

Chapter Year 2008-09



April 2009



<http://www.agafortworth.org>

Association of Government Accountants (AGA) Chapter at Fort Worth, TX  
COWTOWNER Newsletter For Chapter Year 2008-2009 April 2009

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Our Mission: To be the AGA chapter dedicated to providing continuous educational opportunities for our members, promoting AGA Government Financial Management certification with fidelity anchored in professionalism, integrity, and competency.

**Chapter President's Message**

Welcome to the Fort Worth AGA's Newsletter the "Cowtowner". April is our next to the last month of the 2008-2009 Chapter year. We are squeezing in one additional audio conference on April 22. See announcement and details below. The 2008-2009 Chapter year has started to wind down. Last month I mentioned Chapter officers being invited to a seminar in Denver, CO to learn more about how AGA National works for the local AGA Chapters. Bob Kanaga has agreed to be Chapter President again next year, and he has volunteered to attend the SLM to represent the Fort Worth Chapter. Lakshmi Krishnamurthy, Retired DCAA/IRS and Willie Hunter, auditor with SBA, have agreed to be Chapter Co-Treasurers. Babette Haines, Supervisor with GSA, has agreed to be our Membership Officer. We have many other Officer positions available if you are interested in being more active.

Please help me welcome two new members who joined in April:

- Debbie Nelson from DCAA at [debbie.nelson@dcaa.mil](mailto:debbie.nelson@dcaa.mil)
- Rahul Aggarwal from GSA at [jamrahul@purelyonline.com](mailto:jamrahul@purelyonline.com)

In this issue you will find details on the following activities for CPE.

- Our next FW Chapter Audio Conference will be on April 22. Two hours of CPE
- Dallas is sponsoring a regional two day PDC on April 23-24. Sixteen hours of CPE

Our Texas-Oklahoma Region RVP, Helene Baker has provided an article on "ECONOMIC RECOVERY REVISITED AND TAX PROVISION CHANGES FOR 2009". Check out her comments below.

I have included minutes from the April 8th Chapter Executive (CEC) meeting and our April 8th audio conference chapter meeting. An article on the upcoming April 22, 2009 audio conference is there, too.

We will keep you informed by newsletter as to our upcoming meeting dates, speakers and community service! Please support your AGA Fort Worth Chapter.

Volunteer!! Be active!! Help us be better for you!

**Bob Kanaga, CGFM-Retired (817) 929-8243**  
**Chapter President**

**Creating Exceptional Value for Government Accountability Professionals**

## 2008-2009 Chapter Year

**AGA-Fort Worth Chapter CEC Meeting April 8, 2009**

The Chapter Executive Committee (CEC) met at 3:00 p.m. on Wednesday, April 8, 2009 Fritz G. Lanham Federal Building, 819 Taylor Street downtown Fort Worth, TX 76102. Attendees were: Babette Haines (future Membership Officer), Bob Kanaga (President) and Lakshmi Krishnamurthy ( Chapter Co-Treasurer), and Bob Kanaga (Education). Willie Hunter (Co-Treasurer) and Shad Sanders sent us their proxies.

Bob Kanaga, opened the meeting and thanked Lakshmi and Babette for attending. The following topics were discussed during the meeting:

1. **Treasurer Discussion.** Co-Treasurer Lakshmi Krishnamurthy reported there will be \$20 in cash deposits from the March 11 meeting. A check was written for \$125 to add the April 22, 2009 audio conference to our schedule. Members in attendance at the April 8th audio conference voted to approve the addition of the April 22 audio conference. A check was written for \$55 to reimburse Debbie Nelson for becoming a new paid AGA member. Debbie enrolled on line and paid \$95 to become an AGA member. The CEC agreed to reimburse her the \$30 she has paid in audio conference fees and we awarded her \$25 from our 2008-2009 membership scholarship fund given to us by National AGA.
2. **Membership Discussion.** New member Babette Haines from GSA has volunteered to be our Membership Officer for the 2009-2010 Chapter Year. Babette said she has been talking with fellow GSA employees about AGA. It was reported that Debbie Nelson from DCAA received a \$25 scholarship from the chapter and we now have \$50 remaining in our incentive scholarship fund. The Chapter could gain two new members by offering to pay \$25 of a person's AGA dues to help them become an AGA member. We had two potential new members attend the audio conference on April 8th. Both Aimee Didion from IRS and Rahul Aggarwal an Intern from GSA, stated they plan to become AGA members soon.
3. **Community Service Activities.** Lakshmi Krishnamurthy reported that she will work twice at the Fort Worth Presbyterian Night Shelter in April. She said she works a three hour shift every other week. The chapter has made plans to work at the Mayfest event at Trinity Park on Thursday April 30th from 3:30 to 6:30. Lakshmi will head up that activity.
4. **Chapter recognition Points.** Third Quarter Chapter Recognition Report was submitted on March 31, 2008. Bob reported that we now have 14,630 points earned through March 2009.
5. **Education Report.** Bob reported that 12 folks attended the April 8, 2009 Audio Conference training.
6. **Sectional Leadership Meeting (SLM).** Bob Kanaga reported he has agreed to be the Chapter President for the 2009-2010 Chapter Year and has become eligible to attend the SLM in Denver, CO on May 1-2. No other new officers volunteered to attend the SLM.
7. **Next Audio Conference.** Those members in attendance at the April 8th audio conference voted in favor of adding a new audio conference to our agenda. Our next audio conference will be on April 22, 2009. The topic will be the GAO's Role in the American Reinvestment and Recovery Act of 2009.
8. **Next CEC Meeting.** Our next Chapter CEC Meeting will be Wednesday, April 22 at 3 p.m. at the Fritz G. Lanham Federal Building.  
Our meeting ended at 3:15 p.m.

**Bob Kanaga, CGFM Retired**  
**Chapter President**

**National AGA 2009 Survey**

AGA is sponsoring an online member survey to learn your thoughts about current and future government financial management issues. AGA Corporate Partner Grant Thornton LLP is administering the survey. All responses are anonymous, and the results will be presented at the 2009 PDC in New Orleans.

To encourage responses to the survey, AGA will give the chapter with the highest response rate a cash award of \$300; second highest will receive \$200 and third will receive \$100. The award will be based on the number of responses received per chapter divided by the total registered membership of a chapter. Please be sure to enter your chapter's name when you [fill out the survey](#).

Thanks for your help in promoting the survey. If you have any questions about AGA's research initiatives, please contact AGA's Director of Research [Anna Miller](#).

**Community Service Raffle for National PDC**

AGA is proud to once again sponsor the National Community Service Raffle and Silent Auction. During the PDC, we'll be selling raffle tickets and hosting a silent auction for great prizes such as gift certificates, regional gift baskets, sports memorabilia and lots more. Be sure to visit the Exhibit Hall to check out the loot.

Proceeds will support the AGA National Community Service Fund as well as a charity selected by participants. Make sure to stop by the raffle booth and vote for your favorite charity. Chapters are asked to donate prizes from their local areas; contact raffle coordinator [Renee Gilman, CGFM](#), to donate.

**Message from Regional Vice President, Helene Baker  
April 2009****ECONOMIC RECOVERY REVISITED AND TAX PROVISION CHANGES FOR 2009**

Helene Baker, CGFM, CFE, TX OK Regional Vice President

The more stringent fraud "Yellow Book Standards" or Government Accounting Standards followed by federal agencies is considered "best business practice" in the concept of identifying "fraud, waste and abuse." Other standards followed by public and private industry for "fraud, waste and abuse" are not as stringent as in the federal sector. So should the "Yellow Book Standards" be adopted by industry today? Would they have prevented these frauds? When reading these following fraud

headlines that now hit to Japan in a Financial Group and Dubai Bank scams of billions of dollars all countries need to identify fraud, waste and abuse on a stricter and consistent practice worldwide. The “Yellow Book Standards” on fraud, waste and abuse by themselves would not prevent fraud however would give stricter standards to industry.

Source on following articles: <http://www.acfe.com/home.asp?copy=news>

#### **Madoff Aide Allegedly Got Fake Trading 'Tickets'**

A longtime aide to disgraced financier Bernard Madoff instructed two assistants to generate trading tickets, now believed to be bogus, for Madoff's investing clients, the Wall Street Journal reports.

- *The Street.com*

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#### **U.S. Senate Panel Approves Finance Fraud Bill**

A U.S. Senate committee on Thursday voted to tighten laws against financial fraud, sending legislation to the full Senate for consideration.

- *Reuters*

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#### **Regulatory Reform Sought In Wake of Fraud Cases**

SEC Chairman Mary L. Schapiro is looking to work with lawmakers to overhaul the nation's financial regulatory system. This week, the SEC announced that it would partner with a government-funded research center to study ways to better assess the thousands of tips and complaints that come in each year. The House and Senate plan to consider legislation as early as late spring that would bring all financial activities under federal regulation. The details, however, aren't clear.

- *Washington Post*

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#### **Suspected Peptetrator of Japan's Biggest Ever Fraud Arrested**

At an alleged \$2 billion dollars-plus, it's a substantial scam, but less than Bernard Madoff's suspected ripoff, and it's smaller than the amount being mentioned in fraud allegations surfacing against Allen Stanford, operator of Stanford Financial Group. But for the Japanese public, the shock is less about the money and more about the realization that so many people could fall for the antics of a futon salesman.

- *Forbes*

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**Dubai Bank Sets Aside Cash Amid Fraud Probe**

Dubai Islamic Bank said Tuesday it has foreclosed on a real estate project and set aside cash to help cover losses after court papers indicated the bank was the victim of a half-billion dollar fraud.

- *International Herald*

**Meeting Minutes for April 8, 2009****Audio Conference on The Future of Government Auditing**

Our April 8, 2009 AGA Chapter Meeting/Training Seminar was held at the Fritz Lanham Federal Building, Room 5A30E, 819 Taylor Street, Fort Worth, Texas 76102. We had a total of twelve members and guests present.

The audio presentation was put on by AGA National. The Speakers were: Ms. Jeantte M. Frazel, CGFM, CPA, Mr. David R. Hancox, CGFM, CIA, and Mr. Drummond Kahn, CGFM, CIA.

Bob Kanaga, Chapter President, opened the meeting by welcoming all members and guests attending. Babette Haines, Membership Officer, presented the PowerPoint presentation.

This seminar addressed the following areas:

The AGA Moderator, Mr. Ray Harris conducted the seminar. He asked the speakers to act as a panel and to each make comments on ten questions. My notes are not clear enough to tie comments to each speaker, so I have presented comments made in general to each question asked of the panel.

**Question 1: What do you see as the major changes or challenges and external environmental factors facing the audit community in the next several years?** The panelists answered that the global recession and government bailout money will affect the audit community; that there will be increased taxes to pay; that better data analysis skills will be necessary for all; technical decisions about what a "Going Concern is" will arise; that there will be an increasing need for more audits done faster; that the current market instability will affect auditors; and the fact that many new areas of the economy will receive bailout money which do not have adequate internal controls which lead to more fraud problems.

**Question 2: What is the fallout for auditors as a result of the corporate and government scandals over the past few years?** Increase audit quality and to clearly report negative findings to management; everyone will need to more closely follow auditing standards; companies will need to follow and auditors will need to test more thoroughly for Sarbines-Oxley Act compliance; company employees and audit staff will need to improve technical standards; a new improved Yellow Book may result; more timely audit reports; and establishment of new bailout laws may result.

**Question 3: How will the President's stimulus plan impact auditors?** Discussions will be conducted on how do we react to demand for increased audits on bailout moneys; need for better formulated business foundations; need to audit what we are paid to oversee; we will see increase responsibility placed on auditors, OIGs, etc; faster turn around on audits will be demanded; and a greater need to work together at local, state, and federal levels with a need to be funded to do so.

**Question 4: How can auditors devote more time to reviewing the control environment?** Need to define control environment to mean: assessing risk, tone at the top, and risks and objectives; need to include the following in control environment audits: spend enough time on site to understand current organization; better technical auditing tools needed; use GAO's 01-1008G Check List; review risk management to include a look at bigger picture of review finding vs. cost; and use of a survey document to create a scatter gram on control environment activity.

**Question 5: What are the positive and negative attributes to outsourcing the internal audit function?** Remember that the audit function is very important; sometimes outsourcing can get you increased technical skills which may not be available in house; better data analysis requires better and new skill sets and co-outsourcing is a good way to get them; adds second opinions from outside the company; and results in increased leverage for audit findings.

**Question 6: How can auditors help agency management establish a fraud prevention and detection environment?** Implement preventative controls such as streamlining processes and using more inter-related electronic transactions (i.e., when this happens, this other thing happens and is noted by others with clearer audit trails); ensure management is responsible for fraud detection and prevention; and auditors are in a position to place emphasis on areas of fraud and prevention with suggestions to management to apply greater preventative and detection controls.

**Question 7: What will be management's expectations of auditors in the future and how does it differ from today?** Auditors must be separate and independent from management; realize conflict with management will result from auditor's negative findings; auditors must act as the oversight watchdogs for the taxpayer public (must not worry about ruffling feelings of management); auditors need to insure they meet the public's expectations in the future; auditors need to work toward having "real-time" controls installed in all security areas; and auditors need to insist upon discussing design controls upfront with management.

**Question 8: How can government and private auditors help colleges and universities graduate the future auditor superstars?** Government could come in and teach Sarbines-Oxley Act issues with case studies; help students develop good writing and oral communication skills through role playing and specific assignments; teach about government operations and relate technical needs to data retrieval skills; develop internal agency training programs to provide real experiences for auditing students; and using updated accounting and auditing text books.

**Question 9: Given the current and future demand on resources, what do you believe the human capital needs will be for the audit profession over the next five years?** More accountants and auditors will be needed to replace those retiring; agencies will need to be in a constant recruitment mode; risks and demands mean greater need for more accounting and auditor staff; our model for training auditors and accountants needs to be more real time and practical; need flex-work locations and schedules; need for increased skills in communications (writing and speaking) with confrontational training situations (what to say to whom, when and how).

**Question 10: How should the success of audit organizations be measured in future years?** Audit staffs need to focus on reporting only quality findings; recommendations must address the cause of the condition(s) and be communicated clearly to management so they are correctable; emphasis must be placed on outcome of correcting conditions in a real time manner; and that recommendations can be evaluated quickly.

At the end of the seminar, the presenters held a question and answer session which lasted about 20 minutes. Each participant will be awarded 2 CPE for attending this seminar. The meeting ended at 2:50 p.m.

Special thanks was given to Babette Haines, GSA supervisor and member, for arranging the use of the GSA Conference Room and presenting the PowerPoint presentation.

Our next meeting will be April 22, 2009. It will be a two (2) hour seminar on “**GAO’s Role in the American Reinvestment and Recovery Act of 2009**”. It will be held in the Fritz G. Lanham Federal Building, 819 Taylor Street, Room 5A30E or Room 5A27, Fort Worth, Texas 76102. Sign in and a light lunch will start at 12:30 P.M. and the audio presentation will be from 1:00 P.M. to 3:00 P.M.

**Bob Kanaga, CGFM Retired**  
**Chapter President**

<p><b>Additional April Training -- April 22, 2009</b> <b>GAO’s Pole in the American Reinvestment and Recovery Act of 2009</b></p>
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AGA, in conjunction with the National Association of State Auditors, Comptrollers and Treasurers (NASACT), the Association of Local Government Auditors (ALGA) and the Government Accountability Office (GAO), is pleased to announce a new and increasingly important topic to our audio conference schedule—the American Reinvestment and Recovery Act.

This audio conference will be an opportunity for public and private sector financial management professionals to hear from high-level GAO executives about the recently enacted American Reinvestment and Recovery Act of 2009. The GAO executives will discuss the Act’s requirements for their agency and the need to coordinate with State and Local financial managers. They will also discuss GAO’s proposals for fulfilling its review and audit requirements and will solicit the views and perspectives of those participants listening in on the audio conference.

To share their plans and views of the Act’s requirements are **Susan Ragland**, Director, Financial Management and Assurance, Government Accountability Office; and **Stan Czerwinski**, a Director on the GAO Strategic Issues Team.

Please join us for two hours of lively discussion about this important and timely topic. In addition to the speakers’ commentary, there will be approximately 20 minutes for Q & A so that the participants can ask the speakers questions and share their own experiences.

**Date:** Wednesday, April 22, 2009

**Location:** Fritz G. Lanham Federal Building, 819 Taylor Street, Room 5A30E South or 5A27 (5<sup>th</sup> Floor, GSA Area), Fort Worth, TX 76102

**Time: Lunch:** Free 12:30 to 1:00, **Presentation:** 1:00 – 2:50 p.m.

**Learning Objectives:** To learn theory behind Internal Controls Planning and Implimentation.

**Prerequisite:** Some knowledge of the Act. **Advance Prep:** None required

**CPE:** Two credit hours

**Field of Study:** Auditing

<b>Treasurer's Report as of March 31, 2009</b>
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Regular Share	\$ 119.76
Share Draft	618.18
Cash Management	<u>5,997.98</u>
<b>Total Balance</b>	<b><u>\$6,735.92</u></b>

*Lakshmi Krishnamurthy & Willie Hunter*  
*Co-Treasurers Fort Worth Chapter*

<b>Chapter Recognition Points as of March 31, 2009</b>
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**Points earned through March 31, 2009 are 14,630 Points**

Next Chapter Recognition Report will be completed by May 31, 2009.

### Chapter Activity Plan for 2008-09 Chapter Year

Months	CEC Meetings	Chapter Luncheons	Community Service/Social Activity	Other Events
May 2008		<b>Wed. May 14, 2008</b> Audio Conference <i>Ethics</i> 2 CPE		
June 2008	<b>Thur. June 5</b> CEC Meeting	Discuss Chapter Revitalization		<b>June 1</b> Officer's List Due
July 2008	<b>Sat. July 12</b> CEC Meeting held by phone	Discussed Chapter Revitalization with National & RVP several times.		<b>July 15</b> Chapter Plans Due
August 2008	<b>Fri. Aug 22</b> CEC Meeting held by phone	Revitalization Luncheon with local CFOs set for August 26 at Reata at 11:30 a.m.		
September 2008	<b>Wed. Sept 3</b> CEC Meeting	<b>Wed. Sept 10, 2008</b> Audio Conference <i>Fraud Prevention &amp; Detection</i> 2 CPE		<b>Sept 30</b> First Qtr CRP Due Annual Chapter Audit Due
October 2008	<b>Mon. October 13</b> CEC Meeting	<b>Wed. October 15, 2008</b> Audio Conference <i>Results of AGA's Research on Performance Based Management reporting</i> 2 CPE		
November 2008	<b>Tues. November 18</b> CEC Meeting	<b>Wed. November 12, 2008</b> Audio Conference <i>Internal Controls</i> 2 CPE	Buy gifts for Salvation Army Angel Tree Angels	
December 2008	<b>Mon. December 8</b> CEC Meeting	<b>Wed. December 10, 2008</b> Audio Conference <i>21<sup>st</sup> Century Financial Managers: New Mix of Skills &amp; Education Levels</i> 2 CPE		<b>Dec 31</b> Second Qtr CRP Due
January 2009	<b>Mon. January 21</b> CEC Meeting	<b>Wed. January 21, 2009</b> <i>How XBRL Can Enable Improved Financial &amp; Performance Reporting</i> 2 CPE		
February 2009	<b>Mon. February 9</b> CEC Meeting	<b>Wed. February 11, 2009</b> Audio Conference <i>Fraud</i> 2 CPE	Attend the Tarrant Area Food Bank's Empty Bowls event	

<b>March 2009</b>	<b>Mon. March 11</b> CEC Meeting	<b>Wed. March 11, 2009</b> Audio Conference <i>Internal Controls</i> 2 CPE		<b>Mar 31</b> Third Qtr CRP Due
<b>April 2009</b>	<b>Wed. April 8</b> CEC Meeting  <b>Wed. April 22</b> CEC Meeting	<b>Wed. April 8, 2009</b> Audio Conference <i>The Future of Auditing</i> 2 CPE  <b>Wed April 22, 2009</b> GAO's Role in American Reinvestment & Recovery Act of 2009 2 CPE		Chapter Officer Elections
<b>May 2009</b>	<b>Wed. May 13</b> CEC Meeting Welcome new Officers	<b>Wed. May 13, 2009</b> Audio Conference <i>Ethics</i> 2 CPE	Junk Yard Dog Golf Tournament is May 15 at Whitestone Golf Course.  Work at Mayfest on April 30	<b>May 31</b> Fourth Qtr CRP Due

**CEC Meetings:** at 5:00 p.m. Meadowbrook Public Library, 2800 Stark St., in East Fort Worth, TX 76112 or as noted in Schedule above.

**Chapter Meetings:** See Audio Conference location below

**Audio Conferences:** Fritz G. Lanham Federal Bldg, 5<sup>th</sup> Floor (GSA), Suite 5A30E

#### Chapter Officers for 2008-2009

POSITION	NAME & AGENCY	WORK PHONE	E-MAIL ADDRESS
President	Bob Kanaga	(817) 929--8243	rhkanaga@aol.com
President-Elect			
Secretary			
Co-Treasurer	Lakshmi Krishnamurthy	(817) 437-0451	Krishnamurthy.lakshmi@gmail.net
Co-Treasurer	Willie Hunter SBA	(817) 684-5342	willie.hunter@sba.gov
Newsletter			
Education			
Co-Programs			
Co-Programs	Bob Kanaga	(817) 929-8243	rhkanaga@aol.com
Meetings			
Publicity			
Community Service			
Membership	Shad Sanders DCAA	(817) 763-4885	shad.sanders@dcaa.mil
CGFM			
Awards	By Committee		

Historian	Lakshmi Krishnamurthy	(817) 437-0451	Krishnamurthy.lakshmi@gmail.net
Early Careers			
Webmaster	Debbie Currie	(404) 808-7924	agaftw@yahoo.com
Immediate Past President			
Regional VP	Helene Baker	(832) 567-9872	<a href="mailto:helenebaker@us.army.mil">helenebaker@us.army.mil</a>

