

INSTITUTE OF INTERNAL AUDITORS  
SPECIAL SECTION

# From Gotcha! to Help Ya

Internal auditors  
welcome a  
changing role

By Matt Hennie • CONTRIBUTING WRITER

Internal auditors still serve their traditional role of internal watchdogs, but the bad-cop label they've dealt with in the past has now given way to a more nuanced partnership with executives, helping companies move forward on objectives.

"There is a much larger role now that auditors play than 10 or 15 years ago," said C.O. Hollis, chief audit officer at **Morehouse College**. "We are not here just to zing you. We want to be a partner to move the organization forward, and in many cases the internal audit function is essential to that."

Hollis said internal auditors have in the past received a bad reputation among colleagues, though even today, a little of that remains helpful.

"It's a double-edged sword. We are nice, we are friendly and there to help. But we are there to investigate people who are not doing the right thing," he said.

The environment for internal auditors changed dramatically when the Sarbanes-Oxley Act passed in 2002, putting into place enhanced standards and reporting regulations for public companies in the U.S. The extensive rules were designed to restore confidence in the nation's securities markets in the wake of several corporate accounting scandals.

Internal auditors said the legislation shined a light on their role in businesses

in the same way that the current financial meltdown has done.

"It changed dramatically when Sarbanes-Oxley came along, as there were many more requirements for auditors and many more jobs for auditors," said Bill Mulcahy, who retired in 2007 as the chief audit officer at Emory University and currently serves as the board chair for the Atlanta chapter of the **Institute of Internal Auditors**.



**Hollis**  
Morehouse College

"It will be the same kinds of things we will see now with the Bernie Madoff scandal and the Wall Street problems that have happened, as well as the layoffs."

The legislation prompted developer **Cousins Properties Inc.** to establish an

internal audit staff to complement the company's financial controls and add compliance procedures.

"Sarbanes-Oxley probably put a more formalized discipline over a process that had been in existence for most companies," said Tim O'Connell, a Cousins vice president whose responsibilities include internal audit functions.

► See **AUDITORS, 11C**



JAMES C. WATTS



**REACHING MORE**

Kennesaw State University's Richard Clune is expanding the school's auditing program

**4C**



**CELEBRATING 60**

IIA hosts its 60th anniversary with a special program titled "Healthy, Wealthy and Wise"

**9C**



**SOUND OFF**

Industry leaders, like Carolyn Byrd, talk change and give advice

**11C**

# Institute of Internal Auditors leading the way

**W**ith members in 165 countries, The Institute of Internal Auditors (IIA) is the internal audit profession's global voice, standard-setter, and resource for professional development and certification.

## About the institute

Established in 1941, The Institute of Internal Auditors is an international professional association with global headquarters in Altamonte Springs, Fla. The IIA is the internal audit profession's global voice, recognized authority, chief advocate and principal educator.

Members work in internal auditing, risk management, governance, internal control, information technology audit, education and security.

The mission of the Institute of Internal Auditors is to provide dynamic leadership for the global profession of internal auditing.

## Value with the IIA

The Institute of Internal Auditors is the leading source for information and guidance about the internal audit profession.

For more information on becoming an IIA member, visit [www.theiia.org](http://www.theiia.org).

## The IIA at a glance

Membership	2004	2005	2006	2007	Nov. 2008
Total members	99,433	114,775	135,500	154,549	163,120
Growth rate	11.5%	15.4%	18.1%	14.1%	5.5%
<b>Membership sections</b>					
Chief Audit Executive	1,918	2,141	2,843	2,939	2,963
Gaming Industry	422	530	581	796	1,028
Financial Services	2,357	2,547	2,473	6,961	11,689
Total members in membership sections	5,670	6,270	6,809	10,696	15,680
Growth rate	19%	10.6%	8.6%	57.1%	46.6%
<b>Chapters and institutes</b>	246	249	251	253	250

Source: The Institute of Internal Auditors

## Calendar of Events

<p><b>March 4</b> Student Day Event at Kennesaw State University</p> <p><b>March 6</b> March chapter meeting This is the joint meeting between the Atlanta IIA and the Certified Fraud Examiners.</p>	<p><b>March 13 - March 17</b> CIA Review Course Glenn Summers will again be teaching his renowned Certified Internal Auditor Review Course.</p>	<p><b>April 17</b> April chapter meeting Patty Miller, chairman of the Global IIA and a partner with Deloitte, will be a featured speaker.</p> <p><b>May 8</b> May chapter meeting</p>
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### IIA President - Global Richard F. Chambers

Chambers started out as an internal auditor at the Trust Company Bank in Atlanta before beginning a long career in public sector internal auditing with the U.S. General Accounting Office (now the Government Accountability Office). His public service tenure included holding chief audit executive (CAE) positions at three of the U.S. Government's largest organizations.



### Chairman of the Board Patricia K. Miller

Partner  
Deloitte & Touche U.S.

## Atlanta chapter 2008-2009 officers

<b>Bill Mulcahy</b> , Chairman of the board	<b>David Bilko</b> , President	<b>Glenda Ostrander</b> VP of volunteer services
<b>Emma Costello</b> , VP and secretary	<b>Pam Jenkins</b> , VP of member services	<b>Alex Stephanouk</b> Chief financial officer
	<b>Paul McClung</b> , Senior VP and chief operating officer	

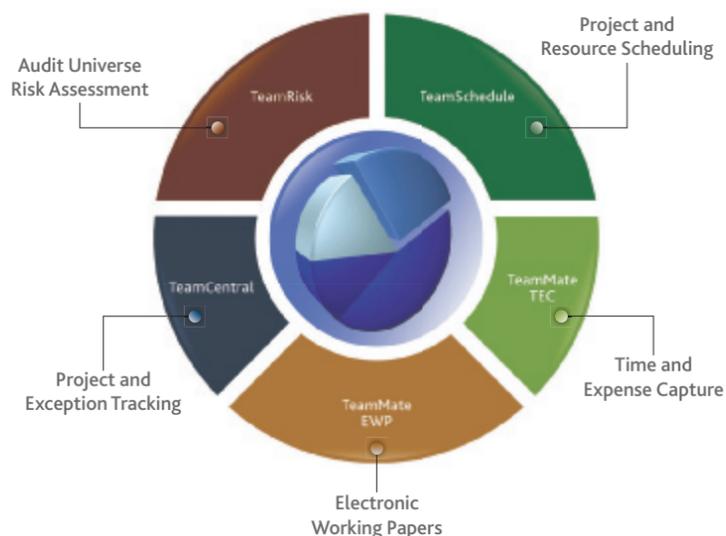
## Online resources

The following links are provided as a service to members.

- AuditNet.org – "Auditors Sharing Knowledge for Progress"
- ITAudit.org – IT Specific Audit Issues
- [www.theiia.org/membership/](http://www.theiia.org/membership/) - IIA Membership Information
- [www.theiia.org/ecm/mem\\_rcf.cfm?doc\\_id=470](http://www.theiia.org/ecm/mem_rcf.cfm?doc_id=470) - Membership Record Change Information

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# The Coles Internal Audit Center at Kennesaw State University **Congratulates** the Atlanta Chapter of the Institute of Internal Auditors on 60 years of service to the Atlanta business community.



Kennesaw State University is proud to be the first Georgia educational institution to participate in the Institute's Internal Auditing Education Partnership. In addition to teaching internal audit courses to more than 250 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

Bill Mulcahy, Emory University (ret.), Chair	Fred Masci, PRG-Schultz
Dave Bilko, Sun Trust	Tim O'Connell, Cousins Properties
Steve Donovan, UPS	Sue Patterson, Coca-Cola Enterprises
C.O. Hollis, Morehouse College	Paul Sobel, Mirant
Pam Jenkins, Wendy's/Arby's Group	Ron Stark, State of Georgia Board of Regents
Barbara Jesup, Popeyes	
Kristina Kohlweiler, Georgia Pacific	



## 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 M. Hermanson and Dr. Mary C. Hill

# KSU expands its internal auditing program

By **Giannina Smith**  
STAFF WRITER

As the internal audit profession continues to grow, the Coles Internal Audit Center of **Kennesaw State University** is working to further internal audit educational experiences and research.

Partnering with the Atlanta chapter of the **Institute of Internal Auditors (IIA)**, the Internal Audit Center was formed under the leadership of director Richard Clune, assistant professor at the Michael J. Coles College of Business and former audit partner at **PricewaterhouseCoopers LLP**.

"We saw a need to have a focus on internal auditing," Clune said. "The internal audit profession is getting more and more important and we wanted to have a part in that."

The Center offers undergraduate internal audit courses, based on the IIA Research Foundation's recently published text, "Internal Auditing: Assurance and Consulting Services." Since fall semester 2007, more than 250 students have completed or are currently enrolled in these undergraduate courses, making it one of the largest undergraduate programs in the Southeast.

"We expect the interest in the internal audit education courses to continue to grow as students see that taking internal audit courses does translate into further career opportunities," Clune said.

Housed in the School of Accountancy, the Internal Audit Center was recently accepted into the IIA's Internal Auditing Education Partnership (IAEP) program, made up of 40 participating colleges and universities worldwide.



"We saw a need to have a focus on internal auditing. The internal audit profession is getting more and more important and we wanted to have a part in that."

**Richard Clune**  
Kennesaw State University

In October 2008, the Center established and held its first board of advisers meeting, made up of 12 members who are chief audit executives leading internal auditing functions at major corporations and educational institutions in metro Atlanta, such as **United Parcel Service Inc., SunTrust Banks Inc., The Coca-Cola Co., Coca-Cola Enterprises Inc.** and **Georgia-Pacific Corp.**

"What is unique is that they are all chief auditing executives. They are all the No. 1 person at all of these internal audit departments," Clune said.

Along with internal audit courses, the center also offers students real-world accounting experience through a variety of initiatives, including participation in

internal auditing co-ops and internships at major Atlanta companies.

In its effort to educate students about the auditing profession, the center established an on-campus Internal Audit Student Organization, in which students have the opportunity to interact with guest speakers and assist the local IIA chapter at internal audit events in metro Atlanta, including the hosting of the IIA International Conference in 2010.

Last February, the Center hosted the IIA Atlanta chapter's Annual Student Career Day at KSU's Executive Center. The 200 students that attended came from 18 colleges and universities around the country and were given the opportunity to meet representatives of 21 company sponsors representing internal audit functions of metro Atlanta. The center will host another Career Day on March 4.

To help further the Internal Audit Center's mission to provide educational experiences and research, the Internal Auditing Academic Advancement Fund (IAAAF) recently provided an \$8,000 grant to the Center, representing the IIA Atlanta chapter's contributions to the fund and specified for the KSU internal audit initiative. The fund will mainly be used to cover expenses for faculty attendance at IIA international conferences, Web site development and student scholarships.

"When we complete applied research projects by partnering with Atlanta companies and organizations, we will gain national attention on what is being done at Kennesaw State," Clune said.

Reach Smith at gianninasmith@bizjournals.com.



## KSU Internal Audit Center

**Founded:** 2008

**Mission:** "As the internal audit profession continues to grow as a key component to the success of organizations worldwide, we believe we are making a difference, by partnering with the chapter to further internal audit educational experiences and research."

### Faculty members involved in the center:

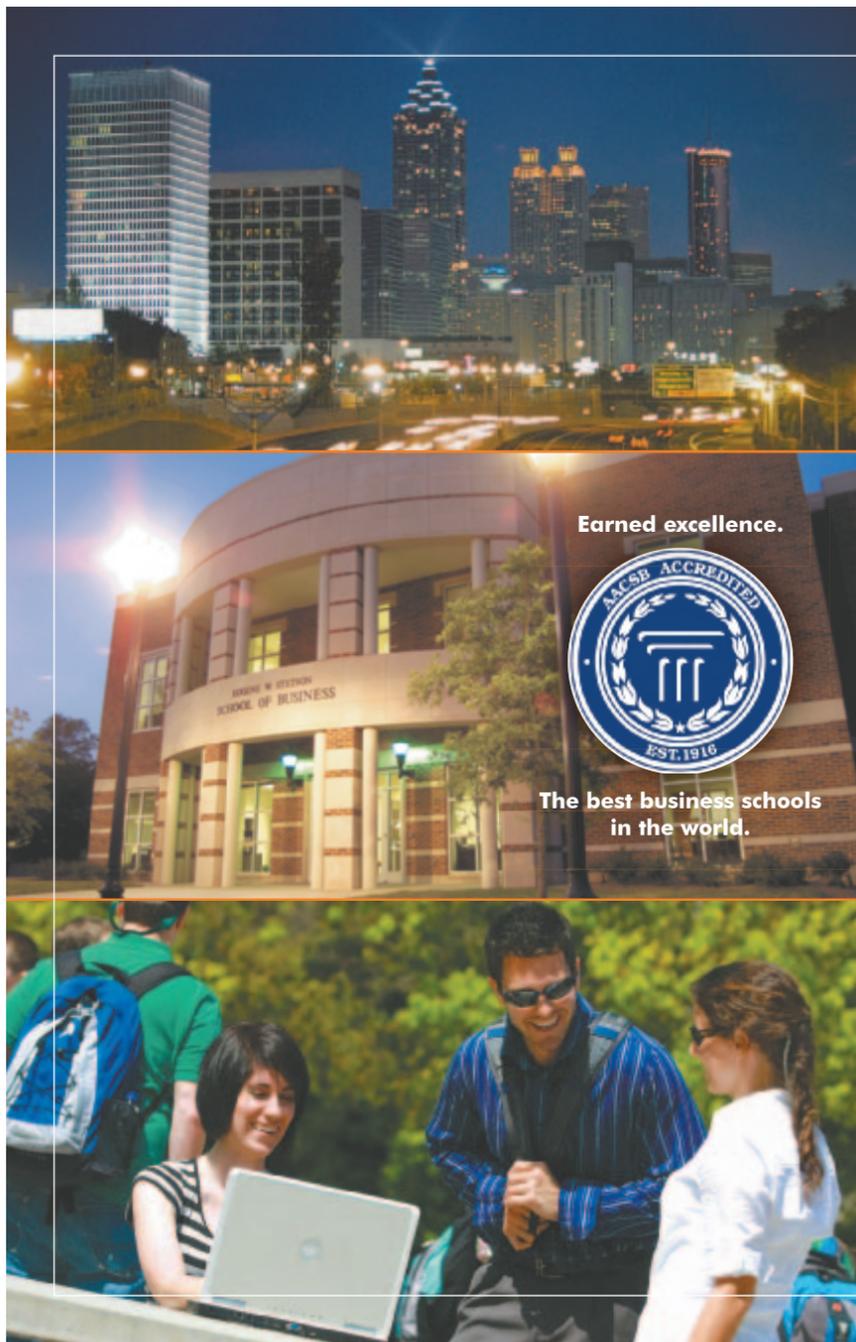
**Richard Clune**, director, Coles Internal Audit Center

**Ken Harmon**, director, School of Accountancy

**Center research faculty:** Kathryn Epps, Audrey Gramling, Dana Hermanson, Mary Hill, Kurt Schulzke

**Major programs/accomplishments:** Providing internal audit courses; helping the IIA Atlanta chapter host Annual Student Career Day; connecting students with co-ops and internships in internal auditing industry; establishing an on-campus Internal Audit Student Organization at KSU

Sources: Kennesaw State University, staff research



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# Puzzle of internal auditing provides challenge



JOANN VITELLI

**By Anya Martin**  
CONTRIBUTING WRITER

**A**s chief audit officer at **Emory University**, William "Bill" J. Mulcahy's most rewarding achievement was helping the nonprofit institution develop an internal audit program that met the reporting and ethical requirements of the Sarbanes-Oxley Act of 2002.

"Internal auditing appeals to me because there's a puzzle, and you don't know the answer to that puzzle until you're done with the project," said Mulcahy, now **Oglethorpe University's** controller, who holds certifications in public accounting and internal audits.

Mulcahy, 59, is applying the same puzzle-solving approach to leading the Atlanta chapter of the **Institute of Internal Auditors (IIA)** — set some ambitious goals and determine strategies to make them happen.

Since Mulcahy took on the organization's presidency in 2006 and became chairman of the board in 2008, the approximately 1,700-member group established an Internal Auditing Education Partnership with **Kennesaw State University**, staged the largest-ever regional conference with 702 attendees in 2007 — and scored the IIA's conference, which is estimated to attract up to 4,500 internal auditors from around the world to Atlanta in June 2010.

The organization, whose chief purpose is to provide opportunities for certified internal auditors (CIAs) to attain required continuing professional education (CPE) credits, also has continued its Gold Chapter status, a high-performance award given by its international parent association, for five straight years.

So far the economic slump has not triggered significant layoffs for internal auditors, and attendance has been up at local chapter meetings that offer opportunities for networking and courses in recent months, Mulcahy said.

"One thing we've seen companies cut universally is discretionary travel expenses," he added. "Companies still want employees to be trained and get CPE credits, and what we offer in the Atlanta chapter allows them to find that high-quality education locally."

Following mass layoffs, companies would be wise to maintain and even increase their internal audit staff to ensure that crucial compliance and governance tasks are being performed, he added. Born and raised in Philadelphia, Mulcahy has a bachelor's degree in accounting from Philadelphia University and a master's degree in health-care policy and administration from Atlanta's **Mercer University**.

He moved to Atlanta in 1973 to work for Blue Cross & Blue Shield of Georgia and then spent 10 years as a senior manager at Arthur Andersen & Co.

## WILLIAM "BILL" J. MULCAHY, CPA, CIA

**Age:** 59

**Born and raised:** Philadelphia

**Education:** Bachelor's degree in accounting, Philadelphia University; master's degree in health-care policy and administration, Mercer University, Atlanta

**Current job:** Controller, Oglethorpe University

**Previous job:** Chief audit officer, Emory University

**Family:** Wife, Cheri; three children; three grandchildren

**Hobby:** Golf

From 1989 to 2007, Mulcahy served in several positions at Emory, becoming chief audit officer in 1994 for an institution with about \$2.5 billion in annual revenue and \$6 billion in assets.

After retiring from Emory, Mulcahy went on a self-described sabbatical and enjoyed golf, reading and traveling before accepting the Oglethorpe position in late January.

Mulcahy was the past national chairman of the board of the Association of Health-care Internal Auditors (AHIA) and the 2001 chairman of the health-care committee of the Georgia Society of CPAs.

He also has served for 17 years, two as president, on the Board of Community Friendship Inc., a nonprofit agency assisting the homeless and mentally ill.

In 2004, he received AHIA's Founders Award, and in 2007 Atlanta's IIA chapter dubbed its annual honor given to an outstanding local leader "The William J. Mulcahy Excellence Through Leadership Award."

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## IIA offers multitude of

Six steps to earning a certification in internal auditing

**B**elow are the six steps an internal auditor should review when making the decision to become certified in the profession.

### Step 1: Decide which certification is right for you.

The IIA's Certified Internal Auditor (CIA) certification is the only globally accepted designation for internal auditors. It is a four-part exam that remains the standard by which individuals demonstrate their comprehensive competence and professionalism in the internal auditing field.

The IIA also offers three specialty certifications: 1. Certification in Control Self-Assessment (CCSA); 2. Certified Government Auditing Professional (CGAP); and 3. Certified Financial Services Auditor (CFSA). Individuals may choose to take a specialty exam as credit for Part IV of the CIA exam or individuals who do not meet the CIA program education and experience eligibility requirements may wish to take one of the specialty certifications, which are one-part exams.

### Step 2: Determine your eligibility and skill level.

Each of the IIA certification programs has unique and specific education eligibility requirements that a candidate must meet to take the exam. In addition, you may want to assess your skill level by taking a practice test using the sample questions on the Web site. Although your score on a practice test will not necessarily indicate what your score would be on a certification exam, a practice test may assess your readiness and lets you know in what areas you need improvement.

### Step 3: Register for the exam.

The IIA's certification exams are now offered through computer-based testing, year-round at more than 500 locations worldwide.

### Step 4: Prepare for the exam.

You determine the method(s) in which you need to prepare for the exam. We provide you with a list of available resources for your consideration.

# Career offers flexibility, corporate launch pad

By Anya Martin  
CONTRIBUTING WRITER

Accounting allowed Pam Short Jenkins the flexibility to take five years off while her two children, Connor, now 7, and Catherine, 5, were babies.

Then the call came that **Triarc Companies Inc.**, parent company of **Arby's Franchise Trust**, the franchiser of the **Arby's** restaurant system, had acquired the roast beef retailer's largest franchisee, **RTM Restaurant Group Inc.**, and was moving Arby's corporate headquarters to Atlanta — and looking for someone to develop its internal audit program.

"To me, that was almost the perfect job. It involved retail, internal auditing and integrating companies," said Jenkins, now senior vice president of internal audit with **Wendy's/Arby's Group Inc.**, and vice president of membership for the Atlanta chapter of the **Institute of Internal Auditors (IIA)**. A combination of flexibility and the ability to see the big picture of an entire company's business and helping it mitigate risk and meet objectives are what makes internal auditing the career of choice for Jenkins.

Born in Huntington Beach, N.Y., and raised in Sarasota, Fla., Jenkins has a bachelor's degree from Florida State University College of Business in Tallahassee.

She moved to Atlanta in 1988 to work for **KPMG LLP**, leaving the international

accounting firm as a senior manager in 1998.

Next, she provided financial reporting for Southern Energy, now Mirant Corp., before becoming vice president of internal audit for **The Home Depot Inc.** in 1999.

Taking 2001 to 2005 off could have stalled her career, but Jenkins was not content to be a full-time mother.

"It was strange for me since up to that point, my entire life was defined by my career," Jenkins said. "I still needed something to challenge and stimulate me."



**Jenkins**  
Wendy's/Arby's  
Group Inc.

She maintained her CPA license and took courses so that when she returned to the workforce she was up to speed with key auditing developments, such as compliance with the Sarbanes-Oxley Act of 2002.

Jenkins also assumed leadership roles with financial responsibilities for several nonprofits, including chairing the Atlanta Symphony Orchestra Ball in 2004, co-chairing the American Heart Association's Heart Ball in 2002, and board positions for Junior League of Atlanta, including chairing its largest annual fundraiser (the Tour of Kitchens) in 2003.

As vice president of membership for the IIA's Atlanta chapter, Jenkins said she enjoys recruiting new members and sees the professional organization's networking opportunities as one of its greatest strengths.

Another passion is leadership development, especially nurturing audit managers to move into other business areas within Wendy's/Arby's, she added.

"Because you see every piece of the business and its processes from start to finish, internal auditing provides a really good learning ground to go into other leadership positions," Jenkins said.

In addition, she has been expanding her own skills in programs such as Leadership Atlanta, which she completed in 2007, and Leadership Sandy Springs, in which she is currently enrolled.

Jenkins also serves as a board member of the Board of Directors Network, a group dedicated to advancing women into boards and executive suites, and the Atlanta chapter of the Achievement Rewards for College Scientists, which provides science and technology scholarships.

## PAM SHORT JENKINS

**Age:** 44

**Born:** Huntington, Long Island (N.Y.)

**Raised:** Sarasota, Fla.

**Education:** Florida State University College of Business, Tallahassee

**Current job:** Senior vice president of internal audit, Wendy's/Arby's Group

**Previous job:** Vice president of internal audit, Wendy's/Arby's Group

**Family:** Husband, Dr. Frank Jenkins; two children: Connor, 7, and Catherine, 5

**Hobbies:** Working out, family activities

## An overview of the profession

Internal auditing is an independent, objective assurance and consulting activity designed to add value and improve operations. It helps an organization accomplish its objectives by bringing a systematic, disciplined approach to evaluate and improve the effectiveness of risk management, control and governance processes.

Performed by professionals with an in-depth understanding of the business culture, systems

and processes, the internal audit activity provides assurance that internal controls in place are adequate to mitigate the risks, and organizational goals and objectives are met. Although this might appear to be rather simple, internal audit processes are quite technical, and the value that the internal audit activity can bring to the table can mean the difference between the organization's ultimate success and failure.

# audit for certifications

## Step 5: Take the test.

With the transition to computer-based testing (CBT), the IIA's certification exams are administered through the worldwide network of Pearson VUE Testing Centers. The Pearson VUE network increases the availability of the exam from about 250 exam sites to more than 500 exam sites.

## Step 6: Receive your certificate.

Once you have passed the exam and met all other program requirements, your certificate will be issued to your local IIA institute for distribution.

## Specialty certifications

The Certification in Control Self-Assessment (CCSA) is a specialty certification program designed for practitioners of control self-assessment (CSA). Individuals at any CSA experience level will benefit from this comprehensive program. Gaining the required knowledge of areas such as risk and control models — often considered the realm of auditors only — exposes CSA practitioners from all backgrounds to concepts that are vital in effectively using CSA to help clients achieve their objectives.

The Certified Government Auditing Professional (CGAP) is a specialty certification designed for and by public-sector internal auditing practitioners. The exam tests a candidate's knowledge of the unique features of public-sector internal auditing — fund accounting, grants, legislative oversight, confidentiality rights and more.

## New computer-based testing

The IIA's new online Certification Candidate Management System (CCMS) is now open for registering for the Certified Government Auditing Professional (CGAP), Certified Financial Services Auditor (CFSA) and the Certification in Control Self-Assessment (CCSA) exams.

Candidates from the following countries must contact their local IIA institute representative for more information on the opening of registration for the specialty exams in their area and local certification processes: Argentina, Australia, Austria, Belgium, Brazil, Bulgaria, China, Chinese Taiwan, the Czech Republic, France, Germany, Greece, Indonesia, Israel, Italy, Japan, Korea, Malaysia, Mexico, Morocco, The Netherlands, New Zealand, Norway, the Philippines, Singapore, South Africa, Spain, Sweden, Switzerland, Thailand and Turkey.



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# Atlanta to host 2010 international conference

The Institute of Internal Auditors' 2010 International Conference is set to take place in Atlanta June 6-9.

Home to the busiest airport in the world — Hartsfield-Jackson Atlanta International Airport — Atlanta is considered the gateway to the southeastern United States.

IIA international conferences draw

thousands from around the world and offer a multitude of program events, speakers and best practices learning opportunities.

This year's conference, the 68th International Conference, is slated to be hosted in Johannesburg, South Africa, May 10-13. It will be the first time in history that the conference

will be held on the continent of Africa.



**Atlanta bound:** The city, considered the gateway to the Southeast, will play host to thousands of internal auditors from around the world in early June of 2010.

## New IIA chief tells auditors to seize moment

Today, more than ever before in the history of the internal audit profession, internal auditors have extraordinary opportunities to boldly step forward in adding value to organizations and playing a more prominent role in business, strategic and operational risks.

From the IIA's global headquarters, Richard F. Chambers, CIA, lists six ways internal audit practitioners can proactively demonstrate their value in today's business environment.



**VIEWPOINT**  
Richard F. Chambers

**1. Point out operational risks.**

Insufficient internal controls in operations can bring a company to its knees. In fact, many of the large failures over recent years were the result of oversight ineptitude. It is important for internal auditors to make sure that their organizations understand the dangers and potential damage of operational risks.

**2. Provide assurance on risk management.**

One of the outcomes of the current financial crisis is that internal

auditors may be given an opportunity to play a greater role in providing assurance on how well risks are being managed in the organization. Those at the top will need to identify who within their organization has the independence, objectivity and know-how to assess and provide assurance on how effectively risks are being managed. Who better than the internal auditors? They are well-equipped and uniquely positioned to fulfill this role.

**3. Emphasize the importance of the internal auditor's independent and objective perspective.**

One of the challenges that the internal audit profession has always encountered is the need to clarify for all stakeholders the internal auditors' role, responsibility and potential value. Internal auditing brings to the table a composite of not only good business acumen, but also in-depth knowledge of good internal controls and risk assessment. Internal auditors' independence and objectivity also are critical to the value they bring to their organizations. They should adopt a policy that endorses their commitment to abide by the IIA's Code of Ethics and avoid conflicts of interest. They also should disclose any activity that could result in a possible conflict of interests.

**4. Follow the profession's authoritative guidance.**

As the profession continually develops and articulates its importance to stakeholders, it is crucial that internal auditors communicate the strong features of professionalism. One of the key areas of strength for the internal audit profession is the IIA's International Standards for the Professional Practice of Internal Auditing (Standards), which are recognized worldwide. The Standards set the bar for the profession by outlining basic principles, establishing the basis for evaluation of internal audit performance, and fostering improved processes and operations.

**5. Enhance knowledge of information technology.**

Today, technology plays a critical role in how organizations everywhere operate, as well as how they are monitored and controlled. IT developments are moving at warp speed, which requires internal audit practitioners to be diligent and ever aware. In order to provide a relevant service that adds value to organizations, internal auditors need to ensure that they are both informed and flexible, and that their IT skills are relevant and continuously up to date.

**6. Become certified.**

Even in today's struggling economy, the demand for internal auditors is strong, as public and private companies respond to heightened stakeholder expectations and corporate reforms. Potential employers are not only looking at college degrees and experience, but also at what sets candidates apart from the rest. Many organizations seeking internal audit professionals are now requiring applicants to hold the Certified Internal Auditor (CIA) designation. In fact, a recent review of job postings for internal auditors on a global job search site revealed that as many as three out of four employers require or prefer candidates who have earned the CIA.

The internal audit profession is, indeed, at a crossroads.

"The moment has arrived, and we must seize it and strengthen our capabilities in the areas involving risks that are most critical to stakeholders," said Chambers. "We must be ready to cope with new demands for increased corporate accountability and we must challenge ourselves to move beyond our comfort zone. We cannot be passive, but must proactively step forward on behalf of corporate ethics, integrity and accountability."

.....  
**Chambers** is the president of the Institute of Internal Auditors.

Clients of all shapes and sizes rely on the bench strength—1,200+ 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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# Atlanta IIA celebrates its 60th anniversary

The Atlanta chapter of the IIA is celebrating its 60th anniversary with a special program titled "Healthy, Wealthy and Wise."

## PROGRAM AGENDA

**11 a.m.-11:30 a.m.** — Registration

**11:30 a.m.-Noon** — Chapter announcements:

David Bilko, president of the Atlanta chapter of IIA and

senior vice president and chief audit executive for SunTrust Banks

■ Service Year Awards

■ Recognition of past presidents

■ Door prizes for 60th anniversary



**Noon-12:50 p.m.** — "Healthy"

Rachel Agnew, R.D., L.D., diabetes educator at Northside Hospital, will be speaking on the Wellness and Prevention topic "Exercise, Nutrition & Weight Control."

Learn about some of the many weight-loss challenges — diets versus "real life," environment/culture and convenience. Rachel will also discuss nutrition elements, including calories, food choices and dining out. Lastly, she will present exercise options for weight loss and maintenance.

**12:50 p.m.-1 p.m.** — Break

**1 p.m.-1:50 p.m.** — "Wealthy"

Learn how to protect your wealth by protecting your identity. Jim Villwock, president and CEO of IEM Group Inc., presents "The Perfect Storm — The Coming Identity Theft Tsunami."

Identity theft is the fastest-growing crime in America. It is also one of the fastest-growing threats to American business today. Employees, organized crime, terrorists, other countries, and small-time crooks are jumping into the lowest-risk crime in history. The price is personal security, SOX 2 laws, and unlimited class-action lawsuits. Jim will explain the issues and trends, and what you can do to help reduce the risks to your family and to your business.

**1:50 p.m.-2 p.m.** — Break

**2 p.m.-2:50 p.m.** — "Wise — Economic Empowerment"

Empowerment is a popular phrase. Peggy McCormick, president of the Atlanta Development Authority, will share stories and advice on "getting into the arena."

## SPEAKER BIOS

### Rachel Agnew, R.D., L.D.

Diabetes educator at Northside Hospital

Rachel Agnew is a licensed and registered dietitian at Northside Hospital's Diabetes and Nutrition Education Center. Rachel educates those diagnosed with type 1, type 2 and gestational diabetes to self-manage diabetes through diet and exercise and, in addition, is capable of conducting insulin and glucose monitor training. Her past clinical experience includes diabetes education at Wesley Medical Center in Wichita, Kan., HIV/AIDS nutrition management at AID Atlanta and working as an inpatient dietitian for St. Elizabeth's Hospital in Beaumont, Texas. Rachel has been a registered dietitian for 10 years and is an active member in the American Dietetic Association.

### Jim Villwock

President and CEO of IEM Group Inc.

Jim Villwock is a senior executive with 28 years of experience in general management, finance and treasury roles, and supply chain and is a certified identity theft risk management specialist. Currently, Villwock is the president and CEO of IEM Group Inc. IEM is the Indirect Expense Management Company,

which focuses on putting cash back into the pockets of companies. Villwock has been the director of global procurement for Unisys Corp. and Cendian Corp. While at Unisys he built a \$2.5 billion global strategic commodity, contracting and relationship management team for all hardware, software, parts and services that resulted in cost savings



**Villwock**  
IEM Group Inc.

exceeding \$475 million. He was also the managing director for Emeritor Group, where he developed an organization for e-procurement software and procurement consulting and had full profit and loss responsibility. Earlier in his career Villwock held executive-level positions in finance, accounting and treasury. Villwock has an MBA from North Texas State University and a master's degree from the Dallas Theological Seminary and has a bachelor's in business management from Golden Gate University. Villwock served in the United States Air Force, and is an officer of the Atlanta Financial Executive Networking Group.

Villwock just published his first book, "Whacked Again," which provides a road map for executives to maximize their success, shorten the time between jobs, and control their own future.

### Peggy V. McCormick

President of the Atlanta Development Authority

Peggy McCormick is the president of the Atlanta Development Authority (ADA). The ADA is the economic development organization for the city of Atlanta, leading the implementation of the Mayor's New Century Economic Development Plan. She and her team collaborate daily with more than 50 economic development partners, building on a 160-year tradition of public-private partnerships.

Peggy spent the first 25 years of her business career with Deloitte & Touche, most recently as a practice unit leader and member of the management committee of the Atlanta office. During her career, she worked in Atlanta and Houston and completed an overseas assignment. She was a certified public accountant in Texas and Georgia. In June 2000, she retired from Deloitte.

A native of Chattanooga, Tenn., she received her bachelor's degree in history from the University of Tennessee and her master's of professional accountancy at Georgia State University.



**McCormick**  
Atlanta Development Authority



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**HOME QUARTERS**  
INDUSTRY FOCUS SECTION 6

**Executive Profile**  
State regulator Brian Thomas pulls double-duty as an entrepreneur

**ON THE BEAT**

Real Estate News	12A, 13A
Hospitality	14A
Manufacturing	15A
Finance	23A
Medical Alert	27A

**CLASSIFIED 55B**

**Foreigners see money growing on trees**  
By Dave Wilkins  
Foreign investors are snapping up hundreds of thousands of acres of farmland in Georgia and other states. Individual and corporate investors — mostly from Canada and Europe — owned more than 800,000 acres of agricultural land in Georgia as of February 2007, the U.S. Department of Agriculture reported last month. That's an increase from about 720,000 acres a year earlier and 615,000 in February 2005. Georgia ranked sixth in the nation among states. Nationwide, foreign-held agricultural land jumped from 15.9 million acres in 2000 to 30.4 million. See **TRUST, 25A**

**Environmental issues at GM plant minor**  
By Douglas Sorensen  
To make environmental standards are known to exist that could slow or stop redevelopment of General Motors Corp.'s Durango plant. While that positive environmental assessment could change once demolition begins on the 105-acre industrial site, Georgia Environmental Protection Division officials say the Durango plant remains mostly greenfield. General Motors is trying to reduce levels of the gasoline additive and improve the plant. See **GM PLANT, 21A**

**Pano's & Paul's eyes 'premier' Buckhead site**  
By J. Scott Trebey  
Pano Karatsenos, who helped define fine dining in Atlanta for the past three decades, intends to relocate his flagship restaurant, Pano's & Paul's, to a new, high-profile Buckhead location. Two possibilities are the St. Regis Atlanta Hotel on The Streets of Buckhead, though additional sites are being considered. Karatsenos, the CEO and founder of Buckhead Life Restaurant Group Inc., said he would not reveal the restaurant's lease of its present location at 1222 West Paces Ferry Road when it expires in April. Instead, he plans to move the restaurant — and possibly rename it Pano's — to a "premier" location along West Paces Ferry Road in the heart of Buckhead. Karatsenos would neither confirm nor deny the St. Regis as a possible location, saying only that he hoped it would soon be searched for the restaurant's new home. See **PANO'S, 24A**

**SunTrust frees top execs to join rivals if bank is sold**  
By Joe Kuch  
If SunTrust Banks Inc. is acquired, its senior executives are no longer restricted from immediately working for competitors. Atlanta's largest bank in Aug. announced its management classes from agreements that outline how company executives will be compensated, and can compete against SunTrust if the bank is sold. The move has been ranked outside speculation that the bank is considering to prepare. See **SUNTRUST, 22A**

# SOUND OFF

Leaders in internal auditing describe their changing roles, what's important to clients.



## Walter M. Deriso Jr.

Chairman, Atlantic Capital Bank  
Chair, University Audit Committee of Emory University

**Role:** With increased emphasis on enterprise-wide risk management as well as compliance with laws and regulations, internal auditors are being asked to take on greater roles in identifying risk and detecting and preventing unethical and criminal conduct.

**Function:** Documenting and assessing internal controls and helping to identify and performing audits of significant areas of risk.

**Regulations:** Sarbanes-Oxley has created among clients an increased awareness of auditor oversight, financial accountability and reporting, ethical conduct, conflicts of interest, and corporate governance. As a result, clients are being educated on the importance of internal controls, of testing the assumptions on which management bases its judgment, and of identifying and mitigating risks throughout the organization, among many others.

**Advice:** Be proactive and not just reactive. The current economic environment is creating additional risk of loss in numerous areas of risk, such as financial, investment, reputational, strategic, security, legal, environmental, to name a few. Internal auditors should be active in working with audit committees, management and external auditors in anticipating these risks and planning how to deal with them.

## Rusty French

Partner, Noro-Moseley Partners  
Audit committee chair, Post Properties Inc.

**Role:** They are more integrated with external auditors in the entire process now — much more importance has been given to their role in light of the requirements of Sarbanes-Oxley, and more resources have been made available to them by most corporations. Risk management has become a primary focus, and the internal auditors are your front line of defense in that analysis.

**Function:** I think that the identification of risk, the evaluation of that risk, and the formulation of a solution to safeguarding against the risk all in real time have become their most important function.

**Regulations:** There is a greater awareness of the importance of internal controls and operations — a need for reliance upon internal analysis to avoid problems with your audit. This is a time-sensitive process, and realizing that you have an issue with your internal controls too late in the process will cause you to have difficulties with your audit.

**Advice:** I'd look at how the global economic situation will or may impact your client, at what risks it will create that need to be evaluated and alleviated. Things are really different in this economic environment and you have to look for new risks that didn't exist before.

## Carolyn Byrd

Audit committee chair, AFC Enterprises Inc. (Popeyes Chicken & Biscuits)

Former vice president and chief internal auditor, The Coca-Cola Co.

**Role:** Internal audit has become more of a business partner and even a strategic business partner while maintaining the objectivity that the role of the internal auditor requires.

**Function:** In today's world of economic uncertainty, where staff reductions become commonplace, it is essential that internal audit's roles and responsibilities to ensure internal controls remain in place. Therefore, the internal auditor can advise management of potential risks and possible solutions for accommodating a changing business climate or environment.

**Regulations:** Sarbanes-Oxley really elevated the importance of the role of the internal auditor. In many instances the internal auditor has taken a substantial role in assisting management with becoming compliant with Sarbanes-Oxley.

**Advice:** Internal audit function provides insight into the entire organization and is a fabulous way to learn the business, acquire new skills and exposure to the strategies, business practices, operations and management of the corporation.

## Internal auditors welcome a changing role

Continued from 1C

“Because of Sarbanes-Oxley, management provides certifications of the controls and disclosures and it really has become more of a shared responsibility between management and the internal auditor.”

With the recession pinching the profits of most companies, internal audits can ensure that the bottom line is as healthy as possible.

Emma Courson Costello, a principal with **Thomas Ray & Associates**, audits the benefit claims of companies that self-insure health benefit programs. The result can be a much-needed boost to the bottom line.

“Sometimes with auditors, we make recommendations and policies,” Costello said. “With these kind of health benefits audits, in the end you can say that we recovered a few hundred to several hundred thousands of dollars for the company's bottom line. It has heightened our visibility to upper management and visibility to the business world as a whole.”

Overall, the role of internal auditors has expanded in a multitude of ways.

When David Bilko started his career as an internal auditor in the late 1980s, the staff shared a single clunky Hewlett-Packard Co. portable computer that fit into a case the size of a piece of carry-on luggage.

Now Bilko, a senior vice president and general auditor for **SunTrust Banks Inc.**, gets that much computing muscle from a palmtop device. As the role of computers expanded to become an integral tool for internal auditors, so too did their role within companies.

With the recession pinching the profits of most companies, internal audits can ensure that the bottom line is as healthy as possible.

“We are always adapting to what is going on in the environment, whether it is economic-based or otherwise,” said Bilko, who is also president of the Atlanta chapter of the Institute of Internal Auditors. “Because of the professional standards that have been developed and embraced by the profession, we've been able to build a very defined role within organizations as not just internal control experts but risk experts and, in some cases, even consulting experts in an advisory role with management.”

## INDEX TO COMPANIES

Arby's.....	7C	Mercer University.....	6C
Arby's Franchise Trust.....	7C	Morehouse College.....	1C
Atlanta Development Authority.....	9C	Northside Hospital.....	9C
Coca-Cola Co., The.....	4C	Oglethorpe University.....	6C
Coca-Cola Enterprises Inc.....	4C	PricewaterhouseCoopers LLP.....	4C
Cousins Properties Inc.....	1C	RTM Restaurant Group Inc.....	7C
Emory University.....	6C	SunTrust Banks Inc.....	11C, 4C
Georgia-Pacific Corp.....	4C	Thomas Ray & Associates.....	11C
Home Depot Inc., The.....	7C	Triarc Companies Inc.....	7C
IEM Group Inc.....	9C	United Parcel Service Inc.....	4C
Institute of Internal Auditors.....	1C, 2C, 4C, 6C, 7C	Wendy's/Arby's Group Inc.....	7C
Kennesaw State University.....	4C, 6C		
KPMG LLP.....	7C		



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