Mikes Cook loves audit committee work. And, if fellow directors are to be believed, he throws himself into it with an energy and thoroughness that leaves other directors in the dust. Colleagues see him as an ideal director for the post-Enron business world: young, energetic, independent and focused like a laser on accounting issues. His presence, colleagues say, has led to an unusually high level of accounting rigor at companies such as Rockwell Automation, International Flavors & Fragrances and AT&T.

"He's done a good job of trying to provide [audit] leadership in a little more structured way," says Don H. Davis Jr., chairman and CEO at Rockwell, where Cook is chairman of the audit committee. "Mike devotes time outside of board meetings... He'll call our CFO and say, 'At our next audit committee meeting, I'd like to have a discussion about this.'" Cook has also expanded the committee's role into new areas, such as risk management. He'll often ask management questions about whether the company has the right kinds of insurance and adequate reserves. "He's inquisitive," says Davis. Cook calls audit committee work "an evolving area—challenging, time consuming and interesting. It's where the action is, in my mind."

Cook's deep involvement with audit issues is natural. He was chairman and CEO of Deloitte & Touche from 1989 to 1999. His experience with accounting and regulatory issues, colleagues say, has enhanced several boards in the brief time since he left the accounting firm.

His expertise helped move forward the planned AT&T-Comcast merger. Colleagues say that when shareholders overwhelmingly approved the merger in July 2002, it was in no small part thanks to Cook. Comcast's $45-billion purchase of AT&T's cable television business would create AT&T Comcast, a cable TV powerhouse with nearly twice as many subscribers as its closest rival.

It took persuading to get AT&T shareholders to approve the deal. Some strenuously opposed it because it would give disproportionate voting power (one-third) to the Roberts family, owners of Comcast.

To meet this challenge, AT&T Chairman and CEO Michael Armstrong and the board took an unusual step. They dispatched Cook—then a director for less than a year—plus another outside director and top management to discuss the merger with Institutional Shareholder Services, a leading proxy advisor.

In a meeting last spring, Cook and fellow AT&T director Louis Simpson explained the company's position to ISS representatives. They explained that the AT&T board had negotiated as hard as possible with Comcast—
on behalf of AT&T shareholders—to curb the Roberts family’s power in the combined company.

The family’s disproportionate voting interest, Cook recalls, is “not something we could completely change, but we did substantially improve it.” ISS gave the merger its blessing.

The meeting played a key part in the proxy advisor’s decision, says ISS’s Patrick McGurn. ISS wanted to ascertain that all the board members were engaged, that they weren’t just rubber-stamping. “It became clear to us that they were involved in every step of the negotiations,” says McGurn. “I think they pushed Comcast as far as they could.”

AT&T’s Armstrong chose Cook for the task largely because he “was very aware of all the relevant rules, regulations and standards.”

Yet Cook wears his extensive knowledge of accounting issues lightly, Armstrong adds. For instance, in July 2002, AT&T announced a writedown of $13.1 billion in the book value of the AT&T Broadband cable unit to be sold to Comcast. The charge was mandated by FAS 142—a new Financial Accounting Standards Board rule change that took effect early this year.

Management discussed this charge with the audit committee, of which Cook is a member. “Mike basically took leadership of the issue,” Armstrong says. “He had a very good grasp of FAS 142, which hardly had the ink dry on it.”

What Armstrong particularly appreciates is that Cook—characteristically didn’t use his knowledge to try to impress or intimidate: “Some people who don’t know as much as Mike Cook knows will draw you out for a while, then try to trump you with their knowledge. Rather than do that, Mike explains his judgment, then invites others to comment.”

The CEO of International Flavors & Fragrances says Cook is unusual for how much he studies not just the numbers but also the whole business. “He wants to gain a full appreciation for how all the aspects of our business interact and their impact on financial reporting,” says Richard Goldstein, IFF’s chairman and CEO.

Cook is also well known for promoting women. At Deloitte & Touche, he formed and chaired a task force on retention and advancement of women, which was credited with reducing turnover and enhancing women’s opportunities. He carried this mandate into other companies when he became a director after leaving the accounting firm. At IFF, the two senior people running the company’s creative centers in the United States and Europe, as well as the vice president for communications, are women. That’s a result of a push by Cook and other directors, Goldstein says.

Fellow directors say Cook was sought after to join boards after he left Deloitte & Touche because of his reputation for serving customers diligently.

Veteran director Don Perkins recalls when he was a director of Springs Industries, the company experienced a personnel problem. A key Deloitte & Touche audit team member had left. Cook, then head of Deloitte, “managed to show up at our next board meeting and discussed with candor what was happening,” Perkins says. “It added considerably to our comfort level.”

When he retired, Cook took elaborate steps to prove he had severed all ties with the firm, including accepting his pension benefits in a lump sum. “I wrote a very, very large check to Uncle Sam,” he quips.

Perkins says he followed Cook’s career after he left Deloitte & Touche and realized Cook would be of value to any board. “He’s an excellent example of the person a company should be looking for to reassure their shareholders in today’s business climate,” Perkins states.