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Hello from NC State’s Poole College of Management Department of Accounting. This past year has been a year of transition for the Department, and I have taken on the Department Head role on an interim basis. Many thanks to Frank Buckless for his leadership of the department over the past 18 years, and we wish him the best as he moves into higher levels of university administration.

The accounting faculty and staff have been very busy this year, and this newsletter highlights so many wonderful events and accomplishments that have occurred. I welcome you to join in our celebration of all the successes – let me feature a few that you will read more about.

I’ll start with the rock star faculty in this department. You will see examples of the wide range of high quality research they published this year, and help us celebrate teaching, research, and engagement awards that they received. We welcomed Rob Whited as he joined us this year as our newest assistant professor, teaching intermediate accounting and researching in the areas of audit quality and financial reporting regulation. We are also getting ready to bid farewell to two of our long-standing professors, Ernest Carraway and Gil Zuckerman – they will be missed, but I hope they enjoy their well-deserved retirement.

The Department has spent this last year focusing our activities around four Strategic priorities: our Jenkins Master of Accounting (MAC) program, our undergraduate accounting program, our Enterprise Risk Management (ERM) Initiative, and our data analytics emphasis. I would like to recognize the advice and direction that our Department Advisory Board provides concerning our strategic priorities, and welcome your input.

I stepped down from the MAC Director position last June, and left the program in the extremely capable hands of Scott Showalter. He brought in the 25th year of the Jenkins MAC program with a bang, and highlights several wonderful events that have taken place to celebrate the occasion: the Emerging Technology Forum in January, a fund-raising campaign to endow the MAC...
Scholarship Fund, and our 25-year Reception. Nashiem Bryant, a current MAC student and EY Firm Fellow, came to the program from Ferrum College, and provides some insight on his experiences at NC State’s Jenkins MAC program.

Both the Jenkins MAC program and our undergraduate accounting program have garnered national recognition and rankings for their innovative curriculum, real-world experiences, and career service opportunities. Undergraduate students can take part in our featured Accounting Internship Recruitment (AIR) program to interview for firm leadership conferences and internships. They also have the chance to join teams entering firm case competitions, coming back to school many times with national awards.

All Poole College undergraduate students are now taking nine hours of data analytics related classes with the opportunity to take additional courses in the area for an honors certificate. This spring, the Department is offering an additional senior-level Analytics in Accounting & Finance class. Data analytics has been offered to Jenkins MAC students the past few years through elective classes, but Scott draws attention to a new Fall 2019 program that includes an immersive two-week “boot camp” in data analytics for all MAC students this coming fall, then flow through and be used in several of our core MAC courses.

Last, but certainly not least, our world-class ERM Initiative continues to provide thought leadership through outreach to business professionals, research, and education for our students who will be the next generation of business executives. The ERM faculty, led by Mark Beasley, have conducted numerous roundtables and workshops this year, have worked with international organizations, and have produced ground-breaking risk reports. Their new tagline “Helping leaders manage today’s uncertainty for tomorrow’s success” really sums up how influential this initiative is!

We are truly embracing NC State’s Think and Do the Extraordinary philosophy, and I look forward to what we will do in the future! We will stay in touch.

Kathy Krawczyk
Dixon Hughes Goodman Professor of Accounting
Interim Department Head
WELCOME ROB WHITED

We are so very delighted to have Rob Whited join our department. Rob, the son of two CPAs, was born and raised in Raleigh, NC. He received his B.S. in Chemistry from the University of North Carolina - Chapel Hill in 2007 and his Master of Science in Accounting from Wake Forest University in 2008. He worked as an auditor for EY in Charlotte and received his PhD in Accounting from the University of Tennessee. He worked in at the University of Massachusetts for 4 years before returning to Raleigh in 2018. Rob and his wife Ashley have two daughters, Caroline and Hadleigh.

WE WISH THE BEST IN YOUR RETIREMENT ERNEST AND GIL!

Ernest Carraway, who has been a lecturer in accounting at North Caroline State University since 1983, is retiring from full time teaching this spring. Ernest received his J.D. from UNC-Chapel Hill in 1977. He joined NC State University when a position for a visiting lecturer opened up in the Department of Accounting. He taught business law and eventually transitioned over to teaching tax, financial accounting, and law in the Jenkins Master of Accounting (MAC) Program. In addition to teaching, Ernest has coordinated the Volunteer Income Tax Assistance (VITA) Program at NC State.

After over 50 years in higher education, Gilroy Zuckerman is retiring. He began his teaching career at Pembroke State University as an instructor in 1968 eventually joining NC State’s Department of Accounting in 1979 as a visiting associate professor. Gil was one of the founding faculty of the department, instrumental in the development of the program. During his time with the Poole College of Management, Gil served both as an associate dean and acting dean of the college from 2004-2006. Gil received his Ph.D. in Economics at NC State in 1974. He has received numerous honors and awards and has authored multiple publications. Outside of teaching, Gil enjoys playing the cello, camping, Disney World and spending time with his family.
FACULTY AWARDS
CONGRATULATIONS TO OUR OUTSTANDING FACULTY

MARK BEASLEY
Professor of Accounting
Director of the ERM Initiative

2019 NC State University Outstanding Engagement Award
2019 Inductee, Academy of Outstanding Faculty in Extension and Engagement

JOSEPH BRAZEL
Jenkins Distinguished Professor of Accounting

2019 Department of Accounting Research Leadership Award

ERNEST CARRAWAY
Lecturer in Accounting

2019 Poole College Teaching Excellence Award
2019 Department of Accounting Teaching Excellence Award

ROBIN PENNINGTON
Associate Professor of Accounting

2018 Department of Accounting Research Growth and Innovation Award
2018 Accounting Information Systems Section Distinguished Service Award
American Accounting Association

ROBIN THOMAS
Senior Lecturer in Accounting

2019 NC State University Alumni Distinguished Undergraduate Professor Award
Executive Perspectives on Top Risks for 2019

Mark Beasley, NC State University  
Bruce Branson, NC State University  
Donald Pagach, NC State University

Annually, the ERM Initiative in the Poole College of Management at North Carolina State University, in conjunction with global consulting firm Protiviti, surveys boards of directors and C-suite executives about risks on the horizon for the upcoming year. The most recent report highlights top risk concerns on the minds of executives for 2019. Boards and C-suite leaders across the globe are most concerned about their organizations’ ability to transform their operations and infrastructure so they can compete with organizations that are “born digital.” Succession challenges, followed by heightened regulatory change and scrutiny, round out the top three concerns. This report was highlighted numerous times in the financial press, including the Wall Street Journal.

Download Report >


Mark Beasley, NC State University  
Bruce Branson, NC State University  
Bonnie Hancock, NC State University

NC State’s ERM Initiative, in partnership with the American Institute of CPAs, has just released its tenth anniversary report. Based on survey responses from 445 business executives spanning a number of industries, types and sizes of organizations, the report provides detailed insights about the state of maturity of their organization’s current enterprise risk management (ERM) practices. This report provides extensive data about the state of maturity about various aspects of an organization’s ERM process. Not only does the report provide data about the full sample, but also separately reports findings for the largest sized organizations (revenues > $1B), publicly traded companies, financial services organizations, and not-for-profit organizations.

Download Paper >

Reflections on the Transition from Practice to Academia...the Nuts and Bolts

D. Scott Showalter, NC State University

As the title implies, this paper describes how Professor of Practice D. Scott Showalter prepared for a second career as an academic, what he learned during the important first year as an academic, how he moved forward to expand his academic career and some of the similarities and differences from practice. To summarize his insights and recommendations, he included “What did I learn” sections throughout the paper in hopes it will provide a few nuggets for those considering the transition to an academic career. The paper complements other recent papers in the area by focusing on one way a practitioner managed the journey from a full career in the accounting profession to a successful career (debatable) in the academy. The contents of this paper may be of interest to those practitioners considering joining the academy after a career in the accounting profession or those who recently became an academic. His desire is to encourage practitioners to join the academy, to provide insights to help them make an informed decision, and to assist in the transition.

Download Paper >

If You Tweet They Will Follow: CEO Tweets and Investor Say on Pay Decisions

Andrea Kelton, Wake Forest University  
Robin Pennington, NC State University

This study presents a theoretical mediation model based on social capital theory that predicts social media disclosure channels lead investors to perceive enhanced feelings of connectedness (i.e., social capital) with the CEO, resulting in more positive judgments of the CEO. Results from an experiment provide robust support for the model and enhance our understanding of how CEOs’ social media use influence individual investors and have implications for standard setters, investors, and firms.

Download Report >
The Complementarity Between Tax Avoidance and Manager Diversion: Evidence from Tax Haven Firms

TJ Atwood, University of Arkansas
Christina Lewellen, NC State University

This study investigates whether, for large multinational corporations, incorporating the parent company in a tax haven country provides opportunities for managers to steal the cash from the tax savings. We find that when companies are headquartered in a country with strong corporate governance, such as the U.S., tax haven incorporating in a tax haven does not result in manager diversion. However, for companies headquartered in weak-governance countries, such as China, incorporating the parent company in a tax haven does provide opportunities for manager diversion of the corporate tax savings.

Download Paper >

How the Interplay between Financial and Non-Financial Measures Affects Management Forecasting Behavior

Brad Lail, Baylor University
Joseph Brazel, NC State University

This study examines how the interplay between financial and non-financial measures (NFMs) affects management forecasting behavior. Building on the knowledge that NFMs are typically aligned with actual earnings and are likely incorporated into earnings forecasts, we investigate if the level of divergence between changes in NFMs and contemporaneous changes in earnings influences management forecasting behavior. In more divergent settings, we observe that management is less likely to issue guidance. Consistent with our theory, for managers that do provide guidance in more divergent settings, management forecast errors increase.

Download Study >

Outcome Effect and Professional Skepticism: A Replication and a Failed Attempt at Mitigation

Joseph Brazel, NC State University
Christine Gimbar, DePaul University
Eldar Maksymov, Arizona State University
Tammie Rech Schaefer, University of Missouri at Kansas City

We replicate Brazel et al.’s (2016) study of how auditors evaluate skeptical behavior. Like the original study, we find that evaluators reward audit staff who exercise appropriate levels of skepticism and identify a misstatement (positive outcome). However, when no misstatement is identified (negative outcome), evaluators penalize staff who exercise appropriate levels of skepticism. One factor causing this outcome effect may be that exercising skepticism typically causes budget overages due to additional testing. Hence, we examine whether formally attributing the budget overage to skeptical judgments and actions in the audit budget file reduces outcome effects.

Download Study >

Do Auditors and Audit Committees Constrain Inconsistencies between Financial and Non-Financial Measures?

Joseph Brazel, NC State University
Jaime Schmidt, University of Texas at Austin

Prior research finds that companies committing fraud exhibit large inconsistencies between reported revenue growth and growth in revenue-related non-financial measures (e.g., number of stores, employees, patents). However, prior research also suggests that auditors, on average, are not adept at identifying and constraining these differences. This study investigates whether certain auditors and audit committees are able to lower fraud risk by constraining inconsistencies between financial and related non-financial measures (NFMs).

Download Research >
Practitioner Summary: Do Auditors and Audit Committees Constrain Inconsistencies Between Financial and Non-financial Measures?

**Joseph Brazel, NC State University**

This article summarizes a recent study by Brazel and Schmidt (2018) that examines whether certain auditors and audit committees are able to lower fraud risk by constraining inconsistencies between financial and related non-financial measures (NFMs). This practitioner summary first summarizes the motivation for the study, then discusses the methods used, explains the results, and concludes with a discussion of the study's implications. Brazel and Schmidt (2018) find that auditors with greater industry expertise and tenure, and audit committee chairs with greater tenure are less likely to be associated with companies that exhibit large inconsistencies between their reported revenue growth and related NFMs (higher fraud risk). Surprisingly, they observe that audit committees with industry expert chairs are more likely to be associated with large inconsistencies than audit committees without industry expert chairs.

Download Article >

Practitioner Summary: The Outcome Effect and Professional Skepticism

**Joseph Brazel, NC State University**

Despite the importance placed on professional skepticism by the accounting profession and regulators, the failure of auditors to exercise an appropriate level of skepticism continues to be a global issue. This article summarizes a recent study by Brazel, Jackson, Schaefer, and Stewart (2016) that examines a potential barrier to skepticism: that outcome knowledge biases supervisors' evaluations of skeptical behavior. Holding a staff member's skeptical judgments and acts constant, Brazel et al. (2016) find that superiors on engagement teams evaluate the staff's skeptical behavior based on whether the staff's investigation of an issue ultimately identifies a misstatement. The evidence suggests that evaluators penalize auditors who employ an appropriate level of skepticism, but do not identify a misstatement.

Download Research >

Measuring the Market Response to Going Concern Modifications: The Importance of Disclosure Timing

**Linda A. Myers, University of Tennessee**
**Jonathan E. Shipman, University of Arkansas**
**Quinn T. Swanquist, University of Alabama**
**Robert L. Whited, NC State University**

We investigate whether going concern modifications in the auditor’s report elicit reactions from investors. While we document stock price declines surrounding the disclosure of a going concern modification, evidence suggests that the reaction is primarily driven by management disclosures rather than the going concern modification itself. We conclude that going concern modifications are lagging indications of a company’s financial distress and do not materially update investors’ perceptions of company distress.

Download Paper >

Do Clients Get What They Pay For? Evidence from Auditor and Engagement Fee Premiums

**James R. Moon, Jr., Institute of Technology**
**Jonathan E. Shipman, University of Arkansas**
**Quinn T. Swanquist, University of Alabama**
**Robert L. Whited, NC State University**

Prior research finds mixed results regarding the relation between audit pricing and the quality of the auditor’s work. In this study, we estimate an auditor-specific fee premium and find that premium priced auditors do indeed provide higher quality audits - as evidenced by a decreased likelihood of client restatements for higher priced auditors. Our results suggest that auditor quality is an important driver of audit pricing.

Download Research >
This year has been a unique one for the Jenkins MAC Program. Besides being our 25th anniversary year, the program saw a transition from 14 year MAC Director, Dr. Kathy Krawczyk, to a new MAC Director. As with any transition, I have focused on retaining the many solid elements Kathy built into the MAC Program while adding additional elements to continue the growth in the national recognition for the Jenkins MAC Program.

The MAC class of 2019 began their graduate program with a two-day orientation and leadership development program, an increase from the previous one-day orientation. In addition to learning the secrets to being successful in the MAC Program, leaders coached students on the skills needed to be successful in the accounting profession. Continuing the leadership theme, students read the book Juggling Elephants. The cost of the book was underwritten by CliftonLarsonAllen. A highlight for the students was having one of the book’s author’s, Jones Loflin, lead a class discussion of principles in the book during ACC 600.

As this is the 25th MAC class, there was a desire to celebrate this milestone with several events; the highlight being the 25th MAC Anniversary Celebration held on April 4th in Vaughn Towers at Carter-Finley Stadium. To help cover the cost of the 25th anniversary events and to establish a 25th Anniversary Scholarship Fund, firms that hire our students were asked to participate in a fundraising event. There was a tremendous response with 19 organizations contributing over $61,000. This was followed by a University “day-of-giving” event where 56 individuals contributed an additional $8,700. We are well on our way to establishing an endowed scholarship fund. Thanks to the firms and alumni for their continued support of the MAC Program.

The initial 25th anniversary event was an Emerging Technologies Summit held for all MAC students during the spring semester. During the summit, students received live demonstrations from professionals in the accounting profession on how emerging technologies (such as robotics, artificial intelligence, blockchain) are being used to change the profession. The students had a front row seat on the future.

As previously mentioned, the 25th MAC Anniversary Celebration was held on April 4th. In addition to the
great fellowship enjoyed by alumni, current/future students, faculty, staff and friends of the program, the highlight of the night was recognizing the first Distinguished MAC Alumni. Mr. Mark Baxter, EY Partner, was the initial recipient. Mark was selected from nominations submitted by alumni and faculty by a task force selected from the MAC Advisory Board. Congratulations to Mark for his achievements and for establishing a high bar for future recipients.

New faces in the MAC Program include Kelly Hardy, who returned to the MAC program after 4 years of working for an accounting firm, as the Associate Director of Student Programs and Career Services. Jay Arrington, joined the MAC Program in April as the Associate Director of Admissions. Kelly and Jay will team up with Andrea Young, Associate Director of Communications, who has been with the MAC Program for 13 years. We are fortunate to have an outstanding staff to support our MAC Program and students.

The MAC program continues its strong tradition of students highly desired by the profession with 93% of the class of 2019 receiving fulltime employment opportunities. The class of 2020 looks equally strong with students joining the MAC Program from over 40 different undergraduate programs.

Looking forward, the MAC Curriculum Committee decided to increase the extent of business analytics being taught in the MAC program.

Moving quickly, the committee decided to take the first two weeks of all required classes during the fall semester (a total of 16 classes) to cover the text, Data Analytics for Accounting, supplemented with additional cases throughout the remainder of the fall and spring semesters. This was a quick way to make a curriculum change by avoiding the lengthy curriculum change process.

It’s been an exciting year for the MAC program and we are looking forward to even more excitement and enhancements as we enter the second 25 years of the MAC Program.

Scott Showalter, CPA
Professor of Practice
Director, MAC Program
25 YEARS OF MAC
DISTINGUISHED ALUMNI AWARD

Mark Baxter has been named the NC State Jenkins MAC program’s first Distinguished MAC Alumni of the Year.

An assurance partner with EY’s Raleigh office, he has more than 18 years’ experience, with a primary focus on serving both public and private technology and life sciences companies. He currently is life sciences leader and lead recruiter for EY’s southeast region.

Baxter, who received his bachelor’s degree in accounting in 1996 at the NC State University Poole College of Management and his master’s in accounting in 1998 through the Jenkins MAC program, was recognized at the MAC program’s 25th Anniversary Celebration Reception held on April 4. Over 200 Master of Accounting alumni, current students, faculty, firm representatives and special guests attended the event, held at Vaughn Towers at NC State University’s Carter Finley Stadium.

While the selection committee for the award “had many deserving nominees,” said Selection Committee Chair John Broadfoot, CPA, director of recruiting and business development with Thomas Judy and Tucker CPA firm, “we wanted the first recipient of the Distinguished MAC Alumni Award to check as many boxes as possible.” Also on the selection committee were Kelly Ward, director, VACO; Clint Maddox, senior manager, PwC; Brian Crossland, vice president, Global Knowledge, and Sara Ficken, director, BDO.

Mark Baxter, Distinguished MAC Alumni of the Year, photographed with John Broadfoot after receiving his award on April 4, 2019 at Vaughn Towers.

View list of Sponsors of the Jenkins MAC 25 Year Celebration >
STUDENT SPOTLIGHT

MY MAC EXPERIENCE AT STATE

Coming into the Master of Accounting program at NC State, I was very excited to be continuing my education at such a big school coming from a small liberal arts school in the mountains of Virginia. Although I was excited to be attending NC State, I was nervous as well. After establishing myself for the past four years on my previous campus and building relationships with professors, academic leadership, and within the community, it would be a lot to adjust to in a new environment. However, my professors and classmates made me feel comfortable at the very beginning of the program. It was very clear it was a learning and nonjudgmental environment where we could make mistakes and grow rather than being scrutinized and ridiculed. While getting acclimated to the new area and culture of the school it was a little difficult academically in the beginning. But, after focusing and working with fellow classmates and professors I found my way to achieve the goals I had set for myself and have continued to move down that path.

One of my favorite things to do while being a MAC student was attending all the major sporting events that I could. In undergrad I played Division III college football until my junior year. So, moving to a power 5 conference Division I school was quite an experience. I attended all the home football games and well over 75% of the home basketball games. I enjoyed tailgating and meeting new people at every event. It was very easy to show school spirit even though I have only been here for 7 months.

The opportunity that has had the greatest impact on my studies and ability to be successful at NC State was becoming a Firm Fellow finalist and ultimately becoming a Firm Fellow. Through the fellowship process I have accepted a job offer with Ernst & Young (EY) in the audit practice of their Charlotte, NC office. One of the benefits of becoming a firm fellow is attending school without paying tuition. This opportunity has allowed me the opportunity to focus my funds on living expenses as well as being able to visit my family when needed. The other great benefit of the Firm Fellowship aside from signing on with a Big 4 firm for two years, is the ability to have a GA position for at least 10 hours a week. My graduate assistantship is working with NC State’s ERM Initiative. My responsibilities for this position include writing abstracts for the ERM website, posting on the Initiatives social media outlets, and assisting with organizing materials and setting up for ERM events hosted by the Initiative.

Overall, I would say my experience at NC State’s Jenkins Master of Accounting program has been a great one. I have made some great friends from many different backgrounds, I’ve had the opportunity to learn from some well renowned and knowledgeable professors, and I have secured the chance of working for a Big 4 firm which is a goal I set for myself my sophomore year of undergrad when I became a double-major in accounting and finance. This program has humbled me in many ways and has shown that no matter who you are or what you’ve done in the past you always have to put your best foot forward because nothing will be handed to you. You have to earn it.

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<tr>
<th>MAC PLACEMENT STATS</th>
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<tr>
<td><strong>93%</strong> PLACEMENT</td>
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<tr>
<td>(eligible to work in the US)</td>
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<tr>
<td><strong>87%</strong> OVERALL PLACEMENT RATE</td>
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<tr>
<td><strong>20</strong> FIRMS</td>
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<td><strong>9</strong> STATES</td>
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<tr>
<td><strong>50</strong> IN AUDIT</td>
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<td><strong>29</strong> IN TAX</td>
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<tr>
<td><strong>10</strong> IN ADVISORY</td>
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<tr>
<td><strong>9</strong> STAFF ACCOUNTANTS (unspecified)</td>
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MAC CLASS OF 2019 SCHOLARSHIPS & FELLOWSHIPS

SCHOLARSHIP SPONSORS
Carl Messere
Collier Fellowship
Christine and Charles Holmes
GRK Fund
Herman and Beda Lipe
James Hayne
Jon and Kathryn Bartley
Kevin and Teresa Beasley
Lori and Mike Constantino
PCAOB
Mark and Brandy Vannoy
NC State Department of Accounting
Tax Executives Institute
Wells Fargo Foundation
Wells Fargo Graduate Fund
William and Katyna Esoda

FELLOWSHIP SPONSORS
CliftonLarsonAllen
Dixon Hughes Goodman
Elliott Davis
EY
Johnson Lambert
NC State Academic Fellowships
NC State University

OVER $715,000 IN SCHOLARSHIPS & FELLOWSHIPS AWARDED TO 95 STUDENTS

JENKINS MAC PROGRAM RANKINGS

#4
Top 20
2018 Best Schools for a Master’s in Accounting
Master of Accounting Programs, Public Accounting Report, 2017
(among business schools with 24+ accounting faculty)

#30
#14
#8
#31
Top 50
Accounting.com – 50 Best Master’s in Accounting Programs, 2019
College Choice – Best Master’s in Accounting Degrees, 2017
Master’s in Accounting Degrees – 30 Top Affordable Master’s in Accounting
TFE Times 2019 Top Accounting Program
Accounting Degree Review – Graduate Accounting Degree Programs of 2017

FIRST-TIME PASS RATE FOR CPA EXAMS IS CONSISTENTLY ABOVE THE NATIONAL AVERAGE
AIR PROGRAM

The AIR Program is sponsored by the Jenkins Master of Accounting Program. The program is designed to help accounting students secure internships for the spring or summer during or after their senior year, and prior to starting the MAC program. Students who are in the AIR Program have been nominated by faculty and have at least a 3.2 overall GPA. They have demonstrated strong leadership and communication skills in and out of the classroom. As part of the AIR Program, these individuals attend a series of professional development workshops, participate in a mentor program and also attend the Meet the Firms and the Accounting Corporate and Governmental Expo events in the fall.

AIR PROGRAM PLACEMENT STATS

90% PLACEMENT RATE
45% PLACED FROM SUMMER LEADERSHIP FAIR
46 INTERNSHIPS
17 FIRMS
5 STATES
31 AUDIT
7 TAX
4 ADVISORY
4 CORPORATE
UNDERGRADUATE SCHOLARSHIPS

2018 NCACPA FOUNDATION SCHOLARSHIP WINNERS
Christina Byrd
Daniel O’Dirling
Harrison Parker
Christian Rhoney
Katelyn Roberts

THE MCCOY SCHOLARSHIP WINNER
Kaitlyn Quinn

CASE COMPETITIONS

2019 IMA STUDENT CASE COMPETITION ELITE 8
Nathan Hayes
Spencer Harris
Xinyang Li
Robbie Moon

Congratulations to our outstanding students for making it to the 2019 IMA Student Case Competition Elite 8. Advised by Professor Al Chen, the students, if advanced, will attend the final competition in San Diego in June.

Watch Case Presentation >
2018 SAP CO-INNOVATION EVENT
4TH PLACE WINNERS

Ryan Gorman
Hammad Siddiqi
Isabella Tavoletti
Emilie Vincitorio

A team of four NC State Poole College of Management students, advised by Professor Marianne Bradford, placed fourth in the 2018 SAP Co-Innovation Event, sponsored by Deloitte. The event was held at Deloitte University in Westlake, Texas, August 3-5, 2018.

The three-day event drew 64 students from SAP University Alliance programs at 16 U.S. universities, to compete in a challenge using SAP software to address a real-world business challenge. NC State Poole College is a member of the SAP Alliance.

2018 DELOITTE FANTAXTIC CASE COMPETITION PARTICIPANTS

Nolan Cambio
Kate Chambers
Connor Quillen
Joseph Raymond
Jacob Vandyne

Five undergraduate students, advised by Ms. Jennie Dirienzo, Professor of Practice and Coordinator of the Tax Analytics and Technology Certificate, participated in the 17th annual Deloitte FanTAXtic case competition – Deloitte’s student Tax Case Study Competition held in nine regions across the United States. More than 60 teams representing more than 40 colleges and universities participated.
On April 2, 2019, the ERM Initiative, in partnership with the American Institute of CPAs (AICPA), released its 10th anniversary edition of a research report, *2019 The State of Risk Oversight: An Overview of Enterprise Risk Management Practices*, that summarizes insights from 445 executives about detailed processes their organizations use to proactively manage the increasing volume and complexity of risks on the horizon. Findings include the following:

- The risk environment is growing in complexity. Most (59%) senior finance leaders agree that the volume and complexity of corporate risks have changed “mostly” or “extensively” over the last five years.
- Risk management practices may not be keeping pace. Less than a quarter (23%) would rate their organization’s overall risk management oversight as “mature” or “robust.”
- There is a growing demand for Chief Risk Officers (CROs). The percentage of organizations that have formally designated individuals serving as CROs has more than doubled since 2009, from 18% to 50%.
- Management wants a greater focus on risk. Over the last decade, the number of organizations with management-level risk committees has increased 43 percent points, from 22% to 65%.
- There is a disconnect between risk and strategy. Less than 20% of organizations view their risk management processes as providing important
strategic advantage, and only 26% say their boards of directors discuss risk exposures when they discuss the organization’s strategic plan.

The study concludes with a number of calls to action for boards and executives to consider as they seek to improve their ability to anticipate emerging risk issues.

Released Research, Executive Perspectives on Top Risks for 2019

In December 2018 the ERM Initiative, in partnership with Protiviti released a research report, Executive Perspectives on Top Risks for 2019, that summarizes the views of 825 executives from around the globe about their perspectives on risk issues on the horizon for 2019. This is the seventh annual study released by the Initiative and Protiviti.

Findings of the study have been cited in three separate articles in The Wall Street Journal, and the study has been widely covered by a number of national media outlets. Over 1,300 individuals participated in a webinar hosted in December 2018.

Issuance of Faculty Insights Thought Papers

The ERM Initiative periodically releases short thought pieces that share insights from PCOM faculty members about unique risk issues relevant to executives leading their organization’s enterprise-wide risk efforts. Most recently Beth Ritter (pictured to the right) authored a thought piece, Recognizing the Shamrock Organization and the Emerging Risks It May Create, that highlights potential emerging risks on the horizon as the nature of the workforce continues to evolve.

Member of the United Nations Advisory Group

PCOM faculty who help lead the ERM Initiative are part of the United Nation’s five-member Advisory Council that is working with the Comptroller of the United Nation’s Secretary General’s office on implementing a framework for assessing and managing risks related to financial reporting. In December, one of our faculty members met with the United Nation’s Audit Committee in New York to discuss the importance of risk management and internal control.

Poole Graduate Students Helping To Advance Risk Oversight

Over 30 Poole graduate students are participating in the ERM Practicum in projects focused on helping advance ERM practices in a number of client organizations. Eight different teams are working directly with C-Suite executives to pinpoint risks on the horizon that may impact the client’s strategic success, prioritizing those risks into Tier 1 and Tier 2 risk themes, or working with management to pinpoint the effectiveness of how the entity is managing the risks that concern key stakeholders most. Students will present key findings to senior executives of their client organization at the end of the semester. Other teams are working with members of the ERM Initiative Advisory Board to identify best practices related to key aspects of ERM. Their findings will be released as detailed case studies targeted for use by Chief Risk Officers and other executives.
Spring 2019 ERM Roundtable Summit

The ERM Initiative will host its Spring 2019 ERM Roundtable Summit on Thursday, April 25, 2019 at the Renaissance Raleigh North Hills Hotel. Speakers from Advance Auto Parts, Conagra, McDonald’s and Stanford University will share how their organizations are approaching the complex tasks of managing risks in the rapidly changing global business environment.

ERM ADVISORY BOARD

The ERM Initiative’s Advisory Board provides advice on ERM curriculum, emerging trends, and best practices related to ERM. The board is composed of a balanced mix of professionals with an interest in risk management representing boards of directors, rating agencies, and corporations, both locally and nationally across various industry sectors, as well as public accounting and consulting firms.

Bob Anderson
The Home Depot

Larry Baker
American Fidelity Corporation

Sharon Bennett
UC Biosciences

Joe Boeser
Wings Financial Credit Union

Christol Bordovsky
Marathon Petroleum

Michael Bridwell
Eli Lilly & Company

Laurie Brooks
Provident Financial Services

Sean Browning
Lowe’s Companies, Inc.

Jennifer Burke
Crowe Horwath LLP

Keith Butler
Duke Energy

Sam Chari
Experian

Samantha Coster
Hilton Corporation

Dan Crumb
Kansas City Chief’s Football Club

Jeff Dato
VolCorp

Jim DeLoach
Protiviti, Inc.

Dan Dismukes
UPS

Matthew Dunn
Conagra

David Fox
PwC

Greg Gaskel
S&P Global

Vito Giovingo
McDonald’s Corporation

Ted Gordon
Southwest

Beverley Harrington Leacock
BCBS of North Carolina

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### DATA ANALYTICS

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</thead>
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