

# Choosing to be an exceptional leader: Certification, standards and peer review

**“N**obody can prevent you from choosing to be exceptional,” Mark Sanborn, keynote speaker and noted author of “The Fred Factor,” told 2,800 of us from Atlanta and around the globe at the 2010 Institute of Internal Auditor (IIA) International Conference in Atlanta.

Sanborn further explained that his postal service carrier, Fred, brings passion, energy and exceptional service to the job every day. He noted that’s probably why B.C. Forbes, the legendary founder of Forbes magazine, said, “There is more credit and satisfaction in being a first-rate truck driver than a tenth-rate executive.”

This got me to thinking about how we, as internal auditors, become exceptional. My answer is: We get there through being professionally certified, following standards and undergoing peer review.

## Exceptional leader

The late Bill Bishop, a mentor of mine and the luminary president of the IIA Global was an exceptional leader. Bill was kind enough to allow me to take a shovelful of dirt (in Florida it actually was sand) at the 2001 groundbreaking for the IIA Global headquarters in Altamonte Springs, Fla. He agreed to deliver our keynote speech for me at the 2001 Association of Health Care Internal Auditors (AHIA) Annual Conference. While I felt pretty good about his support, Bill decided to share an important teaching moment with me. He started by asking “Are you a CPA?”

“Yes,” I responded.

Bill followed up, “When you worked at a CPA firm, you were passionate about getting your CPA, right?”

“Absolutely,” I responded again. I went on to note that employees were required to be CPAs to be promoted.

Bill then asked me why, as the then-chief (internal) audit officer of Emory University, had I not taken the time to become a Certified Internal Auditor (CIA)?

Message sent and received!

Bill said — and he was right then and is still right — the CIA is the internationally recognized certification for internal auditors.

Five years later, after Bill Bishop had passed away, I was elected IIA Atlanta chapter president but still had not become

a CIA. In my inaugural talk to the chapter in June 2006, I said I would take and pass the CIA exam. I find it a tribute to say that later that year I accomplished what I said I would do, and what Bill Bishop had challenged me to do.

## The Certified Internal Auditor designation

Absent a personal challenge from the IIA president, the IIA brochure suggests some additional benefits to earning the CIA:

1. Distinguish yourself from your peers.
2. Carry weight with internal and external clients.
3. Develop your knowledge of the best practices in the industry.
4. Demonstrate your proficiency and professionalism.
5. Give you personal satisfaction of achievement.
6. Lay a foundation for continued improvement and advancement.

The number of IIA Atlanta chapter members with the CIA designation is rising. For those who are certified: Congratulations! For those who are not, I challenge you to become certified just as Bill Bishop challenged me.

I hope to see you receive your CIA certificate at the May 13 monthly meeting of the IIA Atlanta when we annually honor the new CIAs. And by the way, we waive the \$75 lunch and meeting fee for those receiving their new CIA certificate!

Do you need a review session to become certified? The Atlanta chapter is again bringing in the well-known CIA professor Glenn Summers of LSU to teach his CIA Review course. He will be teaching several sessions at Morehouse College March 4-7.

Internal Auditing standards are codified in the “International Standards for the Professional Practice of Internal Auditing.” In accordance with the IIA Standards effective Jan. 1, 2009, “the Chief Audit Executive must develop and maintain a quality assurance and improvement program that covers all aspects of the internal audit activity.” (Standard 1300)

Every profession has its standards. A phrase best known to audit committee

members of the board, the CEO, the CFO and accountants and auditors is “... in accordance with generally accepted auditing standards.”

Less well known is the internal audit phrase of “conforms with the International Standards for the Professional Practice of Internal Auditing.” This phrase is not required in an internal audit report but can only be used if the standards are being followed. For those using the phrase, congratulations on being an exceptional leader! For those not there yet, I challenge you to use the phrase if allowed and to

position yourself to be allowed to use the phrase in the future.

## Peer reviews: Auditing through leadership

Who audits the auditors? That is a question that we often hear, usually after something has gone wrong. For internal auditors, the answer to the question is peer reviews or “Quality Assessment Reviews.” It has been more than 10 years since the IIA instituted Standard 1312 requiring internal audit organizations to have an external peer review at least every five years.

Walter Massey was a keynote speaker at the international conference where the theme was “Auditing through Leadership.” Massey, a former chairman of the Bank of America board who has served on audit committees of major corporations such as Bank of America, McDonald’s Inc., Delta Air Lines and Motorola knows something about both auditing and leadership. Now president emeritus of Morehouse College, Massey led Morehouse as president from August 1995 to June 2007. He is well-acquainted with peer reviews in the academic settings of Morehouse College and Stanford University, asked for an external peer review of the Morehouse College Internal Audit Department in 2006.

Morehouse Chief Audit Officer C.O. Hollis Jr. says of the peer review, “It’s a validation of our internal audit program which gave the president and the audit committee comfort because having a trustworthy, ethically engaged peer



**VIEWPOINT**  
William J. Mulcahy



**Audit leaders:** IIA Atlanta Chapter board of governors members Richard Clune, William Mulcahy and Fred Masci.

validate that the internal audit department generally conforms (which is the highest rating available) with the IIA Standards gives them comfort. In addition, the insights and, more importantly, the foresight coming out from the peer review gave us a road map to the future of our internal audit program.”

Those of us who work in the government and not-for-profit sector are very familiar with peer reviews as it is required by the “yellow book,” the government rule book on auditing. Shouldn’t internal auditors be more like Fred the postman and do more than what is required by bringing and documenting exceptional service!

## Be a Fred (Masci)

According to Mark Sanborn from the stage at the International Conference 2010 in Atlanta, the IIA Atlanta chapter’s own Fred Masci, vice president, Internal Audit at PRGX Global, is a “Fred” who brings passion, energy and exceptional service to the job every day. Fred Masci is an exceptional leader too: He’s a CIA, follows the IIA standards and has a peer review. Let’s all strive going forward to be a Fred (Masci).

Mulcahy serves on the IIA Atlanta Chapter’s 2010-2011 board of governors, and is president of Mulcahy Accounting and Risk Consulting.