

Chapter Year 2008-09



February 2009



<http://www.agafortworth.org>

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

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". The 2008-2009 Chapter year is poised to start winding down next month. About this time every year we ask members to consider becoming an officer in the local AGA Chapter. Believe it or not by completing a year as a Chapter President you can then become a Regional Vice President, then a Regional Section Leader and then be eligible for National AGA President. To help you out on your journey National AGA sponsors an annual sectional training seminar called the Section Leaders Meeting (SLM). At this meeting one or two AGA National Section's next year's officers meet to learn the insider information of how AGA operates. National AGA rewards your commitment to become a local Chapter officer by offering to pay your normal business expenses to the seminar. This year the SLM for our Section will be held in Denver, CO on May 1 & 2. Fly in on Friday and out on Saturday or spend an extra day at your own expense and fly out on Sunday. You will have had a great AGA experience and a mini-vacation, too. National AGA is asking who we will be sending to Denver to represent our chapter next year for President, Education Officer, CGFM Officer, and Membership Officer. If you have been considering becoming more active in your AGA Chapter, please contact me. The deadline for application is March 25, 2009.

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

Next FW Chapter offers Audio Conference will be on March 11. Two hours of CPE
Dallas is sponsoring our regional two day PDC on April 23-24. Sixteen hours of CPE

Our Texas-Oklahoma Region RVP Helen Baker has provided an article on "challenges to Government Agencies". Check out her comments below.

I have included minutes from the February Chapter Executive (CEC) meeting and our February audio conference chapter meeting. An article on the upcoming March 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

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**Chapter President
2008-2009 Chapter Year**

Community Service Event on February 20, 2009

Our Chapter was represented at the Tarrant Area Food Bank's Empty Bowls event held on Friday, February 20, 2009. Gene Merrell, Lakshmi Krishnamurthy, and Bob Kanaga attended the luncheon fund raiser. Tickets were \$35 per person and after eating several small plastic bowls of soup, each attendee selected a bowl to take home. Parking was a challenge and the group had trouble meeting up inside the event. But the soups were delicious and the new bowl will be enjoyed throughout the coming year.

AGA-Fort Worth Chapter CEC Meeting February 9, 2009

The Chapter Executive Committee (CEC) met at 5:00 p.m. on Monday, February 9, 2009 at the Meadowbrook Public Library, 2800 Stark St., in East Fort Worth, TX 76112. Attendees were: Bob Kanaga (President) and Lakshmi Krishnamurthy (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 Willie for attending for attending. The following topics were discussed during the meeting:

1. **Treasurer Discussion.** Co-Treasurer Lakshmi Krishnamurthy reported there was no monthly activity during February other than updating the the Chapter's financial report.
2. **Membership Discussion.** It was reported again that we still have \$75 remaining in our incentive scholarship funds. The Chapter could gain three new members by offering to pay \$25 of a person's AGA dues to help them become an AGA member.
3. **Community Service Activities.** Lakshmi Krishnamurthy reported that she worked twice at the Fort Worth Presbyterian Night Shelter in february. She said she works a three hour shift every other week. Bob reported that he, Gene Merrell and Lakshmi attended the Tarrant Area Food Bank's Empty Bowls event on February 20, 2009 from 11 a.m. to 1 p.m. **Chapter recognition Points.** Second Quarter Chapter Recognition Report was submitted on December 31, 2008. He reported that we now have 9,525 earned to date.
4. **Education Report.** Bob reported that 7 folks attended the February 11, 2009 Audio Conference training. The group had a surprise visit from a past AGA member, Fred Ross who new works for Ratheon Corporation here in the Metroplex.
5. **National Awards.** It was reported that the RVP Helene Baker requested that we submit a member for one of the National AGA awards.
6. **Next Audio Conference.** The next audio conference will be March 11, 2009.
7. **Next CEC Meeting.** Our next Chapter CEC Meeting will be Monday, March 9 at 5 p.m. at the Meadowbrook Public Library.

Our meeting ended at 5:30 p.m.

Bob Kanaga
Chapter President

**Message from Regional Vice President, Helene Baker
February 2009**

Security Exchange Commission, General Accountability Office and Veterans Health Care – In the News

In the news SEC Chairman has a challenge of the biggest investment frauds in history; General Accountability Office tales of their regulatory system that is seriously outdated; and VA's long-term budget plan that is flawed to

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help veterans; to include news on auditors misled in forged documents valuations brings us to the ever importance of continuing education through your “Association of Government Accountability” in keeping abreast of current ways of recognizing auditing and accounting dilemmas and how to report items that are not of norm in the ‘general principles of accounting’ and ‘governmental practices.’ You may say you keep up with the news and wonder whether keeping up your membership or attracting new members to your association gives you benefits. Whether you attend your local chapter functions or earn continuing educational credits through your employer your best updates are through your association as they provide creditable and knowledgeable speakers within your community. Give some thought of your knowledge base and how you obtain your information. Reading articles of importance is one way and another of greater importance is attending your local chapter activities with educational speakers giving you one on one feedback to answer your questions that benefits your ‘best business practices’. Take this moment to renew your membership online or through your local chapter membership director. Your local chapter is working towards giving you best educational speakers that will highlight the importance of your continuing membership whether you read your Chapter Newsletters, attend educational speaker luncheons and professional development conferences to the National Leadership Conferences and National Professional Development Conferences. Your local chapter and National Association is working on your behalf to benefit you in keeping you updated on current practices and challenges that you face daily in your business practices.

Source: <http://www.theiia.org/intauditor/>

IN THE NEWS (Extracts) Schapiro Approved as New SEC Chairman *(Reuters)*

WASHINGTON (Reuters) - Veteran securities regulator Mary Schapiro was approved by the U.S. Senate on Thursday to head the Securities and Exchange Commission where she will face the challenge of reinvigorating the agency criticized for missing one of the biggest investment frauds in history.

The lawmakers confirmed Schapiro as the 29th chairman of the SEC by a unanimous vote. Schapiro, who has spent more than two decades regulating financial markets, is now tasked with restoring investor confidence and policing Wall Street amid one of the worst financial crisis in decades.

· **Forged FD Receipts May Have Misled Auditor** *(Business Standard)*

Price Waterhouse, the firm that audited the accounts of Satyam Computers, may have been misled into believing forged documents that sought to verify the existence of 175-odd fixed deposit receipts (FDRs), valued at over Rs 3,319 crore, and all the company's current account deposits.

Government agencies probing the Satyam accounting fraud are in possession of what may well be forged letters from banks certifying that they had issued those FDRs. Sources in one of these banks told Business Standard that it had not issued any letter certifying the existence of FDRs to Price Waterhouse.

· **GAO Blasts U.S. Regulatory System as Seriously Outdated** *(The Washington Post)*

By *Steve Vogel*

Washington Post Staff Writer

Friday, January 23, 2009; Page A13

The U.S. financial regulatory system is seriously outdated and needs urgent reform to avoid a further worsening of the economic crisis, concludes a report released yesterday by the Government Accountability Office.

· **Study Shows Fears Over Hedge Fund Risk Pre-Madoff** *(Reuters)*

LONDON (Reuters) - A survey published on Friday has highlighted disquiet among investors over hedge fund risk in the months before the Madoff scandal emerged.

A study carried out by French business school Edhec, showed that hedge fund investors were concerned about disclosure on liquidity and operational risk exposures.

The Edhec Hedge Fund Reporting Survey, which targeted 214 hedge fund managers, fund of hedge funds and hedge fund investors in the summer of 2008, found that 80 percent of respondents felt liquidity risk was not sufficiently captured in hedge fund reporting.

· [Audit: More Bad Accounting in Veterans Health Care](#) (*Associated Press*)

By HOPE YEN – 2 days ago

WASHINGTON (AP) — Two years after a politically embarrassing \$1 billion shortfall that imperiled veterans health care, the Veterans Affairs Department is still lowballing budget estimates to Congress to keep its spending down, government investigators say.

The report by the Government Accountability Office, set to be released later Friday, highlights the Bush administration's problems in planning for the treatment of veterans that President Barack Obama has pledged to fix. It found the VA's long-term budget plan for the rehabilitation of veterans in nursing homes, hospices and community centers to be flawed, failing to account for tens of thousands of patients and understating costs by millions of dollars.

Helene Baker, TX OK Regional VP

Source: <http://www.theiia.org/intauditor/>

<p style="text-align: center;">Meeting Minutes for February 11, 2009 Audio Conference on Building Fraud Risk Assessment into Audit Planning</p>

Our February 11, 2009 AGA Chapter Meeting/Training Seminar was held at the Fritz Lanham Federal Building, Room 5A27, 819 Taylor Street, Fort Worth, Texas 76102. We had a total of seven members and guests present.

The audio presentation was put on by AGA National. The Speaker was: Mr. John J. Hall, CPA from Hall Consulting, Inc.

Bob Kanaga, Chapter President opened the meeting by welcoming all members and guests attending. This seminar addressed the following areas:

Field of Study was introduced and Mr. Hall defined fraud, discussed key elements of fraud, discussed fraud risk management, fraud by category involving cash, checks, wire transfers, and purchasing cards. Another area of discussion was preventing fraud. Mr. Hall used a good overview from the Protiviti Company. Protiviti found that organizations are at different maturity points in their capabilities to value, mitigate and monitor fraud. They also found that organizations are struggling to understand what fraud risk management means in the context of their daily operations. And finally that education and awareness are critical issues that need greater attention in order to successfully manage fraud risk. Mr. Hall next discussed the regulation aspects governing accounting standards for auditors. He included comments on Government Auditing Standards, IIA Practice Advisory 1210-1 and Statement of Auditing Standards 99.

At the end of the seminar, the presenters held a question and answer session which lasted about 30 minutes. Each participant will be awarded 2 CPE for attending this seminar. meeting ended at 2:50 p.m.

Special thanks was given to Gene Merrell for arranging the use of the GSA Conference Room.

Our next meeting will be March 11, 2009. It will be a two (2) hour seminar on "Using Internal Controls to Better Manage and Monitor Programs". 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
Chapter President

Also, the Dallas Chapter is sponsoring a two day seminar. See their flyer below for details:

The Dallas AGA 2009 PDC

"The Impact of Accountability: Challenges Affecting Government"

When: Thursday and Friday
April 23-24, 2009

Where: Renaissance Dallas—
Richardson Hotel
900 East Lookout Drive
Richardson, TX 75082

CPE: 16 Hours

<u>Cost:</u>	<u>2-Day</u>	<u>1-Day</u>
AGA Member	\$295	\$185
Non-Member	\$365	\$255
Retiree	\$195	\$125



AGA
DALLAS CHAPTER



Join AGA Dallas! Membership is only \$80/year and facilitates access to over 30 CPEs per year. So for only \$20 more your membership is paid for and you will qualify for the member rate.

Registration

- Online registration:
 - Go to www.regonline.com/aga (Credit Card Payment Only)
- Mail-In/Fax:
 - Complete the registration form on Page 3 and send it to:
Dallas Chapter—AGA
ATTN: Erica Estrada
1301 Young Street, Suite A938
Dallas, Texas 75202
FAX: 214-767-1350

Deadline for Registration is COB, Friday April 17, 2009

A Special Thank-You to Our Corporate Sponsors!





**Using Internal Controls to better Manage and Monitor Programs
Next Month's Training -- March 11, 2009**

AGA, in conjunction with the National Association of State Auditors, Comptrollers and Treasurers (NASACT) and the Association of Local Government Auditors (ALGA) is pleased to announce a new and increasingly important topic to our audio conference schedule—why internal controls matter to all organizations.

By now, most people understand the need for internal controls. But do they know how to implement these concepts? What are the underlying reasons that intelligent, hard-working people simply ignore or circumvent such checks and balances? Is it a matter of inadequate resources or laziness? Should poor leadership be tolerated? How can poor internal controls lead to fraud?

Once we have recognized the need for internal controls in most organizations and have developed a comprehensive set of internal controls, how can an agency's investment in compliance help it reduce the total cost of controls and regulatory compliance as well as improve performance, thereby reprogramming resources in support of mission initiatives?

To share their views on these internal controls questions are **Terry Carnahan, CGFM, CPA**, Managing Director for Federal Internal Audit and Regulatory Compliance Services, KPMG LLP; and **Robert Gray, CGFM, CIA, CFE**, Consultant, Robert Gray Training; Former Regional Inspector General, U.S. Department of Agriculture.

Date: Wednesday, March 11, 2009

Location: Fritz G. Lanham Federal Building, 819 Taylor Street, Room 5A30E South or 5A27 (5th 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 familiarity with work force issues **Advance Prep:** None required

CPE: Two credit hours **Field of Study:** Auditing

Treasurer's Report

Bank balance as of January 31, 2009 is \$6,738.04.

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

Chapter Recognition Points as of September 2008

Points earned through December 2008 are 9,525 Points

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

Chapter Activity Plan for 2008-09 Chapter Year

Months	CEC Meetings	Chapter Luncheons	Community Service/Social Activity	Other Events
May 2008		Wed. May 14, 2008 Audio Conference <i>Ethics</i> 2 CPE		
June 2008	Thur. June 5 CEC Meeting	Discuss Chapter Revitalization		June 1 Officer's List Due
July 2008	Sat. July 12 CEC Meeting held by phone	Discussed Chapter Revitalization with National & RVP several times.		July 15 Chapter Plans Due
August 2008	Fri. Aug 22 CEC Meeting held by phone	Revitalization Luncheon with local CFOs set for August 26 at Reata at 11:30 a.m.		
September 2008	Wed. Sept 3 CEC Meeting	Wed. Sept 10, 2008 Audio Conference <i>Fraud Prevention & Detection</i> 2 CPE		Sept 30 First Qtr CRP Due Annual Chapter Audit Due
October 2008	Mon. October 13 CEC Meeting	Wed. October 15, 2008 Audio Conference <i>Results of AGA's Research on Performance Based Management reporting</i> 2 CPE		
November 2008	Tues. November 18 CEC Meeting	Wed. November 12, 2008 Audio Conference <i>Internal Controls</i> 2 CPE	Buy gifts for Salvation Army Angel Tree Angels	
December 2008	Mon. December 8 CEC Meeting	Wed. December 10, 2008 Audio Conference <i>21st Century Financial Managers: New Mix of Skills & Education Levels</i> 2 CPE		Dec 31 Second Qtr CRP Due
January 2009	Mon. January 21 CEC Meeting	Wed. January 21, 2009 <i>How XBRL Can Enable Improved Financial & Performance Reporting</i> 2 CPE		
February 2009	Thur. February 9 CEC Meeting	Wed. February 11, 2009 Audio Conference <i>Fraud</i> 2 CPE	Attend the Tarrant Area Food Bank's Empty Bowls event	
March 2009	Thur. March 11 CEC Meeting	Wed. March 11, 2009 Audio Conference <i>Internal Controls</i> 2 CPE		Mar 31 Third Qtr CRP Due
April 2009	Thur. April 6 CEC Meeting	Wed. April 8, 2009 Audio Conference <i>The Future of Auditing</i> 2 CPE	Sell soft drinks at MayFest	Chapter Officer Elections
May 2009	Thur. May ? CEC Meeting Welcome new Officers	Wed. May 9, 2009 Audio Conference <i>Ethics</i> 2 CPE	Donate prizes to the Junk Yard Dog Golf Tournament.	May 31 Fourth Qtr CRP Due

CEC Meetings: at 5:00 p.m. Meadowbrook Public Library, 2800 Stark St., in East Fort Worth, TX 76112

Chapter Meetings: See Audio Conference location below

Audio Conferences: Fritz G. Lanham Federal Bldg, 5th Floor (GSA), Suite 5A32E

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	helenebaker@us.army.mil