

**OFFICERS
AND
DIRECTORS
2003-2004**

PRESIDENT

John W. McCormick, CISA, CIA
City of Detroit
(313) 224-4039

VICE PRESIDENT

Karine F. Wegrzynowicz, CISA
Ford Motor Company
(313) 337-5796

TREASURER

Brenda L. Karl, CISA
Jefferson Wells International
(248) 350-3006

SECRETARY

Patricia A. Earl-Cole, CISA, CIA
Horn Murdock Cole
(248) 633-2424

DIRECTORS

Arthur Abruzzo, CISA, CDP, CSP
Amerisure Companies
(248) 426-7944

Salman Aziz
Delphi Automotive
(248) 813-8034

Edward R. Barszcz, CIA, CFE
Blue Cross Blue Shield of MI
(313) 225-9076

Michael A. Forrest, CISA
Jefferson Wells International
(248) 350-3006

Paul L. Haley, CISA
DTE Energy
(313) 235-9244

John H. Hoppesch, CISA
Handleman Company
(248) 362-4400 ex. 6718

Robert J. Otten, CISA, CIA
Kmart Corporation
(248) 463-2428

Brandy A. Pfeiffer, CISA, CPA
Federal-Mogul Corporation
(248) 354-2602

John L. Quaine II, CISA, CPA, CIA
Blue Cross Blue Shield of MI
(313) 225-7663

Carrie E. Schrader, CISA, CBM
Deloitte & Touche LLP
(313) 396-2754

Michael S. Stolarczyk, CISA
Jefferson Wells International
(248) 226-1319

David F. Thompson, CISA, CFE
Blue Cross Blue Shield of MI
(313) 225-6384

Douglas S. Wahr, CISA, CISSP
The Auto Club Group
(313) 436-7488

Robert V. Yanik, CISA
City of Detroit
(313) 224-3101



Information Systems
Audit and Control
Association

DATA BYTE

NEWSLETTER OF THE DETROIT AREA CHAPTER

VOLUME 18, #5

REGION 2, CHAPTER 8

JANUARY, 2004

Monthly Meeting Wednesday, January 14, 2004

JOINT MEETING WITH SOUTHEAST MICHIGAN CHAPTER CERTIFIED FRAUD EXAMINERS

Pre-Dinner Topic: "Construction Fraud and Abuse"
Bob McDonald, Jefferson Wells International

After-Dinner Topic: "Forensic Audit Accounting"
Antonio Robinson, President, Pioneer Technology

Date: Wednesday, January 14, 2004

**PLEASE NOTE MEETING DATE IS ON THE SECOND WEDNESDAY OF THE MONTH
INSTEAD OF THE USUAL THIRD WEDNESDAY
MAP AND DIRECTIONS ON PAGE 7**

Time: 4:30-5:00 Registration/Networking
5:00-6:00 Before-Dinner Presentation
6:00-7:00 Dinner
7:00-8:00 After-Dinner Presentation

Location: Tapestry
24580 Evergreen
Southfield, Michigan 48075
(248) 356-5602

Cost: \$25.00 Members
\$35.00 Non-Members
\$10.00 Students and Retirees

Reservations will be taken by Suzanne McCormick. Please make reservations by NOON on Friday, January 9, 2004. You can make your reservation online at isaca-det.org or e-mail your reservation to Suzanne McCormick at jsmccor65@aol.com. If you do not have access to the Internet, call Suzanne at (248) 471-3075. Please include your name, certification, company, telephone number, and whether you are a Member, Non-member, Student or Retiree. All e-mail reservations will receive a personal confirmation that the reservation was received. Walk-ins are welcome.

Visit our web site at: isaca-det.org

Letter from the President

Dear Members,

When you get this message, the holiday break will be right around the corner. You can summarize the past year in one word, "Challenging". We have gone through (haven't escaped it yet) a very harsh job market, soft economy, and almost a rethinking of what audit is all about with Sarbanes-Oxley (SOX) leading the charge. Many people believed the SOX legislation was a mandate and job guarantee for CPA's and external auditors. However, a new publication issued by the IT Governance Institute (Published by ISACA) addresses the implications of the Act as it relates to the IT auditing profession. I quote an article from the December issue of the IIA's *Internal auditor* (with some omissions for brevity):

"Organizations will need representation from IT on their SOX teams to ensure that IT general controls and application controls exist and support the objectives of the compliance effort. ...several key areas of responsibility for IT professionals including [*sic*] mapping the IT systems that support internal control and the financial reporting process to the financial statements, and ensuring that IT controls are updated and changed – as necessary – to correspond with changes in internal control or financial reporting processes. The SOX legislation has created a greater need for business to have IT controls in place.... Ensuring the reliability of financial data and maintaining ethical compliance is now the law, and achieving that requires that the appropriate controls be put in place so that technology can enable compliance. In addition, the opportunity to revisit existing controls may lead to greater operating effectiveness and efficiency."

ISACA released a final version of the IT Controls Objectives in December. You can download the document from ITGI's Web site, www.itgi.org.

Our January meeting promises to be interesting and informative. Tony Robinson, President of Pioneer Technology Services, is going to talk on the following: what to do or not do when the Auditor is faced with a computer / employee problem that could have legal implications; issues of evidence and chain of custody; what to do when an Auditor is tasked with reviewing someone's PC files or transactions; and the issue of logon accuracy ("I did not do it! Someone else got to my computer".) Robert McDonald from Jefferson Wells International is going to speak on construction fraud, a topic that promises to generate many questions from the membership with the climate in today's industry.

Lastly, Mike Forest is pulling together a team to provide instruction for the upcoming CISA review course. Your Chapter has not decided whether to provide a one or two day concentrated course or spread the instruction over many weeks, one day per week. We are looking for certified CISA personnel who would be willing to provide instruction to groups usually approaching 30 people in numbers. If you have an interest, please forward your name and phone number and email address to Suzanne at jsmccor65@aol.com and she will make sure Mike gets the information.

To all members, both new and the gray ones, the future is bright and January's meeting promises to get us off to an excellent start. Join us January 14, 2004 and help us kick off the New Year.

John W. McCormick, CISA, CIA
President
Detroit Chapter ISACA

PRE-DINNER INFORMATION

“Construction Fraud and Abuse”

Bob McDonald, Jefferson Wells International

Bob McDonald is the North American Practice Director for the Construction Services Practice. He has broad experience including Construction, Manufacturing, Distribution, Fraud Examination, Financial Services, Retailing, Information Systems and Industrial Security in both North America and Europe. He has been a guest speaker at internal audit seminars on the subject of Construction Auditing and is responsible for developing and managing the Construction Services Practice.

Bob is responsible for all aspects of the Construction Services Practice and has developed the standardized methodology and, with assistance from the Construction Services Managers and Jefferson Wells University, developed the Construction Services Workshop – a two-day 18 CPE seminar required for each Jefferson Wells construction auditor. The Workshop provides instruction in both advanced construction auditing techniques and provides assurance that each engagement is conducted in accordance with both Jefferson Wells and the Institute of Internal Auditors standards.

Prior to joining Jefferson Wells International in 1996, Bob was Director of Internal Audit- Corporate and General Products Group; and Director of Internal Audit and Security-West Europe for the Premier Industrial Corporation. He was also with General Electric Credit Corporation and BFGoodrich.

Bob holds a Bachelor of Science degree from Ohio University and is a Certified Internal Auditor and a Certified Fraud Examiner.

AFTER DINNER INFORMATION

“Forensic Audit Accounting”

Antonio Robinson, President of Pioneer Technology

Antonio Robinson, President of Pioneer Technology (www.pioneertechnology.com) brings 25 years of experience covering IT, Engineering, Software and Hardware development environments. This expertise ranges over such diverse technology areas as the Department of Defense (DOD), Power Industry, Transportation, Manufacturing Automation, and R & D.

Antonio Robinson’s in-depth experiences with e-Security and forensics cover a wide range of unique environments. Starting in 1995, his forensics experience centers on Civil Litigation support in network, systems, and engineering and business fraud cases.

He is a member of the following professional organizations: CSI, ISSA, ISACA, SAE, SME, and AIAA.

Antonio is also on the Board of Advisors for the FBI InfraGard E-Michigan Region.

ADVERTISE IN THE DATABYTE NEWWLETTER

¼ Page - \$25.00
½ Page - \$50.00
Full Page - \$100.00

Contact Suzanne McCormick at
Jsmccor65@aol.com or (248) 471-3075

SENIOR INFORMATION TECHNOLOGY AUDITOR

Handleman Company, one of Metropolitan Detroit’s 101 Best & Brightest Companies to Work For and the leading supplier and merchandiser of music products for North America’s leading retail chains is seeking a **Senior Information Technology Auditor**.

Responsibilities include: conducting complex independent audits of IT processing systems and applications to safeguard assets, ensure accuracy of data and promote operational efficiencies; Reporting audit findings and recommending corrective actions to management; Participate in testing and evaluation of IT internal controls over financial reporting as required by the Sarbanes-Oxley Act; Providing input to the corporate risk assessment process and the annual audit plan.

Qualified candidates will have: Bachelor degree in Business Administration, Computer Science or a related field; Professional certification (CISA preferred or CPA / CIA); Strong skills in system development, information security, client-server, mainframe, and distributed computing methodologies and a minimum of three years experience conducting information systems audits; Strong analytical, interpersonal and written communication skills are required; Knowledge of data analysis tools and technical experience with UNIX, AS400, IBM Mainframe and LAN systems; Working knowledge of Sarbanes-Oxley Act compliance, COSO and / or Cobit; Ability to travel 25% domestically/ internationally.

We invite you to learn more about us at www.handleman.com. Please apply with your resume and salary expectations to: Handleman Company – Troy, MI. Attn: Mgr. Org. Dev/SIA - 248.362.3656 (FAX) or to careers@handleman.com. Handleman Company is an Equal Opportunity Employer and 2003 winner of the MBPA Elite Award for Diversity & Multiculturalism.

YEAR AT A GLANCE

January 9, 2004	Reservations due by noon for the January 14 ISACA/CFE dinner meeting
January 13, 2004	Deadline for the February issue of the Databyte
January 14, 2004	Chapter Meeting (Please Note: This meeting is on the Second Wednesday of the month instead of the Third Wednesday) <i>Joint meeting with the CFE</i> “Construction Fraud and Abuse” – Bob McDonald “Forensic Audit Accounting” – Antonio Robinson
February 4, 2004	Early Registration Deadline for June 2004 CISA and CISM
February 12, 2004	Deadline for the March issue of the Databyte
February 13, 2004	Reservations due by noon for the February 18 ISACA dinner meeting
February 18, 2004	Chapter Meeting “Thesis: Security Concepts” – Rob Otten “Audits, Audit Work Papers, Discovery”
March 5, 2004	Reservations due by 6:00 p.m. for the March 22-March 24 ISACA/IIA Spring Seminar
March 11, 2004	Deadline for the April issue of the Databyte
March 12, 2004	Reservations due by noon for the March 17 ISACA dinner meeting
March 17, 2004	Chapter Meeting <i>Student Night</i> “Panel Discussion on Skill Sets” “Disaster Communication Capacity/Planning” – Thomas Raupp
March 22 – March 24, 2004	ISACA/IIA Spring Seminar
March 31, 2004	Final Registration for June 2004 CISA and CISM
April 16, 2004	Reservations due by noon for the April 21 ISACA dinner meeting
April 20, 2004	Deadline for the May issue of the Databyte
April 21, 2004	Chapter Meeting “Lightweight Directory Access Protocol (LDAP) Audit Program” “Electric Choice and Energy Audits” – Joe McCormick
May 14, 2004	Reservations due by noon for the May 19 ISACA dinner meeting
May 19, 2004	Chapter Meeting “MS Access – How to Use in an Audit” – Mike Stolarczyk and Paul Haley Above topic and speakers for both pre-dinner and after-dinner
June 12, 2004	CISA and CISM exam

Publish Your Work In The Databyte

We are doing something new this year with our articles for the Databyte. We realize that our most valuable resource for information is you. That is why we are inviting our membership to supply us with our article content for the upcoming season. That will allow our membership the opportunity to gain valuable CPE credits as well as network.

Publication of articles, monographs and books (no limit): These activities include the publication or review of material (either hard copy or online) directly related to the information systems audit and control profession. Submissions must appear in a formal publication or website and a copy of the article or the website address must be available, if requested. For books and monographs, the table of contents and title page must be available. Continuing professional education hours are earned for the actual number of hours taken to complete or review the material.

Please submit your articles to membership@isaca-det.org. I will contact you when you can expect your article to be published. I look forward to tapping into our own Detroit resources.

ISACA Announces

The 2004 Certified Information Systems Auditor Examination on June 12th 2004

The only globally recognized certification program for information systems audit, control and security professionals announces its next examination. For the 26th consecutive year ISACA will administer the Certified Information Systems Auditor (CISA) Examination. The 2004 CISA Examination will be conducted on Saturday, June 12, 2004, and will be offered at more than 210 international test centers in 85 countries. The exam, composed of 200 multiple choice questions, will be held in one four-hour session. The 2004 CISA Examination will be offered in eleven languages.

The exam covers the following process and content areas: 1) The IS Audit Process; 2) Management, Planning and Organization of IS; 3) Technical Infrastructure and Operational Practices; 4) Protection of Information Assets; 5) Disaster Recovery and Business Continuity; 6) Business Application System Development, Acquisition, Implementation and Maintenance; 7) Business Process Evaluation and Risk Management.

This international certification program grants the title of Certified Information Systems Auditor (CISA) to candidates who achieve a passing score on the examination and demonstrate five or more years experience in the information systems auditing, security, or control professions. The CISA designation is widely recognized as a professional standard of excellence. More than 33,000 specialists in Information Systems Auditing Security and Control have earned the designation worldwide. Certification Magazine's November 2003 issue named CISA among the top 10 best specialty certifications. The magazine went on to say, "[CISA is] one of the most popular and respected credentials in the increasingly important systems audit area."

A Candidate's Guide to the CISA Examination, The CISA Review Manual 2004, The CISA Review Questions, Answers & Explanations Manual 2003, A CISA Review Questions, Answers & Explanations Manual Supplement, and CISA Review Questions, Answers & Explanations CD-ROM 2004 are available from ISACA to help candidates prepare for the exam. Detailed information can be obtained from ISACA by phone at 1.847.253.1545, Certification Department, by fax at 1.847.253.1443, or by e-mail at certification@isaca.org.

Save \$50 by registering by February 4, 2004 at www.isaca.org/examreg.

The Detroit Chapter will once again offer a CISA Examination Review Course. Please watch future issues of the Databyte and website, www.isaca-det.org or contact Mike Forrest at michael_forrest@jeffersonwells.com for further details.

Information Systems Audit and Control Association (ISACA)

The University of Detroit Mercy is an academic affiliate of the Information Systems Audit and Control Association (ISACA). ISACA began in 1967, when a small group of individuals with similar jobs—auditing controls in the computer systems that were becoming increasingly critical to the operations of their organizations. In 1969, the group formalized, incorporating as the EDP Auditors Association. In 1976 the association formed an education foundation to undertake large-scale research efforts to expand the knowledge and value of the IT governance and control field.

In the three decades since its inception, ISACA has become a pace-setting global organization for information governance, control, security and audit professionals. Its IS auditing and IS control standards are followed by practitioners worldwide. Its research pinpoints professional issues challenging its constituents. Its Certified Information Systems Auditor (CISA) certification is recognized globally and has been earned by more than 30,000 professionals. Its new Certified Information Security Manager (CISM) certification uniquely targets the information security management audience. It publishes a leading technical journal in the information control field, the *Information Systems Control Journal*. It hosts a series of international conferences focusing on both technical and managerial topics pertinent to the IS assurance, control, security and IT governance professions. Together, ISACA and its affiliated IT Governance Institute lead the information technology control community and serve its practitioners by providing the elements needed by IT professionals in an ever-changing worldwide environment.

**Scheduled Course – 2004 – University of Detroit Mercy
BS 7799:2-2002 Information Security Lead Auditor**

March 1-5, 2004

Law School Building

Downtown Renaissance Campus

To Register:

To register for our programs, send inquiries to:

Antonio Drommi

drommia@udmercy.edu

Centre for Assurance Studies

College of Business Administration

University of Detroit Mercy

4001 W. McNichols Road

P.O. Box 19900

Detroit, Michigan 48219-0900

Tel: (313) 993-3337

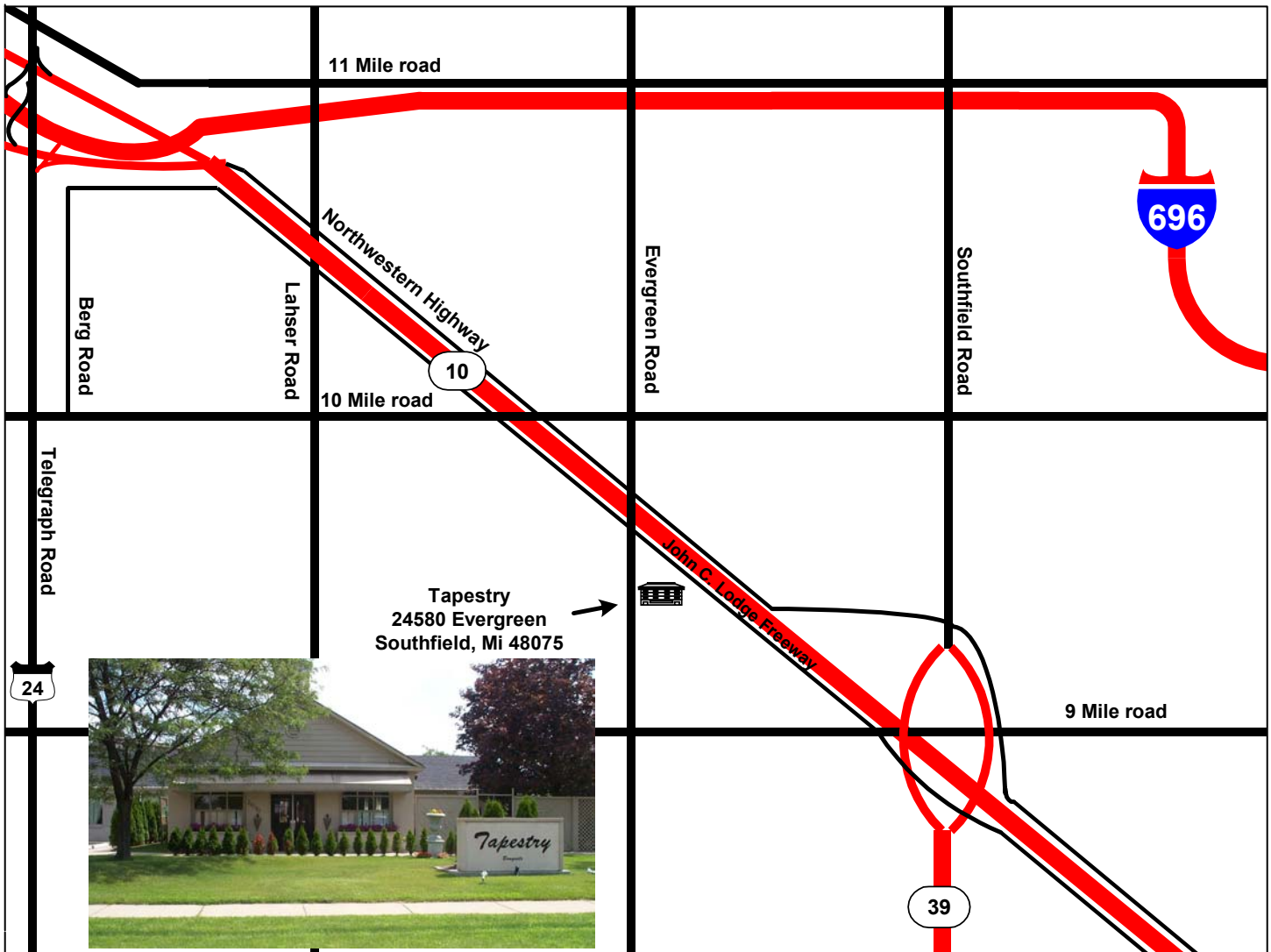
Fax: (313) 993-1673



People honored at the November ISACA dinner meeting for passing the CISA or CISM exam this past June.



The November speakers, Peter Starceski and Bruce Ringle with the Chapter Vice President, Karine Wegrzynowicz, and the Chapter President, John McCormick.



Tapestry
24580 Evergreen
Southfield, Mi 48075

TAPESTRY

24580 Evergreen
Southfield, Michigan 48075
(248) 356-5602

Tapestry is located near major freeways. It is ¼ mile from Highway 10 (the Lodge) and just 1 mile south of I-696 on Evergreen. Tapestry is south of the Speedway Gas station that is located on the SE corner of the Lodge and Evergreen. Tapestry is on the East side of Evergreen Road and is a single story dark beige building. (It was previously a Bill Knapp’s restaurant)

From the Troy Area: Take I-75 South to 696 West. Take 696 West to Exit #11 Evergreen Road. Turn left onto Evergreen Road. Tapestry is just over a mile (1.1) on the left hand side (East side) of Evergreen.

From Detroit: Take The John C. Lodge MI-10 North out of Detroit. Take the Lodge North until the Ten (10) Mile Evergreen Road Exit. Turn left onto Evergreen Road. Evergreen is the first major intersection off of the Lodge. Tapestry Restaurant is only a tenth of a mile on Evergreen on the left hand side. (East side).

From Farmington/Novi Area: Take 696 East (Walter P. Reuther) to the John C. Lodge MI 10 South. Follow the John C. Lodge MI 10 for 2 ½ miles to the Evergreen Ten (10) Mile Road Exit. Follow the service drive to Evergreen Road (past 10 Mile Road) and turn Right. Tapestry is less than a tenth of a mile on Evergreen on the left hand side (East side).

From Dearborn/South/Southwest Area: Go to Telegraph Road. Take Telegraph North to Nine (9) Mile Road. Turn right onto Nine Mile to go East. Take Nine Mile for approximately 2 Miles to Evergreen and turn left. Take Evergreen North less than a mile and Tapestry is on your right (East) before 10 Mile Road.

Monthly Highlights

January 9, 2004
January 13, 2004
January 14, 2004

Reservations due by noon for the January 14 ISACA/CFE dinner meeting
Deadline for the February issue of the Databyte
Chapter Meeting

(Please Note: This meeting is on the Second Wednesday of the month instead of the Third Wednesday)

Joint meeting with the Southeast Michigan Chapter Certified Fraud Examiners

“Construction Fraud and Abuse” – Bob McDonald

“Forensic Audit Accounting” – Antonio Robinson

Menu – January 14, 2004

DINNER BUFFET

FIELD GREENS

With Mandarin Oranges and Raspberry
Vinaigrette

SLICED SIRLOIN with Portabello Mushrooms
and Burgundy Wine Sauce

BONELESS BREAST OF CHICKEN with
Apples and Whole-grain Mustard Cream

GARLIC-MASHED YUKON GOLD POTATOES

GREEN BEANS ALMONDINE

NEW YORK STYLE CHEESECAKE

Served with Cherry Sauce

OPEN BAR

BEER AND WINE ONLY

NO OTHER LIQUOR AVAILABLE

VEGETARIAN PLATE AVAILABLE

(VEGETARIAN PLATE AVAILABLE BY PRE-REGISTRATION ONLY)



The Chapter must provide the number of reservations by **NOON**, on the Friday before the meeting. To ensure that we can accommodate those who wish to attend and the facility can provide the best service possible, please make your reservations early. If you have made a reservation and cannot attend, please call Suzanne McCormick at (248) 471-3075. Your cooperation is greatly appreciated.

New Detroit Chapter Members

Joedor Amara-Bangali

Sydney Rose Amat

Kirk S. Balcom

Jamie Colgin

Eric Crutchfield

Joseph P. Genevich

Edwin Earl Holt

Andre Matthew LeBaron

Paul J. Millis

Mary Q. Rutherford

Mark Schultz

Nathaniel Gene Smith

Craig Vincent

Rebecca M. Wiklendt

November Drawing Winners

Patti Earl-Cole

Jan Lower

Jim Tietjen

Donald T. Wang

DATABYTE



Information Systems
Audit and Control
Association

DETROIT AREA CHAPTER

SUZANNE McCORMICK, EDITOR

30032 FINK AVENUE

FARMINGTON HILLS, MI 48336

(248) 471-3075

Jsmccor65@aol.com