

# INSTITUTE OF INTERNAL AUDITORS

## SPECIAL SECTION

# International Impact



**Leadership:** IIA Board Chair William Mulcahy; clockwise from left; President David Bilko; Program Chair Paul Sobel; VP of Member Services Pam Short Jenkins; and SVP and COO Paul McClung.

## Atlanta's Institute of Internal Auditors chapter hosts global conference

By Randy Southerland  
CONTRIBUTING WRITER

Atlanta will get a chance to stretch its international muscle when more than 3,000 internal audit professionals from 160 countries converge on the Georgia World Congress Center for **The Institute of Internal Auditors International Conference** June 6-9.

"These are the top 5 percent of people in the internal audit profession," said Bill Mulcahy, board chair of the 1,853-member Atlanta IIA, the sixth-largest local chapter.

The IIA is an international professional association with more than 120,000 members. The conference alternates each year between a North American and international location. Last year's venue was Johannesburg, South Africa, while 2008 took it to San Francisco. Atlanta's chapter won the right to host 2010 back in 2006, according to Mulcahy.

In addition to local pride, landing the convention also means a substantial injection of dollars into the local economy as the auditors fill hotel rooms and shop in local stores.

► See **IMPACT, 2B**



## The Institute of Internal Auditors International Convention

- June 6-9, 2010
- Georgia World Congress Center
- Annual conference will bring more than 3000 internal auditors representing as many as 160 countries to Atlanta.
- The Institute of Internal Auditors (IIA) is an international professional association with more than 120,000 members.



### LOOKING AHEAD

National IIA President and CEO Richard Chambers talks about the future of the profession.

6B



### MANAGING RISK

Home Depot Vice President of Internal Audit Kelly Barrett focuses on the risks ahead.

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### BANKING ON EXPERIENCE

SunTrust's David Bilko builds on relationships, challenges.

4B



## International impact

Continued from 1B

"The Institute of Internal Auditors conference will have a \$3 million economic impact on the city of Atlanta," said Mark Vaughan chief sales and marketing officer for the **Atlanta Convention & Visitors Bureau**. "Conventions from the business sector represented 14 percent of the meetings held in 2009, making it an important industry for Atlanta's convention business."

While about 60 percent of the attendees will be from the U.S., about 40 percent are expected from the rest of the world, said Augusto Baeta, IIA director of international and regional conferences.

"Sometimes the center of excellence related to one of the fields here in the profession is outside North America," he said. "For instance, government auditing is very important in Australia and they are considered the center of excellence. So we have representatives from the different centers of excellence around the world in our program."

### Timely topics

The Atlanta chapter has worked closely with the national organization to stage the event, including selecting speakers and creating sessions.

"Our volunteers are the source of guidance in terms of what is going on right now in the profession," said Scott McCallum, media relations manager for IIA. "They are the ones who really are our primary customer, so to have representation from

our audience to help put together the conference is really what makes it relevant."

As a profession that often serves as the watchdog and sometimes investigative arm of a company or organization, the convention's programs include everything from leadership and diversity to fraud to IT auditing.



"The Institute of Internal Auditors conference will have a \$3 million economic impact on the city of Atlanta."

Mark Vaughan

Atlanta Convention & Visitors Bureau

This year marks the first time the event has been in Atlanta since 1970 and it will have a definite local flavor, according to Mulcahy.

"This event goes around the world year after year so we have the opportunity here in Atlanta to showcase some of our top companies and top thinkers," Mulcahy said.

Auditors at the conference will hear from top executives with some of the world's most recognizable companies. Steve Bucherati, director of equal

opportunity and affirmative action at **The Coca-Cola Co.**, will present a program on diversity. Kelly Barrett, senior vice president and chief audit executive at **The Home Depot Inc.**, will address the company's leadership program. Officials from **United Parcel Service Inc.**, **Deloitte & Touche LLP** and other companies will address how to sustain the bottom line in an international marketplace.

"The issues are very global," said Mulcahy. "Internal auditors need [an event] outside their organization to get that kind of networking with people who are in the same profession. And, when you talk about the global brands, they can only get that networking with other global brands."

### 'Dark Side' detection

For a field whose professional designation is CIA, or Certified Internal Auditor, it's not surprising that ferreting out corruption, misappropriation of company funds, and other misbehavior is one of the hot topics for this meeting. One appropriately named session is "Why Do People Turn to the Dark Side?"

"Internal auditing and the prevention and detection of fraud have always been linked," Mulcahy said. "The internal auditors are the investigators of fraud."

Guarding against fraud is grouped under an area called GRC — governance, risk and compliance — in the profession, said Fred Masci, vice president for internal audit at **PRGX Global Inc.**

"GRC is the big buzzword for the conference," he said.

Because the internal auditor deals with so many different types of risk ranging from fraud at the highest levels to an employee who fudges his mileage, he has to understand people as well as numbers, according to Masci.

During the conference attendees will learn investigative interviewing and tips for figuring out if someone is lying.

Learning how to do more with less is also expected to be a much-discussed issue for these professionals.

"With all the economic events of the past couple of years, companies have been stretched financially and have had to make many cutbacks," said Alan Fehlner, senior manager at **Crowe Horwath LLP**. "The audit profession advocates for good control and a good approach to managing risk and opportunity. Without a good corporate governance system it is very difficult to do that."

He added that internal audit leadership is at the table, and in many cases advocating for reforms is needed to ensure effective corporate governance and risk management.

"More and more what we are seeing is internal audit leadership is very plugged into corporate governance," said Fehlner. "It is a topic that is discussed regularly within the profession. We share some of those best practices and we can bring recommendations that make sense for the company."

Established in 1941, the Institute of Internal Auditors is an international professional association with global headquarters in Altamonte Springs, Fla.

# Speaker line-up includes all-star cast

By Randy Southerland  
CONTRIBUTING WRITER

## Walter Massey

Keynote speaker: 8:30 a.m.,  
Monday, June 7

Walter Massey wants auditors to understand that if you measure the wrong thing, then your outcome may be a lot different than what you were expecting.



Knowing what's important in business is one of the topics that the chairman of **Bank of America** will bring to this year's opening keynote address. A physicist, former college president and community leader, he will discuss working with the government to solve regulatory compliance issues at Bank of America.

He also plans to share his experiences and principles for working with audit committees gained through service with major corporations such as Bank of America, McDonald's and Motorola.

In addition to serving as chairman of the board of directors of Bank of America, he is president emeritus at **Morehouse College**, where he was president from August 1995 to June 2007.

Active in civic affairs, he worked closely with former Atlanta Mayor Shirley Franklin in securing the papers of the Rev. Martin Luther King Jr. for Atlanta.

Prior to Morehouse, Massey was provost and senior vice president for academic affairs at the University of California. He also served as director of the National Science Foundation, during the George H.W. Bush administration. In that post he became the government's leader in supporting research and education in mathematics, science and engineering.

He also served as vice president for research and professor of physics at the University of Chicago; as director of the Argonne National Laboratory; dean of the college and professor of physics at Brown University; and as assistant professor of physics at the University of Illinois.

Massey holds a B.S. in physics and mathematics from Morehouse, and earned a master's and doctorate in

physics in 1966 from Washington University in St. Louis. He has conducted research into quantum liquids and solids. His written work has also addressed science and math education, the role of science in a democratic society, and university-industry interactions, and technology transfer in national and international settings.

## Carol Tomé

Keynote speaker: 12:45 p.m.,  
Monday, June 7

The challenges of being chief financial officer of a big brand name, as well as the issues faced by the audit committee chair of a global competitor, will be the keynote topic for Carole Tomé.



As CFO and executive president of corporate services at **The Home Depot Inc.**, she provides leadership in the areas of real estate, store construction, financial services, strategic business development and growth initiatives.

Her corporate finance duties include financial reporting, planning and analysis, financial operations, divisional finance, internal audit, investor relations, treasury and tax.

She joined the company in 1995 after a stint as vice president and treasurer of Riverwood International Corp. She started as a commercial lender with United Bank of Denver (now Wells Fargo) before becoming director of banking for Johns-Manville Corp.

In 2003, she joined the United Parcel Service Inc. board of directors and now serves as chair of its audit committee. In January 2008, she joined the board of the Federal Reserve Bank of Atlanta and serves as deputy chair of the board.

In November 2007, Tomé was included in The Wall Street Journal's list of 50 Women to Watch. She was also ranked No. 16 in Forbes magazine's 2008 list of the World's 100 Most Powerful Women.

The Wyoming native is a graduate of the University of Wyoming with a bachelor's degree in communication. She earned an MBA in finance from the University of Denver.

An active volunteer, Tomé serves as chair of the advisory board for the Metropolitan Atlanta Arts Fund. She is a member of The Committee of 200 and the Atlanta Botanical Garden board of directors.

## Zanny Minton-Beddoes

Keynote address: 8:15 a.m.,  
Tuesday, June 8

**The Economist's** Zanny Minton-Beddoes will provide attendees at The Institute of Internal Auditors' convention with a global perspective during her keynote address.



As economics editor of the British weekly news magazine, she is responsible for coverage of the American economy, Western economic policy and issues arising from globalization. She is also a frequent commentator on current economic issues for many radio and television news programs.

Educated at Oxford University and a Harvard University Kennedy Scholar, she has served as an adviser to the Finance Minister of Poland and worked as an economist at the International Monetary Fund (IMF).

After two year working on macroeconomic adjustment programs in Africa and the transition economies of eastern Europe, she joined The Economist as emerging markets correspondent. She rose to become the economics editor in 1996 before moving to Washington, D.C., to cover U.S. economic issues.

She has written surveys of the world economy, Latin American finance, global finance and Central Asia. She has also dealt with international financial policy, enlargement of the European Union, the future of the IMF; and economic reform in emerging economies. She has also written articles for political journals such as Foreign Affairs and Foreign Policy, and edited Emerging Asia, a 1997 book on the future of emerging-markets in Asia.

Minton-Beddoes is a regular commentator on National Public Radio's "Marketplace" and appears on CNN, the BBC World Service, "PBS Newshour," CNBC, and "Public Interest."



# The Coles Internal Audit Center at Kennesaw State University **Congratulates** the Atlanta Chapter of the Institute of Internal Auditors for hosting the 2010 Institute of Internal Auditors International Conference.



Kennesaw State University is proud to be the first Georgia educational institution to achieve Partner Level status in the Institute's Internal Auditing Education Partnership. In addition to teaching internal audit courses to more than 300 students thus far, Coles Internal Audit Center faculty members are engaged in applied research investigating issues concerning the internal audit profession, corporate governance, enterprise risk management, and information technology.

We gratefully acknowledge and thank the Atlanta Chapter and our Advisory Board members — all chief audit executives of their respective organizations — for their commitment to the Coles Internal Audit Center and the students of Kennesaw State University.



## Advisory Board Members

Dave Bilko, Sun Trust	Barbara Jesup
Linda Caldwell, WellStar Health System	Kristina Kohlweiler, Georgia Pacific
Steve Donovan, UPS	Fred Masci, PRGX
C.O. Hollis, Morehouse College	Bill Mulcahy, Emory University (ret.), Chair
Pam Jenkins, Wendy's/Arby's Group	Tim O'Connell, Cousins Properties
	Paul Sobel, Mirant



## Coles Internal Audit Center Faculty

Clockwise from top left: Dr. Kurt S. Schulzke; Dr. Kathryn K. Epps; Dr. Richard R. Clune, Director; Dr. W. Ken Harmon, and Dr. Audrey A. Gramling.

Not pictured: Dr. Dana R. Hermanson and Dr. Mary C. Hill



# Bilko banks on experience to further industry

By Tonya Layman  
CONTRIBUTING WRITER

When David Bilko got into banking more than 30 years ago, he never imagined he would someday be the chief audit executive at **SunTrust Banks Inc.** He just hadn't set his sights on a career in auditing. Luckily for him, some of his co-workers saw things differently.

"I was approached by the internal audit system," he said. "They were adding to the audit staff and asked me if I would be interested. After looking at what they did and where it took them, I was persuaded to join their group."

This was back in his Crestar Bank days. Crestar merged with SunTrust in 1998.

"Internal audit is the one area of the bank where you get to see how everything works, so I thought it would be a good way to maybe find another area that interested me. But that never happened. I found I liked what I was doing. I was meeting a lot of people and establishing really good relationships and every day was a new challenge. I never got tired of it."

One of the keys to success for Bilko has been his ability to build relationships.

"In no other profession is relationship-building as important as in auditing," he said. "Nobody gets excited to see the auditor walk in the door. You have an image problem right away so you better be good at establishing a good relationship and rapport with those people, or that group, you are working with if you are going to be successful."

In 2005, Bilko was promoted to SunTrust's chief audit executive. He leads the 86-person audit division, which develops and executes the annual audit



BYRON E. SMALL

plan. The team also coordinates activities with internal risk partners, functional regulators and the external accounting firm.

"The highlight of my career was when I was named chief audit executive," he said. "It wasn't necessarily a career goal of mine but I felt honored and privileged to be named to such an important position."

Steve Brown, managing director in SunTrust's audit services, said Bilko encourages his team to be a partner with management for the overall success of the company.

"Dave is a head coach of the team," he said. "He makes sure everyone understands what they are doing and then stands back and lets us do it. He lets us

## DAVID BILKO

**Job:** Chief audit executive at SunTrust Banks Inc.

**Former job:** Worked for Crestar Bank in a number of audit-related roles

**Education:** MBA from George Mason University, a Bachelor of Arts in economics and history from the University of Virginia, and graduate of the Audit Management Program from the Bank Administration Institute Graduate School for Bank Administration

**Hobbies:** Golfing and running. Bilko has run one marathon and several half marathons and 10Ks.

**Family:** Wife of 25 years, Donna; two children, Chris and Jenny

deliver what we are responsible for delivering."

Brown added Bilko's strong suit, especially in today's market, is dealing with circumstances and events with a level head while being solution-oriented.

"Dave, having been in banking for 30-plus years, has a long perspective. He has seen the business cycle come and go a couple of times and understands what we are currently going through. He doesn't overreact and he never shoots the messenger."

## Industry leadership

Bilko is in the final stretch of his two-year presidency of The Institute of Internal Auditors, Atlanta chapter. On June 30, when his terms ends, he will become the chairman of the board for two years.

"This group of people has been one of the best groups to work with and we just have a lot of fun, quite frankly," Bilko said. "We seem to hit it off and enjoy the challenge and mission we have helped create for the chapter."

The Atlanta chapter, which has about 1,700 members, will host the organization's International Conference, estimated to bring at least 2,500 people to Atlanta from around the world.

Bilko, who has been involved with IIA for 10 years, said it is important for the organization to continue to provide informative programs and expand relationships with local universities.

"The core of what we do is having programs at chapter meetings every month that are valuable to our members that include speakers who cover hot industry

topics and provide continuing education," he said.

With a passion for furthering the profession, Bilko enjoys working with Kennesaw State University and Georgia State University to expand their internal audit education offerings.

"I am driven by furthering the profession and helping to educate and develop the next generation. I like being out in front with the mission of IIA, which is progress through sharing of best practices and training," he said. "The reality is I enjoy being with the people and talking about what we do and how we do it."

Bilko also serves on the financial services advisory board and the professional conferences committee for The IIA. He is also a member of The Fiduciary & Investment Risk Management Association Inc., serving on the Emerging Risk Issues Committee.

Paul Sobel vice president of internal audit at **Mirant Corp.** and a leader with The IIA, Atlanta chapter, said Bilko leads the chapter with a steady hand while being thoughtful and good at facilitating consensus.

"This has been a very dynamic time for the Atlanta IIA chapter. We have a lot going on — more than most other chapters ever take on," Sobel said. "Dave has been very good about keeping us focused on the future. The fact that he always keeps a steady demeanor by being focused and calm helps keep volunteers steady and calm. He has a comforting form of leadership and that is definitely what we need right now."

## Industry challenges

Through Bilko's career, he has faced many changes on the regulatory front and in the way controls are structured, but the biggest challenge is the change brought to the industry, and business in general, by technology.

"It is a challenge to know how to structure your control systems around technology to operate effectively and run your business while controlling your risk," he said. "The change is rapid-fire and keeping the right talent levels and skill sets in place to keep up with that changing environment has been challenging."

He remembers when he started in banking, the paper trail was relatively simplistic.

"In the early '80s, there were parts of the bank that still kept track of outstanding loans on ledger cards. Today, everything is automated. Even an Excel spreadsheet was something we didn't have back then," he said.

## IIA's Internal Audit Job Mentoring Program for members

The Atlanta chapter of The IIA announces a new service for members who have been impacted by the economy. The purpose is to provide internal audit professionals who have been laid off with a chance to network with employed, active internal audit professionals in the greater Atlanta area.

Unemployed members of the Atlanta chapter are invited to send their name, resumé, years of experience and industry to Nancy Thomas at [atlantaiia@comcast.net](mailto:atlantaiia@comcast.net). The information will be sent to the Job

Mentoring Program coordinator for review. The coordinator will match the job seeker with a qualified mentor and provide contact information to the mentor.

The job mentor will spend time networking with the job seeker offering advice and support in their job search. It is not expected that job mentors will be able to employ job seekers. The mentors are there as a network point to encourage and support job seekers in their search for employment.

All information will be held in confidence.



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# Home Depot exec promotes risk management

By **Tonya Layman**

CONTRIBUTING WRITER

**K**elly Barrett, **The Home Depot Inc.** vice president of internal audit and corporate compliance, is passionate about teaching her team to get involved in all business practices to help the company identify risks.

This concept, Enterprise Risk Management (ERM), is a hot topic in the auditing industry and one that Barrett believes can help auditors prove their value to a company.

ERM includes the methods and processes used by organizations to manage risks and seize opportunities related to the achievement of their objectives.

"If you are not a part of that, I don't know how you are a good auditor," she said. "We know the risks we face in the current environment, but the next step is trying to help the company think through what is going to be the next risk and put plans in place to mitigate those risks. It's OK to take risks — that is what businesses do to make money. It is all about how you manage those risks."

Her goal at Home Depot is to encourage her team to play an active role in ERM.

"Your internal audit team has to be able to look at things differently and more proactively. They have to understand the business and how it works, store operations and merchandising. Risks are more complicated than they were 10 years ago."

Barrett, after 24 years as an auditor or controller, has become an expert in this concept. She often helps peers at other companies develop their ERM programs.

The responsibility of ERM at **Delta Air Lines Inc.** has recently landed on the plate of Atlanta newcomer Kiko Harvey, Delta's vice president of corporate audit and enterprise risk management. Harvey has relied heavily on advice and expertise from Barrett.

"Kelly is always willing to share, and she shares with examples that are beneficial to me and that help me think how I want to portray things. She is very engaged and enthusiastic and has a passion for the profession and this topic, specifically," Harvey said.

"It is great having a local expert in the field. And Kelly works for a large company that is well-respected. Since I am new to Atlanta, having local connections embrace the newcomer is a blessing."

Barrett said meeting with peers is one way she keeps up on industry trends and new ways to manage emerging risks.

"I reach out to not just my local peers but I meet with executives from big companies from around the country. I work hard at building relationships both internally and externally. Knowing people and knowing what is going on in business is important. This is the most collaborative group of peers I have ever worked with."

To help her meet other auditing executives, Barrett has turned to The Institute for Internal Auditors. She is active at the national level and a member of the Atlanta chapter.

"IIA helps companies by pulling them together to share best practices," she said. "The local chapter is great for the people who report to me to make local connections. I certainly support their involvement there."

She is excited about the International Conference being hosted in Atlanta in June. She helped develop the leadership track and will be a speaker at the event.

"It will be a great event and give Atlanta a lot of visibility," she added.

Barrett joined Home Depot in January 2003 as vice president, corporate controller. She was responsible for the company's internal and external financial reporting including its filings with the Securities and Exchange Commission, as well as the company's financial controls and financial systems. In October 2005, she was named vice president of internal audit. In this role, she has the responsibility for one of the company's leadership programs that serves as a pipeline of talent for Home Depot. She is also responsible for developing and executing an audit committee risk-based audit plan. Her team not only focuses on controllership activities, but also using Six Sigma drives operational excellence through their operational project improvement work. In April 2007, she also assumed responsibility for corporate compliance.

2004 proved to be a challenging year at Home Depot for Barrett, but she also said the successful results of hard work will go down as career highlights for her. She led an \$80 million SAP implementation and co-led the company's successful first-year compliance with Sarbanes-Oxley.

"At the time, the SAP implementation was the world's largest financial implementation. Meanwhile we were complying with Sarbanes-Oxley so I was still producing financial statements and doing my regular duties," she said. "It was a crazy year, but so successful and satisfying."

"Kelly is very in tune with her customers and with the business. She is great at digging up facts and dealing with absolutes," said Matt Carey, Home Depot executive vice president and chief information officer. "She is also one of our stronger people within the company when it comes to developing and mentoring others. She is truly a professional in every sense of the word."

Prior to joining Home Depot, Barrett served as senior vice president and chief financial officer for Cousins Properties Inc., where she worked for more than 10 years. Before that, she was an audit manager at Arthur Andersen.

She serves on the board of the YMCA – Metro Atlanta. Barrett also serves on the

board for the Partnership Against Domestic Violence and Georgia Tech's Business School Advisory Board.

## KELLY BARRETT

**Job:** The Home Depot Inc., vice president of internal audit and corporate compliance

**Former job:** Home Depot vice president, corporate controller

**Education:** Graduated from Georgia Tech in 1986 with a bachelor's degree in industrial management

**Hobbies:** Running, cycling, traveling and attending Georgia Tech sporting events

**Family:** Husband, Rick



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**Maxine Burton**

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## IIA Atlanta Chapter Calendar of Events

**March 12 CIA Review Course Taught by Glenn Summers**

Glenn Summers is teaching his popular CIA Review Course (Parts I, II and III only) in Atlanta March 12-15.

**March 12 — March chapter meeting**  
Topic TBD

**April 16 — April chapter meeting**  
(This is a morning meeting)

Rod Winters, chairman of the board of The IIA will be the keynote speaker

**April 16 — CAE Lunch and Roundtable**  
This lunch and CAE roundtable will follow

the April chapter meeting.

**April 30 — Student Day Event-FREE**

Huge Student Day Event designed for auditing, accounting and finance majors at universities and colleges throughout Georgia.

**May 14 — May Chapter Meeting**

Topic — Contract Auditing

**July 6 — IIA International Conference**

Be a part of this exciting event taking place in Atlanta July 6-9 at the Georgia World Congress Center.



# IIA-Atlanta stands out, collects the accolades

By Jason Massad  
CONTRIBUTING WRITER

The Atlanta chapter of The Institute of Internal Auditors distinguishes itself among an international collective of audit professionals by creating strong links to local businesses and educational institutions, while providing pivotal continuing education courses to its members.

The chapter, founded in 1949, counts its membership at 1,700 and includes representatives from across the Atlanta business community — **The Coca Cola Co.**, **SunTrust Banks Inc.**, **United Parcel Service Inc.**, **Coca-Cola Enterprises Inc.** and **Wendy's/Arby's Group Inc.**

Glenda Ostrander, director of internal audit for **Gwinnett County Public Schools** and vice president for volunteer services for IIA-Atlanta, said that some of the value of being a member of the local chapter is that it exposes audit professionals to a

diverse group of businesses in the private and public sector. That diverse base in Atlanta provides multiple perspectives on new trends and best practices for the internal auditing profession, she said.

"I think some of the uniqueness of the chapter is that we have a representation of so many various industries because



**Ostrander**

Gwinnett County  
Public Schools

chapter is that we have a representation of so many various industries because



## The Institute of Internal Auditors, Atlanta chapter

**Number of members:** 1,700; the sixth-largest in the world

**Year established:** 1949

**Standing:** Gold Chapter for five years

Atlanta is such a metropolitan area, and we serve such a diverse base of businesses," Ostrander said.

While the Atlanta chapter may benefit from the city's standing as a diversified metropolitan area for doing business, the group has distinguished itself with its advocacy efforts in the business and educational communities.

The group was recognized with the International Mastering Advocacy Program award at last year's conference of IIA. That's in part because of its outreach to large businesses in the Atlanta area that weren't represented by the professional association. It also played a leadership role in establishing a unique program at **Kennesaw State University** that promotes the internal auditing profession.

The award contributed to the Atlanta chapter's standing among the international arm of IIA. The city will be hosting the International Conference from June 6-9, which is expected to draw 2,000 auditors from North America and 1,000 members from around the globe.

"IIA-Atlanta has a true understanding of The IIA's advocacy efforts and has embraced the opportunity to elevate the stature and credibility of the internal audit profession in their community," said IIA President Richard Chambers, who leads the international organization, which is based in Altamonte Springs, Fla. "They are finding success in influencing key stakeholders, and are role models for advocacy work around the globe."

Part of that influence comes from successfully reconnecting with some Atlanta-area businesses with weak ties to the local chapter. The group discovered 200 large companies that were not being reached by the chapter, according to its application for the advocacy award. It then contacted the chief financial officer of each company and invited the companies' internal auditing staff to a regional conference. The upshot: In all, nonmembers took notice and representatives from 13 of the companies became involved with the Atlanta chapter. "We had almost everyone in Atlanta," as a member, said Bill Mulcahy,

president of **Mulcahy Accounting & Risk Consulting**, and chairman of the board for the local chapter. "What we didn't have is the active involvement of all the companies in the local chapter. That's what we really turned around."

The local arm of The IIA is ensuring its future success with a groundbreaking partnership with Kennesaw State University.

With the help of leadership from Richard Clune, an assistant professor at the university and a former audit partner with **PricewaterhouseCoopers LLP**, the local chapter of The IIA has begun to integrate auditing into the curriculum at KSU.

The Coles Internal Audit Center at KSU is offering internal audit courses at the university and exposing hundreds of students to a specialty that dovetails with their accounting, financial and business management backgrounds and could help boost their careers.

In the fall of 2008, the Atlanta chapter sponsored a student day event that attracted approximately 200 accounting and finance students from 18 universities and colleges from throughout Georgia, according to the Atlanta chapter's advocacy information. The event led to 18 students being hired as full-time internal auditors or accepted as internal audit interns at Atlanta area companies.



**Mulcahy**

Mulcahy Accounting  
& Risk Consulting

## The Profession: Looking back, looking ahead

It is, indeed, a privilege to have the opportunity to contribute to this special publication celebrating The Institute of Internal Auditors (IIA) and our upcoming International Conference that will be hosted by IIA-Atlanta in June. The IIA board of directors and the global headquarters staff of The Institute of Internal Auditors Inc. join me in dedicating this message to the many steadfast internal audit professionals in Atlanta who have shared in The IIA's rich history and have played an invaluable role

in making The Institute and their chapter what it is today.

### Looking back

When a group of 24 internal auditors came together in 1941 to establish The IIA, could they possibly have envisioned what potential lay ahead? Could they have imagined our organization would someday become the touchstone for and leader of more than 170,000 practitioners the world over? Could they have known that The IIA would evolve into the trustworthy global

standard-setting body for the internal audit profession, and that it would be recognized globally for its authoritative guidance and professional certifications? And could they have dreamed that the profession could achieve the level of sophistication, recognition and prominence it now enjoys?

I truly doubt that those pioneers could have visualized what it would be like to practice internal auditing in 2010. And yet, it was their integrity that was the basis of our Code of Ethics; their commitment to professionalism and performance that inspired our International Standards for the Professional Practice of Internal Auditing; and their diligence and perseverance that formed the foundation of today's robust global internal audit profession.

Since our founding fathers put internal auditing on the path to the future, our profession has gone through many transitions. The road to today's internal auditing has sometimes been challenging with many obstacles and switchbacks; and sometimes forward-thinking, propelling us to historical levels of visibility. Still, the foundation built so many years ago continues to support us and our ever-evolving profession.

### Looking ahead

Where will our path lead next? What lies ahead for the future of the internal audit profession?

Internal auditors are the in-house resource most adept at providing assurance to executive management and the board. By assessing the many types of risk that could threaten their organization, and determining whether the controls in place are effective and aligned with the company's risk profile, internal auditors can add great value to risk management.

With the recent catastrophic corporate failures of late, the future will require a more holistic approach to risk. As the business community has learned, effectively managing risks is critical to long-term sustainability.

Today, internal audit professionals all around the world are enjoying more visibility than ever before in the history of our profession, and those at the top are recognizing how integral the internal audit activity is to effective governance.

The internal auditors of tomorrow increasingly should raise tough questions about practices, oversight and their organization's risks; and help ensure policies are followed, procedures are appropriate, processes are monitored, and internal controls are adequate.

Visibility of the profession in Atlanta and around the world will continue to capture the attention of young people who are examining potential careers, resulting in an increased need for internal audit education. IIA-Atlanta is a leader in elevating and promoting the internal audit profession, as they were recognized in 2009 with the coveted International Mastering Advocacy Program award.

They successfully advocated to other local professional organizations, raised awareness of internal auditing within the business community, and garnered notable media exposure on behalf of The Institute. The IIA's global headquarters is very proud of their many accomplishments as an exemplary advocate for the profession.

**Chambers** is president and CEO of The Institute of Internal Auditors' global headquarters.



**VIEWPOINT**  
**Richard Chambers**

Clients of all shapes and sizes rely on the bench strength—1,000+ people in 8 states—and nimble approach of the Top 20 US accounting firm, Dixon Hughes.

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—Dusty Profumo, CFO, Church's Chicken

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# Internal auditing: A new era or farewell tour?

**B**ack in 2004, Bruce Nolop, chief financial officer for Pitney Bowes Inc., told CFO Magazine that “[Internal] auditors are rock stars now. This is their day in the sun.”

Much has happened since those early days of Sarbanes-Oxley, and the internal audit profession now faces new challenges and opportunities. Which raises the questions: How will we react to these challenges? Like an aging rock star whose time has passed and is about to embark on one last farewell tour? Or will we be more like the rock bands that have reunited and started a new era? And finally, have we lost our “SOX appeal”?

Internal auditors around the world are trying to navigate these challenging times and determine how to reinvent themselves. It’s clear financial controls and compliance auditing, while still important, are not enough to keep internal auditing in the spotlight. We must be seen as a valued and important part of the business. We must understand the business we’re trying to audit, have the right skills to truly add value, and the right tools to do our jobs efficiently and effectively.

So what do we do as a new decade of challenge and opportunity dawns? The last thing we can afford to do is rest on our laurels and hope the royalties from past hits will sustain us the rest of our careers.

Rather, we need to “write new music” that shows we have a vision for a new era; a future where we have the right business

understanding, the right skills, and the right tools to truly add value. While this may seem like an incredibly large task, I believe embracing three simple concepts will help us rocket back to the top of the charts.

## Think risk: Act solutions

Risk is not a new concept to internal auditors; it’s embedded in our profession’s standards. But how many of us are really masters of our risk domain? Sure, we think about enterprise risks each year when preparing an audit plan, and may even embed a lower-level risk assessment into our audits. But how many internal auditors understand the business and its risks well enough to be seen as risk-thought leaders?

Those who are good at identifying risks, but can’t advise on ways to manage those risks, may be seen as “Chicken Little” auditors who pessimistically tell management what can go wrong without offering meaningful and practical solutions to help make things go right. So how can we be perceived as being able to think risk and provide practical solutions to those risks? I believe four of the 10 risk imperatives outlined in a recent IIA Knowledge Briefing are particularly critical to the “think risk: act solutions” theme:

- Coordinate with other risk and control functions.

- Participate in risk summits with key stakeholders.

- Help the organization develop near-term risk strategies.



**VIEWPOINT**  
**Paul Sobel**

## Internal auditors around the world are trying to navigate these challenging times and determine how to reinvent themselves.

- Strengthen top-level risk communications.

Internal auditors must get out of their offices or cubicles and become key advisers to senior management and the board on risk matters. This goes beyond thinking about the impact risk has on the annual audit plan. It requires us to think about the impact risk has on the success of the business. By expanding our risk thinking we can be part of the company’s value proposition and help enable success.

## Simplify, then automate

This old-system consulting adage will help internal auditors strive for greater efficiency and effectiveness in our audit processes. Technology in the audit process is not new. While we’ve made some strides as a profession, I think most would agree that we haven’t fully embraced technology as a tool to optimize our efficiency and effectiveness. I believe this is due to auditors trying to automate the existing process, rather than simplifying the process first. Whether talking about automated workpapers, data extraction and analysis tools, or other Web-enabled tools, as a profession we’re not on the leading edge of the technology curve. Those internal audit functions that figure

out how to simplify their audit processes and techniques will find that the power of technology will enable leaps in audit efficiency and effectiveness.

## Quality is Job 1

OK, I know that’s an old ad campaign from an auto company, but I think it really applies here. Quality comes from having the right people who are enabled with the right tools. Chief audit executives (CAEs) must evaluate what skills and experiences are needed to add value and make sure they have the right resources, whether employees or co-sourced resources, to deliver quality on every audit engagement. CAEs must also guard against a “follow the work program” mentality on audit projects. Quality auditing requires creativity, skepticism, alertness and a bit of finesse. Those skills aren’t taught in textbooks; they come from experience and good coaching. Finally, CAEs must embrace the value of a quality assurance program, including a periodic independent quality assurance assessment. In other words, we need to make sure that someone is “auditing the auditors.” If we can’t consistently demonstrate quality, we can’t expect our profession to be held in high esteem globally.

Fully embracing these three concepts will not be easy. There will be some in the profession who choose to make these next few years their farewell tour. But those who take on these challenges, and truly embrace the opportunities, will be writing beautiful audit music for years to come.

Sobel is vice president of internal audit for Mirant Corp.

## Internal Audit FAQs

### What is internal auditing’s role in preventing, detecting and investigating fraud?

Internal auditors support management’s efforts to establish a culture that embraces ethics, honesty and integrity. They assist management with the evaluation of internal controls used to detect or mitigate fraud, evaluate the organization’s assessment of fraud risk, and are involved in any fraud investigations.

Although it is management’s responsibility to design internal controls to prevent, detect and mitigate fraud, the internal auditors are the appropriate resource for assessing the effectiveness of what management has implemented. Therefore, depending on directives from management, the board, audit committee or other governing body, the internal auditors might play a variety of consulting, assurance, collaborative, advisory, oversight and investigative roles in an organization’s fraud management process.

Competent professional internal auditors are highly proficient in techniques used to evaluate internal controls. That proficiency, coupled with their understanding of the indicators of fraud, enables them to assess an organization’s fraud risks and advise management of the necessary steps to take when indicators are present.

### Prevention

Establishing a culture of integrity is a critical component of fraud control. Executive management must set the tone at the top and model the highest level of integrity. The internal auditors may advise management on methods to ensure integrity and may become involved in communicating or interpreting those methods. They also may help develop training related to integrity policies and fraud.

### Detection

Because the internal auditors are exposed to key processes throughout the organization and have open lines of communication with the executive board and staff, they are able to play an important role in fraud detection. In many organizations, the chief audit executive (CAE) is responsible for responding to issues raised on the ethics hotline or through another process that may lead to detection of fraud.

### Investigation

Internal audit skills relate to gathering evidence, analyzing the breakdown in controls that could enable a fraud, and making recommendations for improvement. And reporting directly to the board or governing body provides the internal auditors with a level of independence and objectivity necessary for them to undertake investigations of a sensitive nature.

References: IIA Professional Practices Framework: Practice Advisories on Fraud  
Source: The Institute of Internal Auditors



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# SOUND OFF

Atlanta Business Chronicle asked internal audit experts about the changes, trends and future of the profession



## W. Ken Harmon

Dean, Coles College of Business  
Dinos Eminent Scholar Chair of  
Entrepreneurial Management  
Professor of Accounting  
Kennesaw State University

**Changed:** In the last two years, internal auditing as a profession has realized (1) the importance and power of technology and (2) the importance of risk. At the tactical level, internal auditing has begun placing more focus on the use of technology and the use of computer-assisted audit techniques (CAATs). There even has been an awakening to the concept of continuous auditing. At a strategic level, internal auditing is being viewed as a value-added, and highly necessary, strategic partner in the success of the company.

**Trends:** The primary trend that will shape the future of internal auditing is the focus on risk management. Historically, internal auditing was focused on controls and control compliance. While these are important concerns, internal audit must play a larger role in the company's strategic success. In my view, if internal auditing is to continue to rise in profile and remain a relevant player in corporate strategy, then internal auditors must see themselves as managers of risk rather than overseers of controls.

**Stakeholder:** Stakeholders are the ones driving the notion of risk management. The current economic crisis and other recent business concerns have shown the vulnerability of companies that do not manage risk appropriately. The CAEs who are at the forefront of their profession have realized that internal auditing can, and should, play an important role in mitigating and managing risks. These CAEs no longer consider themselves as simply enforcing controls; rather, they see themselves as contributing members of the leadership team.



## Audley Bell

Vice president of internal audit,  
Habitat for Humanity

**Changed:** Change is an ongoing activity in the internal auditing world as we are constantly adjusting our work plan to changes in the internal and external environments. The annual risk assessment and internal audit planning processes, for example, have been losing ground to more frequent or in some cases ongoing re-evaluations due in part to emerging issues, such as the increase in federal regulations, major suppliers going out of business, loss of funding source and increase in fraud. There is also more emphasis on consulting and partnering with management, of course with the auditor maintaining his or her objectivity and independence in their unique role, on issues such as governance, risk, internal controls and business process improvement, in order to ensure that the goals of the organization are being met.

**Trends:** Trends that I believe are shaping the industry include the mammoth increase in fraud in the financial industry at levels never seen before. More questions are being asked by senior executives and board of directors about lessons learned from the debacle, fraud risks in their own organization and what is being done to mitigate those risks and recover losses. Accordingly, fraud risk assessment and the leveraging of information technology tools, such as computer-assisted audit techniques and continuous auditing are becoming core activities of internal audit functions.

**Stakeholder:** I believe that stakeholders are looking for good governance, more accountability and transparency in financial reporting, a good return on their investment, and in my case, donors are looking to Habitat for Humanity to be good stewards over the funds that they have entrusted to the organization to build decent and affordable housing for the poor around the world. CAEs are raising the bar in the GRC arena by adding the review of their organization's governance and risk management structures and processes to their core internal audit activities, of which compliance is already a key component.



## Russell W. Hinton

State Auditor,  
State of Georgia

**Changed:** Just as Sarbanes-Oxley has increased awareness of corporate governance and audit oversight in the private sector, parallel efforts in the governmental arena have heightened the critical role that internal audit should play in state government. Numerous agencies in state government have enhanced their internal audit resources in light of management's risk mitigation responsibilities.

**Trends:** Certainly one of the most significant impacts in the governmental arena has been the introduction of transparency. While efforts have been under way for several years, the passage of the American Recovery and Reinvestment Act (ARRA) has greatly accelerated the accurate and transparent reporting of information relative to expenditure of both ARRA stimulus funds and general funds of state government. The role of the internal audit function in review of controls for the capture and dissemination of such information is critical to the success of transparency in government.

**Stakeholder:** Given the severe economic distress facing state governments across the country, focus has been placed on both the identification of inefficiencies in the operation of government programs and opportunities for maximizing the effectiveness of existing revenue sources. Relaying recommendations to agency and legislative decision-makers regarding the efficient and economical delivery of governmental services has become of paramount importance in these times of economic distress.

## Who's Who in The Institute of Internal Auditors, Atlanta Chapter

This year for The Institute of Internal Auditors, Atlanta chapter, special section, we feature a Who's Who of top leaders and officers within this very active and vibrant chapter. On the following pages you will find a directory of the 2009-2010 Board of Governors for the chapter year.

Among those you will find the year's top officers, including Chairman Bill Mulcahy; President David Bilko; Senior Vice President and Chief Operating Officer Paul McClung; Chief Financial Officer Terry Longstreth; Vice President of Programs Brett Williams; Vice President of Member Services Pam Jenkins; Vice President of Volunteer Resources Glenda Ostrander; and Vice President and Chapter Secretary Emma Costello.



## Alan Barnes

**Assurant Inc.**  
Director of risk and advisory services

**Education:** Bachelor's degree in accounting, University of Alabama at Birmingham; bachelor's degree in finance, Auburn University; MBA in information systems management, Kennesaw State University

**Career highlights:** Barnes holds active CPA, CIA and Green Belt Six Sigma certifications. His previous audit, accounting and IT work experience includes: public accounting, assistant controller, head of accounting, asset-based auditing with, internal audit and IT financial management, head of internal audit and SOX compliance, and currently a director of internal audit and compliance with a specialty insurance and warranty company. In addition to being on the board of governors for the Atlanta IIA chapter, he facilitates the Atlanta Internal Audit/SOX Council quarterly events.



[www.assurant.com](http://www.assurant.com)

## David Bilko

**SunTrust Banks Inc.**  
Senior vice president and chief audit executive

**Education:** MBA, George Mason University; graduate of the Audit Management Program from the BAI Graduate School for Bank Administration

**Career highlights:** Bilko has been with SunTrust Bank or its predecessors since 1987. He has been the chief audit executive since 2005, where he is responsible for leading the 86-person audit division, coordinating the development and execution of the annual audit plan, reporting to the audit committee of the board of directors, and ensuring that activities of SunTrust Audit Services are conducted in accordance with the Professional Practices Framework set forth by The Institute of Internal Auditors. Prior to joining SunTrust, Bilko served both Crestar Bank and First American Bankshares in a number of audit-related roles.



[www.suntrust.com](http://www.suntrust.com)

## Chris Blalock

**Equifax Inc.**  
Senior vice president, internal audit

**Age:** 43

**Education:** Bachelor's degree in business administration; The University of Georgia

**Career highlights:** Blalock started at Equifax in 2003 as project manager for the first-year implementation of the compliance effort for Section 404 of the The Sarbanes-Oxley Act. In late 2004, Blalock was promoted to senior vice president of internal audit in charge of the global Internal audit department responsible for financial, operational and compliance audits. Additional responsibilities include management and oversight of the company's Enterprise Risk Management Program. Prior to Equifax, Blalock served in several accounting roles for Cingular Wireless, a technology startup and a residential wholesale mortgage lender after spending eight years in the audit team of KPMG.

[www.equifax.com](http://www.equifax.com)



## Connie Brown

**Jefferson Wells**  
Director, Risk Advisory Services

**Education:** Bachelor's degree in business administration, accounting, Paine College

**Career highlights:** Brown manages the Risk Advisory Services (RAS) practice for the Atlanta office and has more than 20 years of internal audit and controls experience and expertise. Brown is a certified internal auditor and CPA. Her responsibilities have included providing clients with specialized technical expertise in governance, risk management and compliance. The RAS practice covers corporate governance, enterprise and operational risk, internal audit, technology and information security.

[www.jeffersonwells.com](http://www.jeffersonwells.com)



## Anthony G. Chalker

**Protiviti Inc.**  
Managing director

**Age:** 44

**Education:** Bachelor's degree and master of accountancy degree, The University of Georgia

**Career highlights:** Chalker has overall responsibility for Protiviti's Atlanta Internal Audit services. Chalker has more than 20 years of experience, including 12 years in Big Five public accounting. Chalker's career combines external audit, litigation consulting and information technology consulting to provide a broad and comprehensive view of the risk management landscape. Protiviti is a global business consulting and internal audit firm.

[www.protiviti.com](http://www.protiviti.com)



## Richard Clune

**Kennesaw State University**  
Assistant professor

**Age:** 57

**Education:** Ph.D., Case Western Reserve University

**Career highlights:** Since retiring as an audit partner with PricewaterhouseCoopers in 2002, Clune has taught full-time as an accounting professor at the Kennesaw State University Coles College of Business School of Accountancy. He is the founder of the KSU Internal Audit Center and is the director of the school's Internal Auditing Education Partnership program with the IIA. He has received two awards from the IIA, the Michael J. Barrett Doctoral Dissertation Grant Award and the William H. Smith Award.



[www.kennesaw.edu](http://www.kennesaw.edu)

## Michael Corbin

**Accume Partners**  
Regional managing director

**Age:** 46

**Education:** Bachelor's degree in business management, Wichita State University

**Career highlights:** Corbin has more than 20 years of internal audit and consulting experience in the areas of financial, operational and compliance risk and control design. Currently, Corbin serves as the regional managing director for Accume Partners where he is responsible for delivering internal audit and advisory services to clients throughout the Southeast. Corbin's former employers include World Savings and Loan Association, KPMG LLP and Dixon Hughes PLLC.



[www.accumepartners.com](http://www.accumepartners.com)

## Emma Costello

**Thomas Ray & Associates Inc.**  
Principal

**Age:** 42

**Education:** Bachelor's degree in business administration, Texas State University

**Career highlights:** Costello began her career in corporate internal audit in Houston. She relocated to Atlanta in 1995 and worked for the Big Four as they started their Internal Audit practices. In 2001, she went out on her own specializing in health benefit audits. Using a customized approach, she works independently or as part of a co-sourced internal audit team to identify and recover benefit overpayments.

[www.thomasrayassociates.com](http://www.thomasrayassociates.com)



## Steve Donovan

**United Parcel Service Inc.**  
Vice president, internal audit and compliance and ethics

**Age:** 52

**Education:** University of Indianapolis

**Career highlights:** Donovan has been with United Parcel Service Inc. for 34 years, holding a variety of assignments in operations, finance and accounting. He joined the corporate finance group in Atlanta in 1996, and has held his current position since 2003.

[www.ups.com](http://www.ups.com)



## Alan Fehlner

**Crowe Horwath LLP**  
Senior manager, risk consulting

**Age:** 36

**Education:** Bachelor's degree in business administration, accounting

**Career highlights:** Fehlner is a client service leader in Crowe's Risk Consulting Group in Atlanta. His career began at a Big Four accounting firm specializing in internal audit. He also founded a project management function for a company and managed an internal audit department for a company. Fehlner is a certified public accountant and certified internal auditor.

[www.crowehorwath.com](http://www.crowehorwath.com)



## C.O. Hollis Jr.

**Morehouse College**  
Chief audit officer

**Age:** 66

**Education:** Bachelor's degree, Hampton University; MBA, University of Pennsylvania

**Career highlights:** Hollis is the chief audit officer at Morehouse College, responsible for designing and implementing the internal auditing function at the college. He is also principal member of Professional Accounting and Auditing Services in Lithonia, Ga. In 2005, Hollis received the Bill Bishop Award from the Atlanta chapter of The Institute of Internal Auditors and in 2007 received the Atlanta chapter's William J. Mulcahy Excellence Through Leadership Award.

[www.morehouse.edu](http://www.morehouse.edu)



## Jim Jacobson

**Superior Essex Inc.**  
Vice president, internal audit

**Age:** 51

**Education:** Bachelor's degree in accounting and MBA in finance, Rochester Institute of Technology

**Career highlights:** Prior to joining Superior Essex in 2004, Jacobson was the chief audit executive at Mirant Corp. where he established their internal audit function. He also served as Mirant's international financial controller. From 1985-2004, Jacobson served in a number of diverse financial and operational roles at Eastman Kodak Co. Jacobson also held management positions in the Information Systems and Corporate Quality organizations.

[www.superioressex.com](http://www.superioressex.com)



## Pamela Short Jenkins

**Wendy's/Arby's Group Inc.**  
Senior vice president, internal audit

**Education:** Florida State University

**Career highlights:** Previously, Jenkins was the vice president of internal audit for The Home Depot Inc. and was a senior manager in KPMG's audit practice. She is on the board of governors for The Institute of Internal Auditors, Atlanta chapter, and on the boards of the Sandy Springs Chamber of Commerce, Leadership Sandy Springs, the Arthritis Foundation and Board of Directors Network. Jenkins heads the endowment committee for Achievement Rewards for College Scientists.

[www.wendysarbys.com](http://www.wendysarbys.com)



## Barbara A. Jesup

**The Institute of Internal Auditors, Atlanta chapter**  
Executive committee, board of directors

**Education:** Bachelor's degree in business administration, Southern Methodist University

**Career highlights:** Jesup was formerly vice president, internal audit at AFC Enterprises; assistant vice president, financial audit at First Financial Management Corp. (now First Data); senior manager, internal audit at Holiday Inn Worldwide (now InterContinental Hotels Group); First Tennessee Bank; Arthur Young & Co. (now Ernst & Young LLP).

[www.theia.org](http://www.theia.org)



## Ric Kimball

**KPMG LLP**  
Director, advisory services

**Education:** Auburn University

**Career highlights:** Kimball is a director in KPMG's advisory services practice with more than 10 years of finance and internal audit experience. During his eight-year career with KPMG, Kimball has assisted his clients in the achievement of their goals and objectives by analyzing business processes to identify and mitigate business risks, reduce operating costs and improve effectiveness and efficiency. Kimball has successfully managed and directed several large engagements for global clients.

[www.kpmg.com](http://www.kpmg.com)



## Steve Lameier

**Oxford Industries Inc.**  
Chief audit officer

**Age:** 43

**Education:** Bachelor's degree in accounting, Thomas More College

**Career highlights:** Lameier has more than 20 years of external/internal audit and consulting experience in corporate governance, enterprise risk management, SEC, M&A, Sarbanes-Oxley and legal and regulatory compliance. Prior to joining Oxford Industries in 2008, Lameier was vice president of internal audit for nine years at First Data Corp. Lameier spent the beginning of his professional career at KPMG with more than 10 years as senior manager in their financial services and retail assurance departments.

[www.oxfordinc.com](http://www.oxfordinc.com)



## Brian Lay

**Ernst & Young LLP**  
Executive director, advisory

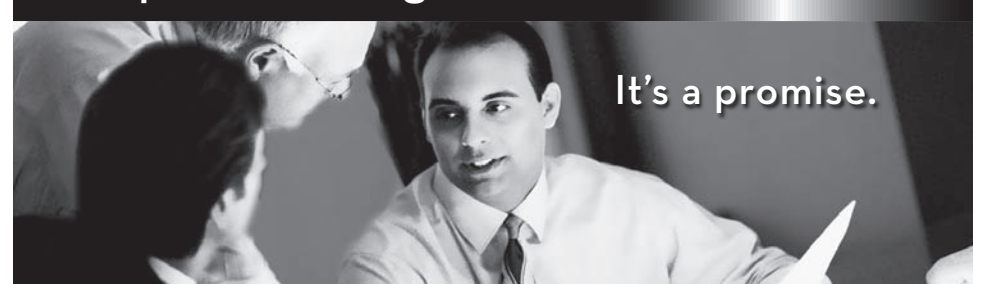
**Education:** Bachelor's and master's degrees, University of Central Florida

**Career highlights:** Lay has served as an auditor and business adviser with Ernst & Young for 16 years. Leading some of the firm's largest internal audit engagements, Lay is focused on providing strategic solutions to address client needs and business risks throughout North America and globally. He has also performed enterprise risk and process optimization engagements, with a focus on achieving sustainable results. In addition to his client-serving roles, he also serves on the board of governors for the Atlanta IIA chapter and is a member of the IIA, AICPA and FICPA.

[www.ey.com](http://www.ey.com)



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Terry Longstreth

Accretive Solutions  
Business development manager

Age: 47

Education: Bachelor's degree in finance and MBA, Georgia State University

Career highlights: In addition to his role at Accretive Solutions, Longstreth is chief financial officer of The IIA, Atlanta chapter. He has more than 20 years of financial management, business development and leadership experience, within both the financial services and professional services industries. Prior to joining Accretive Solutions, Longstreth was a senior analyst for the Financial Strategies group for Bank of America.

www.accretivesolutions.com



Alan Lovett

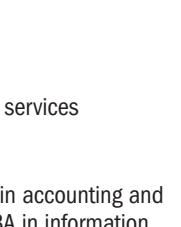
Interline Brands Inc.  
Vice president of internal audit services

Age: 40

Education: Bachelor's degree in accounting and finance, Spring Hill College; MBA in information technology management, Webster University

Career highlights: Lovett is the current chief audit executive at Interline Brands. Previously, Lovett held internal audit leadership positions with Wells Real Estate Funds and KPMG LLP's Risk Advisory Services practice. His internal audit background also includes The Walt Disney Co. and Lockheed Martin. Lovett is a certified public accountant, certified information systems auditor and was recently certified in the governance of enterprise IT.

www.interlinebrands.com



Fred Masci

PRGX Global Inc.  
Vice president, internal audit

Education: Bachelor's degree in business administration, Columbus State University; MBA, Auburn University

Career highlights: Masci is vice president of internal audit for PRGX Global Inc. and is responsible for leading PRGX's internal auditing, SOX compliance, and whistleblower hotline activities. Masci has 32 years of auditing and compliance experience in both public company and public accounting firm settings. Masci spent four years with KPMG where he earned his CPA certification. Masci is active with The Institute of Internal Auditors and was presented the 2007 Bill Bishop Award for Service to the Internal Audit Profession.

www.prgx.com



Paul R. McClung

Mueller Water Products Inc.  
Senior director, internal audit

Age: 34

Education: Bachelor's degree in accounting, Louisiana State University

Career highlights: McClung is the senior director of internal audit at Mueller Water Products. McClung began his professional career as an internal auditor with Hughes Supply and also spent more than 10 years with Arthur Andersen LLP and Deloitte & Touche LLP. McClung has held numerous positions with the Atlanta chapter of The Institute of Internal Auditors. McClung is a member of the Finance Committee for Roswell United Methodist Church.

www.muellerwaterproducts.com



Sue Mills

Huron Consulting Group  
Director of corporate governance advisory services

Education: Bachelor's degree in business, Montana State University; Wharton Advanced Management Program

Career highlights: At Huron, Mills leads internal audit, Sarbanes-Oxley compliance, process improvement, and enterprise risk management projects for clients in a variety of industries. Mills is a CPA and has more than 25 years of experience. Mills chairs the Atlanta Internal Audit/SOX Council, consisting of approximately 150 chief audit executives, SOX chiefs, and other corporate governance executives from more than 85 publicly held companies.

www.huronconsultinggroup.com



William J. Mulcahy

Mulcahy Accounting & Risk Consulting LLC  
President

Education: Bachelor's degree in accounting, Philadelphia University; master's degree, Mercer University

Career highlights: In 2007 Atlanta's IIA chapter dubbed its annual honor given to an outstanding local leader The William J. Mulcahy Excellence Through Leadership Award. Prior to opening his consulting firm in 2008, Mulcahy was with Emory University and Arthur Andersen & Co. Currently, he serves as chairman of the IIA International Conference and chairman of the IIA Atlanta chapter's board of governors.

www.billmulcahy.com



Timothy 'Tim' O'Connell

Cousins Properties Inc.  
Vice President

Age: 45

Education: Bachelor's degree in accounting, Rutgers University; MBA, The University of Kansas

Career highlights: O'Connell began his professional career with MetLife in New York. In 1992, he assumed leadership for internal audit at MetLife's mortgage banking operations in Overland Park, Kan., and later relocated to Atlanta to manage the financial analysis and controls supporting MetLife's real estate and mortgage investment portfolio. O'Connell has held management and consulting positions with various organizations.

www.cousinsproperties.com



Glenda D. Ostrander

Gwinnett County Public Schools  
Director of internal audit

Education: Bachelor's degree in accounting, Florida A&M University

Career highlights: Ostrander is the director of internal audit for Gwinnett County Public Schools, having responsibility for administering a broad, comprehensive program of internal auditing within the school district. Ostrander has an extensive background in auditing. Prior to assuming her current duties, she served in a similar role in Leon County Schools for more than 15 years in Tallahassee, Fla. She also held various audit positions with the Florida Department of Education.

www.gwinnett.k12.ga.us



Vijay Pinto

Deloitte LLP  
Director

Age: 38

Education: Bachelor's degree in business administration and MBA, Georgia State University

Career highlights: Following his employment at Arthur Andersen, in 2002 Pinto was recruited by Deloitte, where he serves as a firm director. His primary areas of focus are internal audit transformation and finance and controls transformation. In Pinto's more than 16 years of experience, he has provided internal and external audit, process improvement, accounting and consulting services to clients in a variety of industries. Pinto is a CPA, CIA and CISA.

www.deloitte.com



Gil Radford

Verizon Wireless  
Director of audit

Age: 57

Education: Bachelor's degree in accounting; CPA; certified internal auditor; certified management accountant

Career highlights: Radford joined Verizon Wireless in 2005. He has more than 30 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 an audit group in Alpharetta, where he is responsible for managing a wide variety of functional audits related to Verizon Wireless' operations and systems.

www.verizonwireless.com

Paul Sobel

Mirant Corp.  
Vice president, internal audit

Education: Bachelor of science in business administration degree, Washington University (St. Louis)

Career highlights: Sobel is responsible for directing the worldwide internal audit activities, and developing and implementing risk assessment and ERM methodologies. He has published a book titled "Auditor's Risk Management Guide: Integrating Auditing and ERM." In addition, he co-authored the textbook titled "Internal Auditing: Assurance and Consulting Services." He is currently on The IIA board of directors and president of The IIA Research Foundation. He has also been appointed to the Standing Advisory Group of the PCAOB.

www.mirant.com



Brett Williams

Grant Thornton LLP  
Partner and advisory services practice leader

Education: Bachelor's degree in accounting, The University of Georgia; CPA

Career highlights: Williams has more than 15 years of experience in audit, risk services and management consulting. His experience includes: leading internal audit and Sarbanes-Oxley-related engagements; leading SAS 70 and other related risk services engagements; and performing audit services. Williams is a board member for the Adaptive Learning Center and the IIA as well as substantial involvement in Junior Achievement where he recently was selected as the JA of Georgia Volunteer of the Year for metro Atlanta.

www.grantthornton.com



Maisha Williams

PricewaterhouseCoopers LLP  
Internal audit manager

Age: 29

Education: Bachelor's degree in accounting, Syracuse University

Career highlights: Williams is a manager in PricewaterhouseCoopers' Internal Audit Services practice and a CPA in the state of New York. She has eight years of internal and external audit experience. Williams has been recognized with two Chairman's awards for providing outstanding client service in the higher education and nonprofit sectors and for her involvement in the firm's college preparatory and career planning mentoring program.

www.pwc.com



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## Flu shot provider gets \$7M to expand

By Urvaksh Karkaria  
STAFF WRITER

Just in time for this year's twice-flattened fall season, a Roswell-based provider of vaccinations and on-site health screenings has snagged \$7 million in venture financing.

Care Dynamix Inc. raised the money from H.I.G. Ventures LLC to expand its on-site preventive health-care services and flu shot clinics. The company expects its revenue to double this year, fueled by H1N1 virus hysteria and a bottom-line obsessed Corporate America.

Last June, the **World Health Organization** classified H1N1 as a pandemic because of its rate of spread. The **Centers for Disease Control and Prevention** has warned H1N1 could strike 40 percent of Americans during the next two years unless preventive measures are successful.

Care Dynamix services schools, government agencies, corporations, retail businesses, religious groups, unions and professional associations.

The school market is growing the fastest, with annual demand up more than double, President David Greiff says.

► See **FLU SHOT, 28A**



**Growth spurt:** Care Dynamix expects revenue to double this year, fueled by H1N1 virus hysteria, President David Greiff says.

## New era awaits city parking

By Dave Williams  
STAFF WRITER

Atlanta officials are banking on a new privatized parking operation to generate much-needed revenue, make scofflaws think twice about ignoring tickets and give law-abiding motorists more ways to pay.

Milwaukee-based **Duncan Solutions Inc.** is gearing up to take charge of on-street parking in Atlanta's commercial areas in November under a seven-year contract approved by the city council in July.

The deal calls for the city to receive an annual guarantee of \$5.5 million, a huge increase over the \$2.1 million Atlanta collected from parking tickets in each of the last two years. The company will keep whatever it takes in beyond that amount.

The extra income will result in part from nearly tripling the number of metered parking spaces, from 900 to 2,500.

► See **PARKING, 30A**



**New meters:** Multi-space meters will accept dollars, debit and credit cards. The number of metered spaces will nearly triple to 2,500.

## Grass-roots group aims at water solution

By Dave Williams  
STAFF WRITER

Politicians and bureaucrats haven't found a resolution to the 19-year tri-state water war.

So, a new grass-roots organization is going to give it a shot.

This summer's federal court decision threatening Lake Lanier's future as Atlanta's water supply is spurring "stakeholders" in the Chattahoochee River system to incorporate as a nonprofit and form a governing board to look for solutions that have long eluded elected officials from Georgia, Alabama and Florida.

"All the debate on this subject has been at the high political and official levels," said Brad Curry, retired CEO of Norcross-based packaging giant **Rock-Tenn Co.** and a board member of the **Metropolitan North Georgia Water Planning District**.

"Nobody has gone out and asked citizens who live with these issues what they think the needs are and how best to meet those needs. We can sit down and figure things out that the lawyers can't or won't," says the retired CEO of Rock-Tenn Co.

Curry is part of a small group that has been meeting quietly for about a year to put together a grass-roots organization of interested citizens from throughout the Chattahoochee basin.

► See **SOLUTION, 42A**

## Medical tech firm raises \$9 million

By Urvaksh Karkaria  
STAFF WRITER

An Atlanta medical technology company that relocated from Alabama last year has raised about \$9 million, which it will invest in product development.

**DocuSys Inc.** develops an anesthesia information management system, medication management system and pre-surgical care management system for hospitals and surgery centers. The system helps improve patient care, reduce clinical errors, and help accurately bill for drugs and services delivered, company President and CEO Robert Watson said.

DocuSys, however, has struggled amidst the economic slowdown. The 11-year-old firm, which employs about 55, including about 35 in Atlanta, has delayed plans to add the 300 jobs it said last year it would.

DocuSys, which has raised about \$30 million so far, expects to reach profitability next year, Watson said.

The \$9 million in new financing, part of a planned \$10.6 million raise, includes follow-on financing from DocuSys' New York-based private equity investors.

► See **TECH FIRM, 29A**





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