

Chapter Year 2008-09

November 2008



<http://www.agafortworth.org>

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

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 "Cowtownner" the Fort Worth AGA's newsletter. I hope you all had a great Thanksgiving with family and friends.

We have a new monthly article written by our Southwest Regional Vice President, Helene Baker. Check out her comments from various national sources.

I have included minutes from the November Chapter Executive (CEC) meeting and our November audio conference chapter meeting. An article on the upcoming December 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
Chapter President
2008-2009 Chapter Year

AGA-Fort Worth Chapter CEC Meeting November 18, 2008

The Chapter Executive Committee (CEC) met at 5:00 p.m. on Wednesday, November 18, 2008 at the Meadowbrook Public Library, 2800 Stark St., in East Fort Worth, TX 76112. Attendees were: Bob Kanaga (President) and Lakshmi Krishnamurthy (Co-Treasurer). Willie Hunter (Co-Treasurer) gave us his proxy. Shad Sanders did not attend the meeting.

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

1. Treasurer Discussion. A \$125 Membership Scholarship check had been received from National AGA for \$125 to help us with Membership activities. In October the CEC approved using \$25 for any non-members who sign up to become Fort Worth AGA members. Two non members asked to

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use the Membership Scholarship of \$25 in November. Babette Haines from GSA, who recently moved here from New Orleans, LA asked to join. She showed us confirmation that she signed up on line and paid \$95 dues. A check for \$25 was written by our Treasurer and mailed as a refund to Ms. Haines. Also, Mr. Jose Aaron from SBA turned in his AGA application and a check for \$75 (\$5 extra to be a Dallas Chapter member too) We wrote a check for \$25 to AGA National to complete his dues. [Welcome Babette and Jose as new Fort Worth Chapter members.](#) In other Treasurer news, we are expecting a check from National AGA which will be the re-issue of two expired National AGA checks we had in our possession. Co-Treasurer Lakshmi Krishnamurthy has mailed the expired checks to National AGA with a request for their replacement.

2. Membership Discussion. It was reported that two new members have signed up using the \$25 incentive scholarship funds. [Welcome Babette and Jose as new Fort Worth Chapter members.](#) The Chapter will gain five new members for the use of the special membership activity money in this manner.

3. Chapter Survey. It was discussed and approved that the Chapter send out a survey to members to check on current interest in AGA Chapter activities. It was suggested that emphasis be placed on how the Chapter is providing 18 hours of FREE CPE to members through Audio Conferences this Chapter Year. This action item has not been accomplished to date.

4. Assistance to El Paso Chapter. The “Welcome to AGA” note and check for the newly formed El Paso Chapter of AGA was written today and mailed to: El Paso AGA Chapter, PO Box 26483, El Paso, TX 79926. Kathy Hightower from DCAA is one contact for the new Chapter at (915) 534-6215 Ext. 24.

Our next Chapter CEC Meeting will be Monday, December 8 at 5 p.m. at the Meadowbrook Public Library.

Our meeting ended at 5:45 p.m.

Bob Kanaga
Chapter President

Message from Regional Vice President, Helene Baker
November 2008

Mark-to-Market – Is this a Global Cause of Current Economy Crisis?

One first needs the definition of the mark-to-market under the Financial Accounting Standard 157 that became effective for financial statements issued for fiscal years beginning after November 15, 2007 and interim periods within those years. This is a fair value accounting standard of rewriting pronouncements from various authorities with varying interpretations to improve consistency in application of generally accepted accounting principles (GAAP), once Federal Accounting Standard Board concluded that fair-value is a relevant measurement attribute.

So where is the definition of these various authorities and interpretations incorporated into the mark-to-market? The market sale at the time of commodity transactions on the open market is what revalues the corporate stock. So whether your book value is lower and you make a substantial gain on a sale of a stock instead of recognizing a capital gain you now adjust your financial statement showing the fair value at the current sale. You can easily see where ‘financial statements’ in today’s market is significantly ‘overstated’ following this rule. Multiply this by the current state of the economy globally and all transactions that cause ‘overstatements’ of book values increases investors risk in purchasing of corporate stocks worldwide. There has not been a reversal of this mark-to-market rule to readjust financial statements to book values with the downturn of the economy and investors pulling out of the market, cashing in their stocks at reduced values. To reverse the rule in a downward spiral of the market would even cause a greater crisis. Only until the stabilization of the stock markets and the proper book

valuation begins to occur can there be a correct application of the mark-to-market rule. Solutions are not as simple as making and improving consistency across 'global' markets that have varying applications through these interpretations. What was beneficial to the 'global' market when the market was on an upward turn was that even though book values were low the increase in value of stock was attractive to all investors increasing purchases and sales of 'overvalued' stock options where right investors made substantial monetary gains. When the market began to correct itself the downward spiral began where regular investors were affected by right sizing book values. In answering the question on mark-to-market "Is this global cause of current economy crisis?" One would venture to first say 'yes' with a retake to say 'no' and that it was the cause of 'greed' of the speculative market that was the greater cause.

Here are some interesting reading materials current on the subject:

[Fair-value Accounting: Dead or on Life Support? http://www.theiaa.org/guidance/global-financial-crisis/editorial/](http://www.theiaa.org/guidance/global-financial-crisis/editorial/)

November & December Community Service Activity



For November and December our chapter participated in the Salvation Army's "Angle Tree" Program. AGA Members Paul O'Connor, Lakshmi Krishnamurthy, and Bob Kanaga each volunteered to fill an Angel Tree "Angel's" wish list. The gifts were collected (see photo above) on November 25th and turned in to the Salvation Army on November 26, 2008. We will report 150 points for our involvement in this event.

Ever wanted to be a different kind of "Secret Shopper"? AGA Member Lakshmi Krishnamurthy is a Fort Worth Public Library secret shopper. She drops in on her assigned library location unannounced and checks on its operation. Lakshmi spends two hours a month doing this and started in June 2008. She has earned the chapter 25 points for every hour of volunteer time. For her effort from June through December she will have earned 350 Community Service points which will be reported in the December 31, 2008 Chapter Recognition Report.

November 12, 2008

Audio Conference on Understanding the Importance of Soft Controls in Improving Operations

We conducted the November audio conference on understanding the importance of soft controls in improving operations. We had eight members and two non-members present.

We heard an overview from Mark B. Mitchell, MBA, CGFM, CIA, Director of Internal Audit from the New York State Energy Research and Development Authority which included comments on:

What are Soft Controls?; Why Do Soft Controls Matter?; Evaluating Soft Controls (Key Elements of Improving Operations); Soft Controls (A New View); and GAO's Mode; of Strategic Human Capital Management.

Next we heard an overview from Michael L. Piazzia, MBA, Director of Program Development and Training for the Institute of Internal Controls, which included comments on:

Controls as a Motivator; Review of Maslow's Hierarchy of Needs Motivation Concepts; Comments on Components of Internal Control (Control Environment, Risk Assessment, Control Activities, Information and Communication, and Monitoring).

Learning Objectives were: We discovered why "soft controls" may be a misnomer and we explored the concept of "behavioral controls" as a better way to detect and prevent the opportunity for fraud to occur.

Next Month's Training -- December 10, 2008

21st Century Financial Managers: A New Mix of Skills and Education Levels

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 audio conference that addresses the question: Is there a talent crisis looming in government financial management?

Do government agencies now require or will they require a financial work force with a new set and mix of competencies to work effectively in the 21st century? Is there increased demand for people with more analytical and decision-support capabilities? Learn about the results of an AGA-sponsored research study and what colleges are doing to prepare students for the work force of the future. Hear about the ongoing challenges of recruitment and retention at all levels of government and how inadequate work force planning can negatively impact an operation. Learn what the drivers are of these work force changes.

To share their practical and educational experiences is John J. Radford, CGFM, CIA, CFE, Controller, State of Oregon, Member of the AGA National Executive Committee; Kenneth Smith, Ph.D., Professor, Arkinson Graduate of Management, Willamette University; and John D. Webster, CGFM, CPA, Former Chief Financial Officer, Library of Congress, Chair of the AGA Audit Committee.

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, December 10, 2008

Location: Fritz G. Lanham Federal Building, 819 Taylor Street, Room 5A30E South (5th Floor, GSA Area), Fort Worth, TX 76102

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

Learning Objectives: To understand the need for a new mix of skills and competencies in the government financial management work force arena.

Prerequisite: Some familiarity with work force issues

Advance Prep: None required

CPE: Two credit hours

Field of Study: Human Resource Management

Treasurer's Report

Bank balance as of October 31, 2008 is \$6,547.99.

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

Chapter Recognition Points as of September 2008
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Points earned through September 2008 are 3,975 Points

Next Chapter Recognition Report due December 31, 2008.

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	Thur. July 12 CEC Meeting held by phone	Discussed Chapter Revitalization with National & RVP several times.		July 15 Chapter Plans Due
August 2008	Thur. 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	Thur. 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	Thur. 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	Thur. 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	Thur. 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	Thur. January ? CEC Meeting	Wed. January 21, 2009 <i>How XBRL Can Enable Improved Financial & Performance Reporting</i> 2 CPE		
February 2009	Thur. February ? 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 ? CEC Meeting	Wed. March 11, 2009 Audio Conference <i>Internal Controls</i> 2 CPE		Mar 31 Third Qtr CRP Due
April 2009	Thur. April ? CEC Meeting	Wed. April 8, 2009 Audio Conference <i>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@satx.rr.com