compliance for Dummies	Active Reasoning
November 2, 2005	Database Security & Control	Dr. S. Srinivasan

Institute of Internal Auditors
RSVP: carrie.ramsey@lgeenergy.com

Date	Topic	Speaker
11/8/2005	ERM	James Rose, MA, CPA, CISSP
12/13/2005	Effective QARs	Jennifer Burke
1/10/2006 (AM)	Roundtable – Evolving Role of Internal Audit	Dave Barker
1/10/2006 (Lunch)	Evolving Role of Internal Audit	Teresa Snediger
2/2/2006 (All Day)	Fraud – 2006	Courtenay Thompson (& Associates)
2/14/2006	Alternative Dispute Resolution in Business	Tony Belak
3/14/2006	Quantitative Risk Assessment in Action	Bruce Edwards

Directions to YUM Facility



Coming from I-65, take the Watterson Expressway I-264 East to Poplar Level Road (exit 14). At the end of the exit ramp, turn right on Poplar Level Road headed South/East. Immediately get in the left hand lane on Poplar Level Road and make a left turn at the first stop light onto Gardiner Lane. Take Gardiner Lane for approximately 1/3 of a mile. Yum! Brands will be on your left side with a sign that reads “Restaurant Support Center” out front. Yum! Brands is located directly across the street from the U.S. Post Office on Gardiner Lane. Proceed to the entrance of the white five-story office building and a receptionist will assist you from there. If you need further assistance, please contact Matthew Smith at 502.836.5040.