INTRODUCTION

The 30th Anniversary of our Austin Audit Club Charter is March 8, 2009 and the 30th Anniversary of our being formally recognized as the IIA – Austin Chapter is September 5, 2009. This article is covers the first fifteen years of the Chapter. This article is based on my interaction with the Chapter and includes my recollections of what I considered significant at the time.

CHAPTER RECOLLECTIONS

Prior to Joining the Chapter – My formal membership with the chapter was on February 10, 1983 but I started my interaction with chapter members in October 1979 a little over one month after the chapter was formally recognized. That is the month that I transferred from the Texas Department of Health to the Management Audit Division of the Texas Department of Community Affairs (TDCA) and started working with our chapter’s founding President Mr. Jim Gerick (Jim). At this time TDCA administered the Drug Abuse Program and Jim was the program’s Finance Officer and had two program auditors reporting to him. Since the Director of the Management Audit Division (Mr. Joe Hopson) assigned me (and several other auditors) as responsible for audits of this program, I worked closely with Jim and was able to get to know him well. During our discussions I discovered that he was a Certified Internal Auditor and a member of the Institute of Internal Auditors (IIA). During 1980 and 1981 we had numerous discussions about the IIA and the newly formed chapter and periodically when I was in town, I would attend a meeting.

Then in 1982 my director indicated that he thought the IIA was a good idea, so I thought it was time for me to join. During the 1982-83 Chapter Year Mr. David Conrad was the Chapter President and I started attending most of the Chapter Meetings and as a result my learning about auditing and the internal auditing profession started to significantly increase. It was during this Chapter Year that we had our first Larry Sawyer Seminar. At this time Larry had 12 modules covering the internal audit profession that he used in his seminar presentations and the board picked 8 of these modules for him to present. This seminar was the most significant educational experience of my life. Larry’s presentation style was such that you listened to every word and had a lot of audience participation and what looked to me liked professional skits. Throughout the seminar Larry continually mentioned how pleased he was with our Chapter and especially with David Conrad and his organizational effort in putting on this seminar and gave credit to him for how well it went. Based mostly on my experiences at this seminar, I started to appreciate the profession of internal auditing and held Chapter Leadership and especially David Conrad in very high regard.

A lot was going on in the Chapter and in the State during my first year as a formal Chapter Member; Governor Mark White was elected and became Governor on January 18, 1983. That same day my Executive Director and also the Director of the Management Audit Division were replaced. Ms. Natalia Sanchez was now my new Audit Director and soon after that she attended the initial State Agency Internal Audit Forum (SAIAF) Meeting. Dave invited and brought together Audit Directors from the thirteen largest State Agencies and was elected as the founding Chairman of SAIAF.

1983-84 Chapter Year – Although I was now a full fledged member of the Chapter, I was unable to attend the last Chapter Meeting of the 1982-83 year and therefore missed the elections. I heard later that Mr. David Conrad had run again for Chapter President but that some sort of controversy had been brought up at the
election and there was a nomination from the floor and Mr. Alex Barrientes (Alex) had been elected Chapter President for the 1983-84 Chapter Year.

I had gotten to know Alex from the meetings I had been attending and we were and are good friends. As Chapter President he appointed me as the Audit Chair and then invited me to all Board Meetings. Not knowing any better I started attending all of the board meetings even though I was not on the board. I was then in the know on what was going on in the Chapter. At that time the Chapter did not have a VP for Continuing education but rather had a Seminar Chair appointed by the Chapter President. Although Alex did most of the work, I remember thinking that Seminar Chair must be the most difficult job in the Chapter.

Soon after the Chapter Year began, Alex found out that the member he had appointed as the Seminar Chair was no longer available to fill this position. Therefore he met with Jim and me and we became the Chapter’s Seminar Committee. The three of us worked together to bring Larry Sawyer back to Austin. We also sponsored EDP Audit and Stress Management Training. We held our Annual Banquet at the Hilton at Highland Mall. We had been using the Hilton for our seminars because Larry Sawyer’s wife Esther liked walking over to Highland Mall when Larry was involved in his seminar presentations. Dave worked with us on the Seminar Committee and showed Larry and Esther around Austin and was available to ensure that they had what they needed.

During this Chapter Year Dave was the Vice President and although Alex made all of the board meetings he had to miss some of the Chapter Meetings due to his travel schedule. Therefore Dave ran some of the Chapter Meetings. It was at one of these meetings that Dave asked me why my Audit Director was no longer attending the SAIAF meetings. When I discussed this with her, she assigned me to start attending the SAIAF meetings in her place.

1984-85 Chapter Year – During the end of the previous Chapter Year, Bob Strickland was on the nominating committee and requested that I run for Chapter Secretary. I took a day to think about this and called him back and agreed and I was elected Chapter Secretary. To prepare for my new responsibilities, I purchased an Apple Macintosh Computer (this was the second year for this computer) so that I would be able to type up the minutes. I also took training on the use of this computer (this computer still works very well and I have it stored at my house). I now felt prepared for the Chapter Year.

Tim Wise had been elected Chapter President, Tom Martinec Vice-President, Robert Stanislawski (Stan) Treasurer and I was Chapter Secretary. I noticed that Jim was still on the board and I asked him if he had run for a board position and he said that the latest Chapter President available to serve was also on the board. I then realized that the five Chapter Presidents that served between Jim and Alex were no longer attending Chapter meetings nor were they active in the Chapter. Alex also was on the board as the immediate past president.

As Chapter Secretary I worked closely with the President and found that I was not only responsible for the board minutes, but I was also in charge of chapter membership records, developing the membership database, developing mailing labels for the newsletter and other chapter member correspondence, and assisting the Chapter President in fulfilling their duties. At the time I remember thinking that Chapter Secretary must be the most difficult job in the Chapter.

Tim mentioned that the Chapter was getting a member that was already very well respected in the IIA (Urton Anderson) and that the Chapter had helped bring in the new State Auditor (Larry Alwin). Based on the way Tim was talking, I was under the impression that he was personally responsible for recruiting both of these out of area members to come to be members of the Austin Chapter and that they were able to find jobs in Austin as a result.
of their chapter membership.

Less than half-way through his Presidential term, Tim accepted a position in Chicago and had to resign as Chapter President. I remember that even after he left for Chicago he was still contacting me on Chapter Business and I also helped take care of his house until it sold. Tom Martinec then took over the Presidential responsibilities. We also celebrated our five year anniversary during this year.

**1985-86 Chapter Year** – Sheri Dorsett was elected President, Tony Renzi was elected as President-Elect, Alice Bryant was elected as Secretary, I was elected as Treasurer and Alex continued as Seminar Chair. I did not know until after the election was official that Sheri did not know that she was running for Chapter President. When the Nominating Committee had contacted her, she said that she would be happy to serve wherever she was needed. Little did she know that the place she was needed was as Chapter President. After Sherri had time to digest taking on these responsibilities and after Tom had met with both her and her boss at the Teacher’s Retirement System to discuss the responsibilities and time commitments, she was ready to take on the challenge. We cancelled our September Chapter Meeting and instead used this time for a board meeting.

This was a critical time for our Chapter; during the previous year one of our Chapter Meetings just had four that were in attendance to hear our speaker. We could no longer justify the efforts to ensure that we had good quality speakers if we were not going at have members in attendance at our meetings. We had been meeting in the evenings at the MHMR Conference Room ever since I had joined the Chapter. The meetings were informal and there was never a charge to attend. At the board meeting we decided to move to a more professional environment, serve a meal, and start charging for our meetings. We kept our meetings in the evening and moved to the Marriott Hotel for both an Attitude Adjustment hour and our Chapter Meetings.

One of the reasons I ran for Treasurer instead of Secretary was that we were not collecting funds for Chapter Meetings but only for our seminars. With this additional collection and accounting responsibility, I bought an accounting ledger program for my trusty Mac and started my two terms as Chapter Treasurer. With all the collections, deposits, payments, accounting, and auditing I was enduring as the Treasurer; I remember thinking this must be the most difficult job in the Chapter.

Alex brought in Larry Sawyer for another seminar at the Hilton. Since I was the only Chapter Officer that was able to attend the Seminar, I was the one representing the Chapter in interaction with Larry during the seminar. Larry made this job very easy and graciously accepted our gifts of a copy of a map of Texas from March 1836 and an Austin Chapter Cap that was just to fit – “It is Better to Be Lucky than Smart” (Larry Sawyer Quote).

We also co-sponsored a fraud security seminar with EDPAA, had humorist/historian John Henry Faulk as our annual banquet speaker, and had a signing ceremony with Governor Mark White when he designated the CIA Exam Week in May as Internal Audit Week in Texas. The Presidents from the other Texas Chapters were in attendance along with several officers from the Austin Chapter. When Governor White was signing the proclamation he discussed how important Internal Audit was in both Government and the Private Sector and how much he supported it and appreciated what we were accomplishing in our organizations. He then provided each of us with one of the pens that he may have used to sign the document.

**1986-87 Chapter Year** – Tony Renzi was now President and Bob Cates was elected President-Elect and I was again elected as Chapter Treasurer. During our planning meeting that summer, Alex presented a report on the previous year’s seminars and indicated that he would no longer be Seminar Chair. He then left the meeting and the board developed a very ambitious list of things that we wanted to accomplish during that year. This included
continuing with our help to sponsor the Spina Bifida Bowl-a-thon; a picnic at West Enfield Park; and a newly instituted, as a test, Participation Point Plan (where Chapter Members would receive cash back based on their contributions to the Chapter). As Treasurer, I mentioned at this planning meeting that without Alex as our Seminar Chair we were lacking experience in this area and as a result our revenue for that year was unsure. It was indicated that we could probably find someone else to fill this responsibility and that we had plenty of cash on hand and I agreed. At the start of this year we had a little over $13,000 and by the end of the year we had about $3,000 left. This taught me a valuable lesson regarding the importance of training seminars to ongoing Chapter financial stability but more importantly it taught me the value of the right person in a leadership position.

Our meetings were shifted to the Embassy Suites. Although our finances took a hit, we were able to accomplish a lot during this Chapter Year. When I submitted the books for audit at the end of the year, I was $.03 off. I thought this was close enough but the auditor had three findings related to this $.03 and reported these findings to the board. I learned (or more accurately was taught) another valuable lesson that as treasurer or as an accountant you want (or more accurately someone else will want) your books to balance to the penny.

1987-88 Chapter Year – Bob Cates took over as Chapter President and Kathy Cornehl was elected as President-Elect based on a nomination from the floor during the elections. I left the ranks of Chapter Officers and was elected to a three year term as a Governor. Kathy was very skilled at scheduling high quality speakers and had all meeting slots scheduled before the Chapter’s first meeting. Our speakers included Neal Spelce, Joe Wells and an operational auditing seminar by David Kowalcyzk. One of our Chapter Meeting speakers that year was the now eminent Dr. Dan Kneer. According to Bob Cates this was an evening meeting starting at 6:00 p.m. at the Embassy Suites. Bob and two others showed up and ended up just going to the bar and having informal discussions over drinks. Although this may have been one of those low points for our Chapter, Bob and the other two attending the meeting were able get about forty-five minutes of one-on-one time with Dr. Kneer. Our speaker for our end of year banquet was Paul Pryor who imitated an Englishman that just arrived from England. This was one of his father’s (Cactus Pryor) routines and it went over very well at our meeting. Cactus did this same routine a few years later at the International Conference in Dallas.

1988-89 Chapter Year – Even though I had two years left on my term as an elected Governor, Bob requested that I run for President-Elect after the original nominee received an out-of-state job offer. Kathy Cornel became President and I was elected as President-Elect. Kathy moved our meeting location to the top floor of the Hyatt Regency on Town Lake (great view) and it was my responsibility to find speakers for the Chapter meetings. I struggled and found a couple of speakers and then Kathy started helping me and it went much smoother; I remember thinking this must be the most difficult job in the Chapter.

1989-90 Chapter Year – I took over as President and Mr. Phil Flora was elected President-Elect. I started the year traveling to the Leadership Conference in Orlando. I learned a great deal about running a Chapter at that conference. After I returned from the Leadership Conference the board and Committee Chairs held an all day workshop on a Saturday in my Agency’s Conference Room to plan the Chapter Year. We started with our first annual golf tournament (Phil set it up and I played with Phil’s team) and our fifth annual picnic.

Our Chapter’s Membership Chair, Ms. Tonya Netzley (Tonya) and I traveled and attended a District meeting on Chapter Membership. When it was my turn I remember saying that the most important thing I did to promote Chapter membership was to appoint Tonya as our membership chair. Tonya then took over and discussed all the initiatives that she had developed and the board had approved. A number of these initiatives were already in place and working and she discussed the effect that the Chapter was already seeing in Chapter membership.
Another District Meeting was held at the Abilene Chapter in an effort to boast their confidence and help them survive as a Chapter. At the Abilene District Meeting, I spent a lot of time discussing the Internal Auditing Profession and Chapter Plans and Activities with the Houston Chapter President-Elect Mr. Michael P. Fabrizius. When I took him to the airport, I explained to him the importance for Internal Auditors to have a driving passion for excellence in everything that they do (at least that is what we may have discussed). Mr. Fabrizius later became the 1997-98 IIA Chairman of the Board and his theme for that year was “A Passion for Excellence.”

At our workshop the board had agreed to seek to host the Southern Regional Conference only if Kathy Cornehl agreed to Chair this committee. Kathy agreed and she and I traveled to Houston to make our presentation and proposed bid to host the Southern Regional Conference. When we arrived in Houston we found that our biggest competition was New Orleans who had been making proposed bids for the past several years and had nearly been guaranteed to receive the bid this time. Kathy and I distributed bottles of Texas Wine to all the Chapters represented at the meeting, I said a few words and then Kathy made our presentation. Most of those attended agreed that they liked our presentation the best and wanted to accept our proposed bid for the conference but due to the extensive work and preparation that New Orleans had already committed to this future conference, they voted for them and provided us a guarantee that if we submitted a bid proposal the next year it would almost assuredly be accepted. Unfortunately Kathy was not able to serve as the Chair of this committee the next year and we did not host the Southern Regional Conference in Austin until 2007.

In September we went to the Austin City Council Chambers where the Mayor declared September 5, 1989 as Internal Audit Day in Austin – Colleen Reed set this up and I provided an appreciation speech and was accompanied by the Chapter officers and most of the board.

Our September meeting was a special ten-year celebration meeting with cake, balloons, etc. Phil was able to schedule Mr. Angelos Angelou to speak on the future of Austin at this celebration event.

Tonya and Urton Co-Chaired the Committee for the Government and Industry Education Forum and Career Fair at UT. Tonya did an outstanding job of organizing speakers (Phil and I were scheduled to speak on the Internal Auditing Profession), coordinating setting up information booths, and providing structure. Although the attendance at our presentations and booths were not what we hoped to see, it was still viewed as a success and the cooperation and teamwork of all those involved in putting this on was clearly an outstanding achievement. We had a celebration meeting after the career fair and Representative Ric Williamson spoke to all those members that were involved in this educational effort. Representative Williamson had sponsored the Internal Audit Act Legislation in Texas and spoke on the improved future of state government as a direct result of this legislation.

During the year we continued a number of community minded traditions including the Blue Santa Program; Phil was able to line up excellent speakers; and we had several seminars. We started a softball team and were undefeated after one game. Although we were to lose the rest of our games, our time was well invested in getting to know each other outside of a professional setting.

I remember thinking that being Chapter President must be the most difficult job in the Chapter. Although this time I think I got it right, much more importantly it is also clearly the most rewarding job in the Chapter. As with all positions in the Chapter the benefits of what you learn, the members you get to know and work with, and the blessings you receive from the investment of your time, effort, and energy far exceed the challenges and difficulties in fulfilling your responsibilities.
1990-91 Chapter Year – Phil took over as Chapter President and Ms. Colleen Reed (Colleen) was elected President-Elect. We continued our traditions of the 2nd Annual Golf Tournament, the 6th Annual Picnic, and the Blue Santa Program. Before Colleen became a nominee for President-Elect she met separately and privately with Phil, me, and a few others to gain our commitment of support throughout her tenure as President-Elect and President. I remained on the Board as one of the Past Presidents.

During Phil’s term there was significant conflict in the government internal audit community over the requirements in the Texas Internal Auditing Act. One of the most controversial parts of the legislation was the requirement that to be an Internal Audit Director you must be either a CIA or a CPA. One of the reasons for this conflict was that there were a number of Internal Audit Directors in place at State Agencies that did not have one of these certifications. Walter O’Dell indicated that it was not the Governor’s intention for any Director to lose their jobs and that there probably should have had a grandfather clause to allow current directors several years before they were required to be certified. There were other issues with the Act including no requirement to follow Government Auditing Standards, etc. We were very lucky as a Chapter to have Phil as Chapter President during this time. Since he was not a state employee he could lead the Chapter objectively in preparing our official comments on recommended changes to this legislation. In nearly all instances the Chapter’s recommendation were included in the revised legislation.

1991-92 Chapter Year – Colleen Reed took over as Chapter President and Tonya Netzley was elected as President-Elect. When Colleen took over as President she had recently moved from Internal Auditing to an Accounting Manager position at LCRA. Even though she was out of the Internal Auditing profession, she honored her commitment to the Chapter. In summer planning meetings at LCRA Colleen suggested and coordinated a number of planned improvements to Chapter operations. She took on the newsletter project herself and I was a member of the committee that assisted her in getting it out each month. She continued to involve the board in a number of community activities including sponsoring a 10K run to help a non-profit organization.

On 30 December 1991, I heard from someone at the office that Colleen was missing. I immediately called her and the phone was routed to her supervisor who asked me a number of questions on why I wanted to talk with her. When we told her that we had heard Colleen had gone missing, she confirmed that the information we had was correct and recommended that we watch the news that night.

As soon as I heard confirmation that Colleen had gone missing, I immediately called Tonya and left her a phone message for her to watch the news that night. We found out from the news that Colleen had been abducted from an Austin Car Wash on the night of December 29, 1991. After hearing this news Tonya took charge and started having meetings with Colleen’s boyfriend and Colleen’s sister to offer the Chapter’s support. In early January Tonya called an emergency board meeting and discussed Colleen’s disappearance and our plans as a Chapter for the rest of the year. We were sad as a board and as a Chapter because we realized that since it had been a couple of weeks since Colleen’s disappearance that she had probably been murdered. We found out later that she had been abducted and murdered by serial murderer Kenneth McDuff and an accomplice.

Tonya assigned Bob, Phil, and I to take over her responsibilities as President-Elect and Tonya took on the Presidential responsibilities. Tonya focused her energies on ensuring that Colleen’s plans for the rest of the Chapter Year were fulfilled. The Chapter won the Gold Award that year and Tonya presented the award with Colleen’s name on it to Colleen’s sister. I and the rest of the board were very proud of the actions taken by Tonya to honor Colleen and her family and to bring the Chapter through this sad time in our history.
1992-93 Chapter Year – Tonya again took on the Chapter President responsibilities but this time as her Chapter Year. Charmaine Richardson was elected President-Elect and I remained on the Board as a Past President. Our meeting locations were changed to the Terrace and we increased the number of elected board positions from six to nine. The Colleen Reed Opportunity Scholarship Fund was established at Louisiana State University (LSU). By this time our membership had grown from 18 members in 1979 to 276 members by the end of the 1992-93 Chapter Year.

1993-94 Chapter Year – Charmaine took over as Chapter President and Tony Juarez was elected as President Elect and I stayed on the board as a Past President. Dr. Glenn Sumners of LSU conducted a two-day seminar in Austin with the net proceeds going to the Colleen Reed Opportunity Scholarship Fund at LSU. The Chapter was very active and had earned enough Chapter Achievement Points by the end of January to reach the Gold Award level for the year. By the end of the Chapter Year we had 328 members.

CONCLUSION

In reviewing our Chapter’s first fifteen years we are able to see the struggles, dedication, effort, and triumphs that have helped lead us to where we are today. These short recollections of our Chapter’s history fall far short in capturing the selfless dedication of our Chapter Leadership of the past who helped set the tone and example for today’s Chapter Leaders. Current Chapter leadership not only includes the five officers and eleven governors but we have 23 Committee Chairs, an innumerable number of Committee Members, and 14 members serving on international committees and many of these at the highest levels. We also have well over 700 chapter members with average attendance at our Chapter meetings at over 120 each month.

We take this opportunity as we are coming to the Thirtieth Anniversary of our Chapter’s formal beginning to appreciate and commend our current leadership and remember and honor our leadership of the past.