Achieving balance
Scope of internal auditing ever-expanding

By Martin Sinderman
CONTRIBUTING WRITER

Internal auditors are being called upon to play a growing role in helping organizations and businesses be successful.

Since the 1990s, the emphasis of internal auditing has shifted back and forth between the traditional focus on internal financial controls and that of operational auditing, i.e., the evaluation of the efficiency and effectiveness of broader organizational processes.

At the end of the day, “A profession that started as an independent verifier of transactions is now becoming a management consultant to managers on important corporate issues,” said Ran Sriram, Controllers Roundtable Distinguished Professor at Georgia State University’s J. Mack Robinson College of Business.

In the late 1990s, the internal auditing function had become very focused on the operational side, according to Paul McClung, vice president of Internal Audit and Enterprise Risk Management for Carter’s Inc. (NYSE: CRB), Atlanta-based provider of apparel and related products for babies and young children.

“We got to the point where audits were very operations-focused — moving away from the more traditional types of financial control-oriented audits, and more toward looking for cost recovery and opportunities to streamline business processes,” McClung said.

The Enron and WorldCom scandals of the early 2000s, which were followed on the federal regulatory front by Congress’ passage of the Sarbanes-Oxley Act of 2002 (“SOX”), shifted the focus of internal auditing back to its transaction-verifying roots.

“With the passing of SOX, the pendulum swung heavily toward a focus on internal controls over financial reporting and related financial reporting fraud,” said Paul Sobel, vice president and chief audit executive for Georgia-Pacific LLC, a privately held consumer products and building materials company based in Atlanta.

Big shift: With the Sarbanes-Oxley Act of 2002, internal auditors saw their jobs focus on transactions, but a shift is under way, says Paul Sobel of Georgia-Pacific LLC.

Today’s issues

Now that the internal audit profession as a whole has been recognized as being successful in dealing with the regulatory requirements of SOX, companies want more out of these professionals than just being watchdogs over corporate finances.

“With the new success and respect [for internal auditing] has come new responsibilities,” said Richard Clune, associate professor and director of the Internal Audit Center at the Coles College of Business at Kennesaw State University.

As their experience with handling SOX-related work has grown, “Internal auditors have sought to do that work more efficiently,” Clune said, “so that their limited resources can handle the ever-growing demands that stakeholders — boards, audit committees and top management — would like to see taken care of.”

For the internal auditing function, “The pendulum has begun swinging back toward more of an equilibrium between providing financial reporting assurance and delivering value in other ways to our organizations,” Sobel said.

As a result, “The pressing issues facing internal auditors today are very much tied to the challenges of the organizations they are trying to help,” Clune said.

“Namely, how to be successful in a more complex world when the right resources are oftentimes scarce.”

One key issue for today’s internal auditors “is how not to let their new and evolving role as advisers to management undermine their traditional role of assurance providers, as happened in the case of external auditors,” Sriram said, “and to continue to preserve their independence — both in appearance and in attitude — and act as reliable watchdogs for the stakeholders.”

Another issue is attracting top-notch business graduates to the ranks of internal auditors, he added.

“Unless the internal audit profession can attract ‘quality’ graduates to consider internal auditing as a serious profession, with prestige and growth opportunities equal to those of a CPA,” Sriram said, “it will be difficult for the internal auditing profession to continue to develop and meet the expectations of SOX, the [Securities and Exchange Commission], the managers and the community.”

Moving forward

In the challenges department, today’s internal auditors have to deal with a much more fast-changing, complex and diverse business world than they did as little as 10 years ago.

“Unlike in the past, where internal auditors dealt with more homogeneous operating environments,” said Sriram, “changing organizations will be far more difficult to audit, and will demand that internal auditors find ways to deal with this complexity.”

Internal auditors have their work cut out for them in keeping up with an evolving business environment where technological advances, such as cloud computing and globalization, are generating new challenges in risk management and compliance, McClung said.

“The challenge for us as internal auditors is to adapt and respond quickly to new and emerging risks and changing regulatory requirements,” McClung said, “working with our organizations to help them meet their strategic objectives.”

Organizations, meanwhile, must make sure the internal audit function has a “seat at the table,” in order to optimize its value, Sobel said.

“By that, I mean that chief audit executives must be seen as important members of management, who are involved enough with management to be vigilant of changes to key strategies,” he said, “so that we can assess what, if anything, internal audit can do to provide assurance or advice related to those strategies. Without the ear of the CEO and board, the value we deliver will be sub-optimal.”

Internal auditors themselves, meanwhile, “need to provide more than just hindsight, commenting on what happened in the past,” Sobel said. “We need to provide consistent insight, which involves connecting the dots of what we have observed, and providing advice that is of current and future value to key stakeholders.”
Establish an internal audit function
- Meet with existing staff to understand job responsibilities and qualifications.
- Obtain and reviewing staff job descriptions.
- Review audit reports issued for the past year.
- Review any other reports produced on various audit activities.
- Review policies and procedures.
- Meet with internal audit customers within the organization to gain their perspective on the services received.
- Meet with the external auditors to understand whether and how they rely on internal auditing.

Source: Institute of Internal Auditors

Internal audit function can help companies grow

By Doug DeLoach
CONTRIBUTING WRITER

In response to corporate malfeasance exposed during the scandal-ridden days of the early 2000s, followed by market-tightening and stringent regulatory legislation, particularly the Sarbanes-Oxley Act of 2002, the internal audit function has assumed a more critical and visible role in the development of many companies.

Moving forward into the second decade of the 21st century, the internal auditing profession continues to evolve and adapt to shifts in the economic and regulatory landscape.

“Today, a lot of companies have been in compliance for six or eight years, which means they no longer have to put as much focus on controls testing,” said Audrey A. Gramling, professor in the Coles College of Business at Kennesaw State University and a certified member of the Institute of Internal Auditors (IIA).

Internal auditors now are concentrating on providing oversight in other aspects of company operations. The primary functions of the internal audit unit, whether a single auditor in a small company or a phalanx of certified professionals in a global corporation, are to ensure that financial controls are implemented and working as advertised, and that waste and fraud are minimized. Based on the data gleaned by these tactical functions, internal auditors can also serve as strategic consultants to the C-suite in terms of asset handling and related areas of financial management.

“An internal auditor is working for the board and the CEO or president to provide an independent, objective perspective on various issues that really matter to the organization and its success over the long haul,” said John Fuchko, chief audit officer and associate vice chancellor for the University System of Georgia.

Following best practices articulated by the IIA, the leader of the internal audit function, who may assume the title of chief audit executive, reports functionally to the audit committee members, of which are drawn from the board, and administratively to the CEO.

The IIA also strongly recommends creating a strong internal charter, which sets forth the mandate for and defines the purpose, authority, scope and responsibilities of the internal audit function.

Fuchko, who also serves as president of the Atlanta chapter of the IIA, identified three main areas of focus for a successful internal audit function deployment: governance, risk management and controls.

“From a governance perspective, you want to ensure that the company is structured in such a way that goals are realistically achievable and that the right tone at the top is being set, especially regarding ethical behavior,” Fuchko said.

According to Fuchko, managing risk requires adherence to performance metrics that drive learning at a realistic pace within the organization.

“By working across the enterprise, the internal audit group evaluates future initiatives and considers controls and activities at the front end of a project versus the conclusion, which also allows us to identify and develop high-potential employees into future company leaders,” said Randy Early, vice president of audit services at Cox Enterprises Inc.

While the criteria may be malleable and a lawful mandate may not apply in every case, the expert’s agree that instituting some form of internal audit capability within an organization creates a foundation for successful growth.
The KSU Internal Audit curriculum is supported by a grant from the IIA Academic Advancement Fund. The following courses provide KSU Master of Accounting (MAcc) students with the knowledge to succeed as an internal auditor:

- Risk Analysis and Control
- Seminar in Auditing
- Seminar in Internal Audit
- Forensic Accounting and Fraud Examination
- Fraud and Governance

“The MAcc program at Kennesaw State University allowed me the opportunity to participate in the Internal Auditing Education Partnership Conference where I learned more about the field of Internal Auditing. After talking to professionals at the conference and interning in the Internal Audit department at Zep Inc., I realize that Internal Audit provides value by delivering objective perspectives and consulting with management to help improve operations.”

-- Sa Nhan Nguyen, MAcc Candidate, 2012

“The IIA Atlanta Chapter is absolutely thrilled to be a part of ‘bridging the gap’ between audit knowledge and audit practice through the work of the KSU Internal Audit Center.”

-- John Fuchko III, President, IIA Atlanta

“The Atlanta Chapter of the IIA, through its Academic Relations Committee, is extremely proud to be associated with the Internal Audit Center at Kennesaw State University. They represent the very best in internal audit education, research and thought leadership.”

-- Fred Masci, Academic Relations Chair, IIA Atlanta

“The IIA Atlanta Chapter Internal Audit Case Competition was a terrific way to learn to quickly assess and respond to an internal audit issue.”

-- Daniel Street, MAcc Candidate, 2012
IAA competition promotes auditing industry

By Tonya Layman
CONTRIBUTING WRITER

From networking to competing for cash prizes, the first Internal Audit Case Competition was a one-of-a-kind experience for students and a teaching tool implemented by the Atlanta chapter of the Institute of Internal Auditors and Georgia State University.

At the Nov. 11 event, three-member student teams competed with each other to come up with the best solution for a single internal-audit problem — cash prizes for first and second place. The competition was open to graduate and undergraduate students from Georgia colleges and universities. Of the 19 teams that presented written case analysis, 10 were invited to present during the daylong event.

“As we serve as an advocate for the profession, this is an opportunity for us to reach out to the students at our state colleges and universities,” said Tim Tripp, vice president of internal audit at Newell Rubbermaid Inc. and IIA Atlanta vice president-secretary.

Each had 15 minutes to make an oral presentation of its case study, followed by five minutes of Q&A from the judging panel. Universities represented in the competition were Valdosta State University and Georgia Southern University, both with three teams, and Georgia Southern University, Georgia College & State University, Mercer University and The University of Georgia, all with one team.

“I was very impressed with all of the presentations,” said Keith Ordan, staffing partner of The Intersect Group, a national finance, accounting and IT staffing and consulting firm and one of the seven sponsors of the competition. “All of the participants did a remarkable job. I’m sure it’s nerve-racking to stand in front of executives and present, but all maintained composure and have great futures ahead of them.”

Industry veteran Paul Sobel, vice president of internal audit at Georgia-Pacific LLC, agreed.

“If these students and their presentations are any indication then I think the future of the business profession is in very good hands,” he said. “I felt really good about the insights the students had and the way they grasped how to take IIA standards and apply them to real-life situations, which makes me bullish about the future of the profession.”

According to IIA leaders, as the role of internal audit continues to shift and become more important to the overall business function, there will be an increased demand for individuals with experience in the field and it is a goal of the IIA Atlanta chapter to ensure that there are qualified individuals to fill those positions.

Through events like this competition, the Atlanta chapter can expose and advocate for the internal audit profession while providing top students with real-world experience. In 2011, 47 percent of Atlanta CFOs indicated that they were increasing finance and accounting staff, according to a survey released by The Intersect Group.

Ordan said, “Of that 47 percent hiring, about 30 percent were hiring entry-level positions, meaning there is immense opportunity for young people today in finance and accounting.”

Many of the students at the event said they were there not only to compete but to learn about job opportunities in the field. “This is a really great event for networking and meeting people in the profession,” said Stefanie Koczyk, a student from Valdosta State University.

“The networking through this event has been priceless,” said Kennesaw State University student Philip Eaker. “As a profession, they act professionally and look after their student members. They are grooming us for the future. IIA Atlanta is very active and they see value in what this profession brings.”

The students were also connected with a mentor serving in a professional audit capacity with some of Atlanta’s top companies to help them develop their presentation. Eaker’s KSU team was matched with Jerry Jennison, senior audit manager at United Parcel Service Inc. “He heavily influenced our presentation,” he said. “Once we met with him, we basically started our presentation over. He added his real-world perspective where we just have our academic outlooks.”

The first place prize of $1,000 per student, presented by Ernst & Young LLP, was awarded to the team from the University of Georgia consisting of students Alexander Pirie, Eugene Kim and David Barker and faculty adviser Dennis Beros of Georgia State University.

“All three worked extremely hard and spent a lot of time working on our presentation,” Pirie said. “Winning was a huge about of vindication for us, as well, and I personally feel more confident about my ability to give presentations in the future.”

The second place prize of $500 per student was awarded to KSU’s team of students Laura Motez, Anusha Pallamreddy and Aaron Eakins and faculty adviser Richard Clune, associate professor of accounting and director of KSU’s Internal Audit Center.

Pirie said this event should become an annual undertaking for the chapter. “I think one of the most interesting things about this case was, of course, the opportunity to learn more about the IIA and to be more involved,” he said. “Unlike many of the other schools that were present, UGA does not technically have an internal audit track for the master’s program. This provided us an opportunity to broaden our horizons, as well as apply that knowledge to an actual case.”

IIA reaches out to help community, businesses

By Randy Southland
CONTRIBUTING WRITER

When a scandal-plagued Atlanta Board of Education went searching for volunteers to fill a newly reconstituted ethics commission, one of their first stops was the Institute of Internal Auditors.

Its choice was Fred Masci, vice president of internal audit at PRGX Global Inc., who has made a career of fostering corporate ethics as one of the founders of the Atlanta chapter of the Institute of Internal Auditors.

“I believe that if you’re running an organization — in this case, public schools funded by public money — it should be run in an above board ethical manner with a lot of integrity,” Masci said.

As an internal auditor who has run whistleblower and IA chapters at numerous organizations, Masci considered investigating complaints related to conflicts of interest, a special distaste for those who violate public trust to enrich themselves.

“Any kind of corruption just drives me crazy,” he said.

He is one of seven commissioners now conducting investigations into a variety of complaints against officials with the Atlanta school system. Following the review, the commission must decide whether they merit a full hearing and what actions are warranted, he said.

Masci, who only recently moved into the city, avoided reading the history of why he said.

Yet, auditors must still understand and be able to look after their student members. They are grooming us for the future. IIA Atlanta is very active and they see value in what this profession brings.”

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Kiko Harvey soars in auditing role

By Tonya Layman

Kiko Harvey is naturally curious. She enjoys understanding how things work, dissecting the complexities of any situation and creating viable solutions.

Her expertise in these areas makes her a vital part of the Emory’s Internal Auditors leadership team. As the vice president of corporate audit and enterprise risk management at the Atlanta-based airline Delta Air Lines Inc. (NYSE: DAL), she is often called in to help better the company’s processes and operations.

“I am a critical thinker and that is an important attribute for internal auditors,” she said. “We not only need to be skilled at the work that we do, but trusting. You also have to know how to deliver bad news while taking the emotion out of the situation and solving the business problem.”

She is responsible for providing internal audit services through internal and co-sourced staffing arrangements and coordinating Delta’s enterprise risk management activities.

“I really like the variety and the project-based workload,” she said. “We get to do areas that are very complex, and we add value to help the business be more efficient, save costs and improve the business processes overall.”

Harvey joined Delta in March 2009 from Seattle-based Starbucks Corp. (Nasdaq: SBUX), where she was the vice president of internal audit.

After joining Starbucks in 1998, she assisted in the formation of the internal audit function and was responsible for the company’s Sarbanes-Oxley testing activities.

“Kiko always brought in valuable in terms of technical expertise and the common sense needed to manage the business,” said Donna Brooks, vice president and controller at Starbucks. “When we got to the point of looking for a new internal audit function for the first time, I was so pleased when Kiko came to me and said that she would love to take that on. I felt very comfortable with her caliber and she was able to bring this field from scratch.”

Plus, Harvey is fun to work with, Brooks said. “Aside from all her professional skills and the high level of confidence that she brings to Delta, my specialty is starting up and running brand-new audit functions,” Harvey said. “I started Starbucks’ internal audit function and restarted Delta’s because they had outsourced it for 10 years. But after the merger with Northwest Airlines, they decided to pull that back in so I got to come in and start it from the ground floor.”

Harvey said Delta was a good fit because it was a change from her food and beverage background, but allowed her to stay in auditing.

“Although there were opportunities for me at Starbucks, if I were to stay there I would have had to change my role to outside of audit and I really enjoy audit,” she said. “And I wanted to move to something that was a little more complex. The airline industry is an amazing industry. It is complicated and consumer based.”

From 1993 to 1998, Harvey was the director of franchise revenue at Taco Bell Corp., a division of YUM! Brands. Harvey is currently a member of the Institute of Internal Auditors and the American Institute of Certified Public Accountants.

She also served on the IIA’s profession to have someone on the IIA’s advocacy committee. She is a frequent blogger, panelist and instructor for the IIA.

Kelly Barrett, vice president of internal audit and corporate compliance at Atlanta-based The Home Depot Inc. (NYSE: HD), said Harvey’s blog postings are informative and insightful.

“Kiko has become sought out externally because she is seen as a thought leader,” she said. “She is someone people look to for information about what is going on in the internal audit industry. It is one thing to be respected within your own company but it is another to be respected outside of it.”

Harvey is pleased that more women are entering the auditing industry.

“In Atlanta, the top audit jobs in three of the largest companies are held by women,” she said. “There were women heads of audit at Home Depot, Delta and Coca-Cola. I think it is an attractive profession for women. The work-life blend that you can get within a company may be easier to find than in public accounting where clients put a toll on your ability to strike a balance.”

Internal auditing losing its stereotypes

Fifteen years ago, an Emory University chief audit officer profile article titled “Auditing Made Easy” began with the statement, “Contrary to popular belief, Bill Mulcahy does not keep a collection of fine-toothed comb and sewing kit with which to pick through the budget of every department on the Emory campus.”

The article went on to describe the days of poring over Manhattan phone book-sized reams of printouts, squinting at tiny numbers, and tickling the keys of a rattle-tat-tat adding machine are long gone. At times, changing that image gives us some trouble,” Mulcahy said, his tone giving away the fact that he has discussed this particular subject many times before. “It was not so long ago that people were used to, well, you know — ‘Here’s the file drawers, go ahead and pull what you want.’ Now when we want to look at the records, what we need is access to the computer.”

Of course even back in 2001, such techniques as combing through phone book-sized budget reports were not things internal auditors were doing, but sometimes that is the image of what internal auditors did then and such stigma may still be attached to the internal audit profession today.

The article’s point was to give those items in the past in 2001? Or even now in 2012?

Understanding the risk landscape

Whatever the business, understanding the risk landscape is critical to success.

“Many believe that people are their biggest risk management and weak governance were major factors in the corporate failures leading up to the world-wide financial crisis,” said Alan N. Siegried, who is chairman of the IIA’s global exam development committee and auditor general for the Inter-American Development Bank. “Events over the past decade, such as financial scandals, new legislations, technological advancement, corporate global expansion, and economic fluctuations have prompted a more involvement from internal auditing in risk management. Strong risk management is needed to ensure an organization’s long-term sustainability. The internal audit function and the internal audit function can play a vital role in this process.”

Internal auditing “helps an organization accomplish its objectives by bringing a systematic and disciplined approach to evaluate and improve the effectiveness of risk management, control and governance processes,” according to the IIA.

Recent research also indicates internal auditing’s role will continue to evolve.

The IIA Research Foundation white paper titled Internal Auditing’s Role in Risk Management, and the IIA’s position paper titled The Role of Internal Auditing in Enterprise-wide Risk Management, both indicate a directional shift in how internal audit functions are increasingly involved in helping organizations improve their risk management.

Investing in your career

The Institute of Internal Auditors has recently announced the development of the Certification in Risk Management Assurance (CRMA). The CRMA is one more mark of professional distinction for internal audit practitioners.Every Certified Internal Audit practitioner will be respected within your own company but it is another to be respected outside of it.

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Raising the bar on advocacy

From “Execution: The Discipline of Getting Things Done” by authors Larry Bossidy and Ram Charan, the IIA Atlanta chapter adopted its title as our theme in our strategic plans in 2006 when we were on the cusp of our upward trajectory.

The chapter knew that in the business of being a professional association we must provide first-class services to our members. First, we upgraded the facilities that we used for our monthly events to the Villa Christina.

Second, we upgraded our board of governors to include the chief audit executives of top Atlanta companies such as UPS, SunTrust and The Wendy’s Co.

With top-shelf facilities and top of the line chief audit executives, we were able to start attracting first-class speakers such as Carol Tomé, executive vice president and chief financial officer of The Home Depot Inc., Walter E. Massey, former chairman of the board of Bank of America and president emeritus of Morehouse College; and Susan Bell, Atlanta office managing partner at Ernst & Young.

As we look forward, we will be having Dennis Lockhart, president of the Federal Reserve Bank of Atlanta, and Shirley Franklin, former mayor of Atlanta, at our Atlanta Conference on Sept. 21 at the Cobb Galleria.

Mulcahy serves on the IIA Atlanta chapter’s 2011-2012 board of governors and is president and CEO of Mulcahy Accounting and Risk Consulting.
It’s not how many. It’s who

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By Nicole Bradford
CONTRIBUTING WRITER

ressed in suits and ties, members of The University of Georgia’s Internal Audit Case Competition team nervously scanned the room for their team’s mentor, who had worked tirelessly with them via conference calls—but whom they had not met face to face.

Busy preparing for the competition, the students had forgotten to ask how they would recognize their mentor when he arrived. In the end, it was an unnecessary question. Gilbert Radford was instantly recognizable when he stepped off the elevator wearing a bright red UGA polo.

“It was a huge boost of confidence for my teammates and I,” recalled UGA student Alexander Pirie, “and for a brief period, at least, it managed to erase all our pent-up nervousness.”

In many ways, Pirie said, Radford’s entrance that day summed up how he had stressed that, sometimes, you’ve got to take risks in life. Perhaps it was that advice that convinced Radford to leave an established career at Johnson & Johnson and pursue a position overseas. In what was among his most difficult decisions, Radford uprooted his young family from New Jersey and relocated to Belgium.

“I have no regrets, and it was an exciting time,” he said.

Today, Radford is based in Atlanta, managing a team of about 30 for Verizon Wireless’ auditing services. With the goal of giving value to shareholders and creating a new culture associated with his department, his responsibilities are both challenging and rewarding.

“Auditing is not like an accounting job,” said Radford, First, some firms have developed capabilities to provide internal audit services to clients. In order to progress within this practice segment, more and more firms require their staff to earn a certification as a pre-condition for promotion and the CIA designation is recognized as one of those certifications. Second, our ability to assess the competency of internal audit functions in connection with annual audit engagements, one of the factors the auditors consider is the professional certifications such as the CIA held by internal audit staff. A competent and objective internal audit function can significantly influence the extent of reliance external audit firms may place on the work of the internal auditors — directly impacting audit fees. And finally, to document the organization is following the IIA professional standards, internal auditors may be looking for internal auditors to have an annual quality improvement program and an external quality assessment review — demonstrating commitment to continuous improvement and professional excellence. Making the case for certification

Some of you may believe that becoming certified is too difficult or time consuming. The schedule does not allow you to put in the time necessary to successfully pass the CIA exam. If so, please consider the following:

1. The CIA exam is very difficult and may push you to your limits of tolerance and perseverance. However, just remember that in spite of its difficulty, passing the exam and becoming a CIA is worth it! It is worth it because becoming certified can change the money that you make, the image others have of you and the image you have of yourself.

2. I also believe that regardless of your present situation — professionally and personally — you should plan to take the CIA exam as soon as possible. Don’t fall into the trap of putting it off until the “time is right.” Keep in mind that there is no perfect time to begin studying for the exam. Waiting for the perfect time means you will never become certified because the perfect time will never come.

3. Another reason for taking the CIA exam now is to avoid the complications that inevitably arise as we grow older. There is no certainty that your life will be less complicated two years from now or five years from now.

In fact, it is likely to be more complicated! Moreover, the longer you wait, the more standards and rules you will have to learn. The body of knowledge of internal auditing is increasing rapidly and it is likely to continue expanding in the future. Again, don’t wait, begin the certification process now!

4. Finally, I would like to address younger individuals who may have recently finished college, have entered the internal auditing profession, but feel they need some practical experience under their belt before pursing the CIA designation. My response is that practical experience may help, but maybe not as much as you may think.

The CIA exam is primarily a book exam — an academic exercise. Therefore, I recommend that you prepare for the exam by taking IIA’s CIA Learning System Course, or Glenn Sumners’ CIA review course. Sumners, of Louisiana State University, will be teaching his course in Atlanta Feb. 27–Mar. 2.

A teachable moment
Bill Mulcahy, past president and chairman of the IIA Atlanta chapter, recalled how he became motivated to become a CIA. Bill Bishop, the late, legendary past president of IIA Global once asked him if he would become a CIA.

Bill M. replied, “No.” Bill B. then asked Bill M. if he was a CIA. Bill M. responded, “Yes, I am.”

Bill B. then said to Bill M., “When you worked at a CPA firm you were passionate about getting your CPA, right?”

Bill M. said, “Absolutely, I wanted to be a CPA, employees were required to be CPAs to promote.”

Bill B. then asked the seminal question, “Why …have you not taken the time to become a certified internal auditor?”

At the time Bill M. did not give Bill B. a direct answer, but two years later. Bill M became a CIA. What a story!

Therefore, my question to all persons in the internal auditing profession who are not CIA’s is: “Why not? If not you, who? If not now, when?”

I hope this article has helped you to respond appropriately to those questions.

Hollis serves on the IIA Atlanta chapter’s 2011-2012 board of governors and is the chief audit officer at Morehouse College.
Q&A

Continuing education key to career

Q: Are internal auditors responsible for continuing their education to enhance and maintain their proficiency?
A: Being the son of a college math professor, education is very important to me as part of my professional audit career. However, it is up to each internal auditor to continue their education and stay on top of current events to help increase their audit skills and advance in their individual careers. Hopefully, with the sponsorship from their own company’s leadership, one can be given the opportunity to achieve his or her continuing professional education goals.

Q: What are the IIA continuing education requirements?
A: Certified internal auditors need at least 40 hours of continuing professional education each year. This is consistent with the requirements of other certifications such as certified public accountants.

Q: What emerging topics should internal auditors stay current on?
A: In today’s world, macroeconomic conditions, technology and business risks are constantly changing. To stay current with the latest trends, internal auditors should be familiar with topics such as: cloud computing, social media, advanced fraud indicators, emerging device security threats, various standards and regulations, enterprise risk management, and the newly proposed update to the Internal Control – Integrated Framework from the Committee of Sponsoring Organizations of the Treadway Commission.

Q: Does the local IIA chapter provide any continuing education?
A: The Atlanta chapter offers over 40 hours of continuing education credits via a number of events and locations around Atlanta. In addition, a significantly discounted review course for candidates pursuing the certified internal auditor designation is offered twice per year. We also hold quarterly roundtables for Atlanta-based Chief Audit Executives.

Q: What special programs do you have planned for 2012?
A: In addition to core audit-related training, we partner with other professional organizations and memberships located in the Atlanta metropolitan area. Each February we hold a joint meeting with the Association of Certified Fraud Examiners. Erroll B. Davis Jr., superintendent of Atlanta Public Schools, will be a featured speaker at this year’s event. The theme for the March meeting will be Audit Committees, Risk and Board of Directors. We will have Ed Baker, publisher of Atlanta Business Chronicle, speak, as well as have an expert executive panel of following speakers/panelists: Dan Giannini, chairman of the Atlanta chapter of the National Association of Corporate Directors; Paul D. Lapidus, director of the Corporate Governance Center, Coles College of Business, Kennesaw State University; Brian Lay, executive director of advisory services for Ernst & Young; Joe Carcello, director of research at the University of Tennessee’s Corporate Governance Center; and Bill Mulcahy, president and CEO of Mulcahy Consulting, former chairman of the Institute of Internal Auditors, Atlanta and retired chief audit officer at Emory University.

The annual all-day Atlanta conference will be held at the Cobb Galleria on Sept. 21. The conference will include national keynote and motivational speakers, concurrent breakout sessions and various local and national exhibitors from the audit industry.

In October, we have a joint meeting with the Information Security Information and Controls Association that includes content with a focus on information technology.

In November, we are looking to hold our second annual joint meeting with the Association of Government Accountants. Finally, sometime in the fall, we hope to partner in some way with the local chapter of the Financial Executives Institute as it relates to speakers and programs content.

Q: How do internal auditors stay informed about improvements and current developments in internal audit standards, procedures and techniques, including IIA’s International Professional Practices Framework guidance?
A: Internal auditors should become a member of the IIA to take advantage of their various newsletters, publications, global audit surveys, Internal Auditor magazine, the newly created online video site www.AuditChannel.tv, specialized webinars, and regional/national seminars and conferences.

In addition to the IIA, national and regional accounting and consulting firms provide standards and regulation updates, client surveys, webinars and various white papers regarding new auditing/accounting standards and hot topics.

— Lameier is chief audit executive for Oxford Industries Inc.

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Who’s Who in the Institute of Internal Auditors, Atlanta chapter

ALAN BARNES
Assurant Inc.
Director, risk and advisory services
Education: MBA, Kennesaw State University
Career highlights: Barnes is currently a director in the risk and advisory services department with Assurant and has direct responsibilities for the compliance audits, including anti-corruption and anti-money laundering, for the Assurant Solutions division. He is a certified internal auditor, a certified fraud examiner and a certified public accountant. He is on the board of governors of the IIA Atlanta chapter and is on the leadership team for the Atlanta Internal Audit and Compliance Council.

RICH CLUNE
Kennesaw State University
Associate professor; School of Accountancy
Education: Doctorate, Case Western Reserve University
Career highlights: Clune, a certified public accountant and certified internal auditor, has been teaching full time at Kennesaw State University since 2002, upon his retirement as an audit partner with PriceWaterhouseCoopers LLP. As an associate professor in KSU’s School of Accountancy, his primary teaching responsibilities are in the auditing field and he is leading KSU’s internal audit education initiative. His external audit experience was focused on public held and privately held companies in the telecommunications and insurance industries. He also served two years in the firm’s National Accounting and SEC Directorate. His internal audit experience includes being PwC’s national partner in charge of internal audit services to the insurance industry. He has received two awards from the IIA; the Michael J. Smith Award and the Michael J. Smith award for performance on the certified internal auditor examination.

CHRIS BLALOCK
Equifax Inc.
Senior vice president of internal audit
Education: Bachelor’s of business administration in accounting, The University of Georgia
Career highlights: Blalock joined Equifax in April 2003 as assistant vice president of accounting administration to lead the company in its compliance efforts for Section 404 of the Sarbanes-Oxley Act of 2002. In December 2003, Blalock was promoted to senior vice president of internal audit, where he manages a team focused on the financial, operational and compliance area. In addition, Blalock implemented and manages the current enterprise risk management program.

CONNIE BROWN
Effiris
Director, risk advisory services
Education: Bachelor of science, business administration with emphasis in accounting, Paine College
Career highlights: Brown manages the risk advisory services practice for Effiris Finance’s Atlanta. She is a certified internal auditor and certified public accountant. Her responsibilities have included serving clients with specialized expertise in governance, risk management and compliance. The risk advisory services practice covers corporate governance, enterprise and operational risk, internal audit, technology and information security.

ANTHONY CHALKER
Protiviti
Managing director
Education: Master’s of accounting, The University of Georgia
Career highlights: Chalker is a managing director in the Atlanta office of Protiviti with more than 20 years of experience including both Big Five public accounting and a Fortune 50 company. Chalker blends his business and industry insight with deep technology understanding to support senior management and boards of directors in creatively managing a broad range of operational and technology risks across the enterprise. He is actively working with clients to implement data analytic models in measuring and monitoring risk.

C.O. HOLLIS
Morehouse College
Chief audit officer
Education: MBA, Wharton School, University of Pennsylvania
Career highlights: Hollis is a member of the audit committee of the city of Atlanta and the finance committee of the Dekalb Community Service Board. The Atlanta chapter of the IIA awarded him the Bill Bishop Award in 2005 and the William J. Mulcahy Excellence Through Leadership Award in 2007.

JIM JACOBSON
Superior Essex Inc.
Vice president, internal audit
Education: MBA in finance, Rochester Institute of Technology
Career highlights: Jacobson is a certified internal auditor, certified public accountant and certified fraud examiner. He has held leadership positions in audit, finance, accounting, information systems and international human resources. Jacobson currently serves as a member of the local IIA chapter’s academic relations committee.

ERIC R. ‘RIC’ KIMBALL
KPMG LLP
Managing director
Education: Bachelor’s in business administration and accounting, Auburn University
Career highlights: Kimball is a managing director in KPMG’s advisory services practice with a primary focus on internal audit and risk management. His areas of experience include establishing and transforming internal audit functions, internal audit sourcing, Section 404 of the Sarbanes-Oxley Act of 2002 compliance, and strategic reviews of internal audit functions.

JERRY JENNISON
United Parcel Service Inc.
Senior audit manager, internal audit
Education: Accounting degree, Boise State University
Career highlights: Jennison joined UPS in 1975, and after earning his degree, joined the UPS Idaho District accounting office. He joined the corporate internal audit department in 1992. Responsibilities in this role have included serving as the company’s Sarbanes-Oxley Act project manager.

BRIAN LAY
Ernst & Young LLP
Executive director
Education: Master’s of science in administration, University of Central Florida
Career highlights: Lay has served with Ernst & Young for 18 years. While leading some of the firm’s larger internal audit and risk management engagements, he combines strategic solutions with actionable plans and accountability to address client needs and business risks. Brian has also led enterprise risk and process optimization engagements, with a focus on achieving sustainable results. He is a certified public accountant in Georgia and Florida.

TERRY LONGSTRETH
Accretive Solutions
Director of business development
Education: Executive MBA, Georgia State University
Career highlights: Longstreth has more than 20 years of financial management, business development and leadership experience. He has been in his current role and served his client portfolio for more than seven years. Prior to joining Accretive Solutions, he was in various corporate lending and credit roles with Bank of America.

BARBARA JESUP
Asbury Automotive Group Inc.
Chief audit executive
Education: Bachelor’s of business administration, Southern Methodist University
Career highlights: Jesup is a certified public accountant and a member of the executive committee of the Atlanta chapter of the IIA board of directors. Prior to Asbury Automotive, Jesup worked at AWC Enterprises Inc., First Data Corp., InterContinental Hotels Group Plc and Ernst & Young LLP.

Vice President of Member Services Pamela Short Jenkins; Senior Vice President and Chief Operating Officer Connie Brown; Vice President of Volunteer Services Glenda Ostrander; Vice President of Programs Steve Lamier; and Chief Financial Officer Terry Longstreth.
FRED MASI
PRGX Global Inc.
Vice president, internal audit
Education: MBA, Auburn University
Career highlights: Mas is responsible for leading PRGX’s internal auditing, Sarbanes-Oxley compliance, and whistle-blower hotline activities. Mas is active with the Institute of Internal Auditors and holds several leadership positions with the Atlanta chapter of the IIA and has been presented with both the Bill Bishop Award and the William J. Mulcahy Excellence Through Leadership Award for his service to the internal audit profession. He is also active with the Atlanta Compliance and Ethics Roundtable and was recently appointed to the ethics commission of the Atlanta Board of Education. He is also a certified internal auditor and certified fraud examiner.
www.prgx.com

GLENDA OSTRANDER
Gwinnett County Public Schools
Director of internal audit
Education: Bachelor’s in accounting, Florida A&M University
Career highlights: Ostrander is responsible for administering a broad, comprehensive program of internal auditing within the school district. Prior to assuming her duties as director of internal audit, she served in a similar role for Leon County Schools in Tallahassee. Ostrander is a member of the Atlanta chapter of the Association of Government Accountants and the Georgia chapter of the Association of Certified Fraud Examiners.
www.gwinnett.k12.ga.us

GILBERT T. RADFORD
Verizon Wireless
Director, auditing services
Education: Bachelor’s in accounting
Career highlights: Radford has more than 35 years of experience in auditing and finance, including setting up and leading regional-based audit departments and finance organizations within large consumer manufacturing environments. He is currently responsible for directing audit groups in Alpharetta and Philadelphia, where he is responsible for managing a wide variety of functional audits related to Verizon’s operations and systems. Radford has been recognized as a distinguished leader in the accounting and internal audit profession, where he recently served on the ifa’s North American board of directors. He has also led many other IIA leadership positions throughout his audit career, both at the international and chapter levels. He currently is on the board of governors for IIA Atlanta.

SUE MILLS
Tatum
Practice leader of consulting
Education: Bachelor’s in business, Montana State University; Advanced Management Program, Wharton School, University of Pennsylvania
Career highlights: Mills, who is a certified public accountant and has about 30 years of finance, accounting, risk management and internal audit experience, is practice leader of consulting at Tatum. She chairs the Atlanta Internal Audit and Compliance Council, consisting of approximately 200 corporate governance executives from more than 85 Atlanta companies. Prior to joining Tatum, Mills served as director of corporate governance services at an international consulting firm; controller of BellSouth and Restoration Hardware; assistant controller of Wells Fargo and Pacific Gas & Electric; and chief audit executive at two public companies in Atlanta. She started her career with KPMG LLP.
www.tatumllc.com

MARTA A. PINTO
Deloitte & Touche LLP
Director
Education: MBA, Georgia State University
Career highlights: Pinto leads internal audit marketplace activities. His primary areas of focus are internal audit transformation and finance operations and controls transformation. In his more than 19 years in business, Pinto has provided internal and external audit, finance process improvement, accounting and consulting services to clients in a variety of industries. He also leads Deloitte’s internal audit marketplace activities in Atlanta, has served as acting director of internal audit, and helped establish and transform internal audit departments for his clients. Pinto is also currently serves on the board of the Atlanta chapter of ASCEND, the premier nonprofit professional association dedicated to recognizing the leadership potential of Pan-Asians in global corporations.
www.deloitte.com

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- Avelia P. Anderson
- Brian Anderson
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- Christine Anderson
- Cheryl Anderson
- Christopher Anderson
- David Anderson
- Daniel Anderson
- Debra Anderson
- Dennis Anderson
- Donna Anderson
- Eric Anderson
-Erica M. Anderson
--era Anderson
- Erika Anderson
- Ernie Anderson
- Fred Anderson
- Gail Anderson
- Gary Anderson
- Gene Anderson
- George Anderson
- Gregory Anderson
- Helen Anderson
- Henry Anderson
- Howard Anderson
- Hulon Anderson
- J. Allen Anderson
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- Jane Anderson
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- Wendi Anderson
- Winnet Anderson
- Xuan Anderson
- Yvonne Anderson
- Zane Anderson

Note: The IIA Atlanta Chapter includes over 500 members who have earned IIA certifications. The list above includes those members who have confirmed their willingness to share this information.