



AT A GLANCE

TATUM CONSULTING SERVICES

Tatum implemented cost-effective, sustainable solutions for Sarbanes-Oxley requirements by assessing resources and mobilizing on-site teams to bring project under control and on-track.

TATUM INTERNAL AUDIT SOLUTIONS

Crescent transitioned from outsourced to internal audit and compliance. Tatum assisted by identifying and assigning talented performers to appropriate roles and building organizational infrastructure for a long-term, fully functional Internal Audit Department.

TATUM SARBANES-OXLEY COMPLIANCE & CONSULTING SERVICES

Crescent was uncertain with their ability to comply with the first wave of Sarbanes-Oxley reporting. Tatum helped the company achieve compliance by the deadline with proper risk assessment and scoping followed by rapid execution of compliance activities and effective communication with management, process owners and external auditors.

Real estate investment trust requires coordinated leadership effort to meet pressing compliance deadlines.

Brief Overview

With office buildings totaling more than 17 million square feet in cities such as Dallas, Denver, Houston, and Las Vegas, Crescent Real Estate Equities, LLC is a private company headquartered in Fort Worth, Texas.

Crescent combines world-class facilities and market-competitive lease prices with innovative technology and excellent customer service to stand out in a competitive commercial real estate environment. Tenants who lease space and work in Crescent buildings enjoy quality amenities and an overall superior workplace environment.

Situation

Crescent was among the thousands of companies faced with compliance and documentation challenges in the wake of Sarbanes-Oxley. As their Internal Audit and Risk Management group began to unravel the myriad of demands contained in the Act, it became clear that a more coordinated leadership effort would be required to meet pressing compliance deadlines.

Crescent's Vice President of Internal Audit and Risk Management, Randall Kostroske, recalls the enormity of achieving compliance in a matter of several months. "We affectionately call it the fire drill of 2004," says Kostroske.

A Big 4 accounting firm enlisted by Crescent to manage the compliance effort had not properly scoped the project or conducted risk assessments the effort demanded, and now time was running short.

Why Tatum

A team comprised of internal employees and external advisors was scrambling to understand requirements and achieve compliance. "But it was overwhelming," Kostroske says. He recognized there was a leadership vacuum within the mix of accounting firms, audit professionals and staff members who were struggling to meet an end-of-year deadline. Kostroske also recognized

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- Randall Kostwske, VP of Internal Audit & Risk Management, Crescent

even with a number of firms contributing people to the effort, “it would take a lot more people to get done what we needed.”

When Kostroske was introduced to Tatum, he felt an immediate sense of relief. “It quickly became evident that they were going to be the lead on this arduous Sarbanes-Oxley effort,” said Kostroske. “They gathered the troops and started over almost from scratch.”

Tatum offered Sarbanes-Oxley expertise and training but stood out from the crowd by being willing to take on ownership of the overall project.

“You can usually sift through very quickly who you can trust”

- Randall Kostroske, VP of Internal Audit and Risk Management, Crescent

Results

Tatum immediately assumed the role of “quarterback” for the complicated


compliance effort. With only a few months left, Tatum understood the urgency and recognized key challenges such as a lack of integrated systems and certain outdated policies and procedures related to audit functions.

Tatum first tactfully but firmly took command of a 40-person effort that had lacked adequate leadership. Kostroske recalls, “it was a very sensitive time, because there were so many egos and different firms involved.”

Tatum made difficult but essential personnel decisions. In shifting responsibilities and delineating the processes and procedures needed to achieve compliance, Tatum created a long-term organizational structure for maintaining Sarbanes-Oxley compliance.

Perhaps most importantly, Tatum transferred knowledge to internal resources so Crescent could carry out the effort in future years

more independently. Kostroske credits Tatum with creating a fully functional Internal Audit Department with the right people in place. “When I compare Tatum with other providers, their philosophy was to bring experienced people in, and to fit the culture,” said Kostroske. This is made evident by the long term relationship between Tatum and Crescent.

While Tatum was engaged to assist with compliance efforts and build the internal audit infrastructure, they also provided technical accounting solutions, internal audit services and consultation on enterprise risk management considerations. Although Crescent engaged Tatum while facing public company challenges, they have since made the transition to private ownership and consider Tatum a valuable partner for all stages of the business lifecycle. 

About Tatum

Companies turn to Tatum when critical business challenges arise because we immediately deliver C-level financial and technology operational expertise via solutions tailored to the Office of the CFO. We understand the urgency of NOW and our VELOCI-T solutions were designed to help business leaders accelerate results to *create more value™*.