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**CLOSE-UP: STEVE AUSTIN****Swenson partner sees ethics as path to restoring corporate America**

By CAMERON LEIGH JAMES, Special to the Daily Transcript

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Steve Austin, managing partner of **Swenson Advisors LLP**, believes attaining the highest standards of ethics begins with a "tone at the top" that ultimately guides the entire organization. He places a premium on personal and professional integrity and forthright business practices, which he said attracts like-minded employees and clients who subscribe to the same values.

Austin, a family man with strong convictions, started the San Diego-based, full-service accounting firm in 1998. Now, with offices in Murrieta and Hong Kong, Swenson has grown into a regional firm with global reach.

The company maintains a culture that promotes balanced lives and places a premium on professional, family and personal standards. Employees are discouraged from working weekends, especially Sundays, and encouraged to spend time with their families instead.

"We do not want them to sell their soul to the firm. Work is a meaningful part of life but it is not an end unto itself," Austin said. "If you have good systems, good processes and very good project management skills, with today's technologies you're able fulfill client needs in a timely and accurate manner without working excessive overtime."



Steve Austin

Austin has been married to his wife Gail for 34 years. He enjoys the role of thought leadership, being a strong husband and family man, and hopes to leave a legacy that reflects his Christian beliefs.

The father of three grown daughters, Austin grew up in the southeast and Indiana. He got his undergraduate accounting degree at Bob Jones University in South Carolina and his MBA in accounting from the University of Georgia. Prior to starting Swenson, Austin accumulated more than 22 years of experience as an audit partner with Price Waterhouse and **McGladrey & Pullen**.

He specializes in audit and Sarbanes-Oxley Act (SOX) consulting and is responsible for the firm's audit practice. His most visible role is investing in the community by working with professional, health, education and religious organizations. He sits on 20 boards and committees including the Sharp Healthcare Foundation and American Heart Foundation San Diego. He serves as audit committee chairman for both the World Trade Center San Diego and **Avanir Pharmaceuticals** (Nasdaq: AVNR). He is also past chairman of Integra

International, an interactive global association of local independent accounting and consulting firms. Currently he is global chairman of Integra's Asian expansion. He speaks upwards of 30 times a year on topics related to corporate governance, technical accounting issues and ethics.

Eight years ago, in the wake of Enron, Tyco, WorldCom and other accounting scandals that eroded public confidence and cost investors billions, SOX instituted mandatory regulations of corporate governance and financial practices.

According to Austin, the SOX regulations have resulted in a drastic reduction of financial fraud and restatements. It has also restored the power of giving the accounting right to independent auditors and the audit committee, as well as enforcing the allocation of necessary resources.

"It is expensive," he said. "But I would say that SOX has become the fabric of corporate America."

He also supports new COSO (Committee of Sponsoring Organizations that provides framework for SOX) guidance to move to continuous monitoring, as opposed to the discrete testing period required under SOX, to more effectively monitor internal controls for financial reporting. He said the new guidance would take SOX to the next level.

"While we've made some progress, things continue to occur -- such as the Madoff situation, Lehman Brothers and others -- that suggest we still have gaps in the armor," Austin said.

In 2004, Austin published "Rise of the New Ethics Class: Life After Enron: Not Business as Usual." The book originated from a 2002 presentation concerning the Arthur Andersen and Enron meltdowns that he'd been asked to make at the corporate directors forum in San Diego. Austin believes a lack of biblical guidance and ethical conduct was the root cause of those accounting failures. In his book he shows how applying biblical principles in the workplace can re-establish the American standard for integrity. He offers practical tools for rebuilding core values in order to achieve integrity and the highest ethical standards, and end the series of frauds that cycle through the U.S. economy fairly consistently and predictably every seven to 10 years.

He said our country is in the midst of another such cycle. When he speaks to international audiences, he is invariably asked, "What is going on in the United States?"

"We have this wonderful free enterprise system, but we also have this personal decision making problem that boils down to ethical issues," said Austin.

Ethics are not about SOX-type check-the-box regulations, he said, but rather the inclination of the individual to do what is right as opposed to making decisions that benefit a few but ravage the company. New policies and regulations will only go so far toward regaining the public's trust. He said changing hearts and minds is ultimately the key to restoring corporate America to the global leadership that perhaps we had at one time.

"I don't want to sound too simplistic, but people need to sincerely and genuinely embrace the importance of telling the truth," Austin said. "Whether it's in accounting areas, executive compensation or proxy rules. And that is a matter of the heart."

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*James is a San Diego-based freelance writer.*