



**Association of
Government Accountants**
Denver Chapter

www.denveraga.org



March 2008

From the President . . .

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March 17, 2008

Happy St. Patrick's Day to everyone! I hope you all took a few minutes to celebrate, whether you are Irish or not. When I lived in Chicago, this was a really big day to at least pretend you were Irish. You could take a little longer lunch and be a little more sociable with your workmates than usual. Of course, accountants have a reputation of being less social than other workers. But, I think that is an unjust accusation these days. Most of the accountants I meet now have a pretty well-developed sense of humor.

This leads into the first subject I want to address in this letter. As accountants, auditors and finance professionals we are often the ones in our organization who look for, find and deal with the problems. Then, we are often the ones to deliver the message that requires someone to take action that they otherwise would not want to do. The burden can be heavy and some people leave our field because they can't keep the work in perspective.

AGA's mission is to serve professionals in the government financial management community, by providing quality education, fostering professional development and certification, and supporting standards and research to advance government accountability.

FROM THE PRESIDENT (CONTINUED):

I am encouraging you all to keep your work and life in perspective. Peter Senge said that “we often spend so much time coping with problems along our path that we only have a dim or even inaccurate view of what is really important to us.”

***Denver Chapter
Professional Development
Conference
May 14-15, 2008***

Details on page 6

So, my message to you is to remember to try to keep an accurate view of what is really important to you in your work and in your personal life. The problems will seem smaller and your satisfaction in all things will be greater.

The second subject is the **Professional Development Conference** that our Chapter is presenting on **May 14th and 15th**. Many people have been working very hard to make sure that this will be a very relevant and informative two days for those of you who attend. I am encouraging you to mark the dates on your calendar and to register to attend. We want everyone to get as much valuable information as possible during the conference. We want you to leave with lots of new ideas and inspiration. We owe it to ourselves and to those with whom we work to continue to grow in our profession.

“If you have an apple and I have an apple, and we exchange these apples, then you and I will each have one apple. But, if you have an idea and I have an idea, and we exchange these ideas, they you and I will each have two ideas.” – George Bernard Shaw

I look forward to seeing you all at the lunchtime CPE Teleconference on March 26 and at the Professional Development Conference in May.

Doug Griffin
President-Denver AGA



The January 2008 newsletter contained the first installment of updates from the new Board members and Directors we have in the AGA Denver Chapter. This newsletter contains brief updates from each of the additional Directors on activities in their respective areas. Please find a complete listing of all Board members and Directors on the final page of the newsletter.

From the Directors (Part 2)

(See January 2008 Newsletter for Part 1)

Jennifer Leone, Director of Awards

Acknowledging a Generation of Excellence and Achievement

Do you know someone who works with local volunteer groups in their spare time, someone who is getting the younger generation of people interested in working in accounting, financing, or the government in general, or someone who has taken the initiative to fill a role recently left vacant by a sudden departure? Then we want to hear about it.

My name is Jennifer Leone and I joined AGA in February of 2008 as the director of awards. I am a recent graduate from Colorado State University, and I currently enjoy working in the government and learning about the different facets of our work. This year, I have worked with other members of AGA to develop a new set of award categories acknowledging the efforts of our members. The awards ceremony will be held May 14th during the Professional Development Conference (PDC) event and we are looking forward to your involvement.

Please see a description of the **Awards Program** and how to submit nominations on page 7 of this newsletter. If you know of any one or group who fits the description provided in these categories please send us your nomination. All nominations have to be submitted to leonej@gao.gov by **COB April 9th 2008**.

We are looking to get nominations from people like you, and I hope that you will honor us and your fellow AGA members with your presence at the PDC event in May. 303-572-7346, leonej@gao.gov.

Cheryl R. Thomason, Director of Education

As the new Director of Education, I am very excited about our upcoming PDC and future training opportunities. Please let me know if there are specific topics you would like to see presented as training. I encourage you to attend the monthly

From the Directors, Con't.

luncheons, they are a great way to keep informed and learn more about what's happening in financial management, not to mention an easy and inexpensive way to earn CPEs. You can contact me at: 303-969-7377 or Cheryl_R_Thomason@nbc.gov or crt0604@comcast.net.

Eric Johnson, Director of Emerging Issues

As the Emerging Issues Director, I will identify issues of interest and bring them to the attention of our membership. The national AGA website alone has a wealth of information on government financial management and accountability, and I plan on using our newsletter as a way of highlighting current "hot topics" and providing links to where our members can read about these issues in more depth. If you have any suggestions for topics I should cover, please contact me at 303-869-2800 or eric.johnson@state.co.us.

Michelle Dimodica, Director of Membership

As the Director of Membership, I'm responsible for recruiting new members, handling their questions and membership applications, and encouraging their participation in AGA activities. I'm also responsible for helping to retain our existing members. Over the past few years, the Denver Chapter has seen its membership gradually decline. As of March 31, 2005, we had approximately 200 members, and this number dropped to 187 members as of February 11, 2008. Of course this raises the obvious questions of why are we losing members and what can we do to restore our membership to past levels and perhaps surpass those levels. I am working to identify and invite new members into our chapter. In the future, I will also develop a more formal recruitment and retention plan. However, membership is an area where we can all participate, and I encourage and challenge each of you to invite a friend or colleague to join AGA. Our goal is to have 10% growth through new members, and that means we would like to add 18 new members to our chapter this year. I would appreciate any leads or ideas you might have. I can be reached at (303)265-7851 or Michelle.Dimodica@cliftoncpa.com.

LaVerle Kepler, Director of Publicity

Hi everyone. I'm the new publicity director for the Denver AGA Chapter. Our chapter has been without a person in this position for quite some time, so I need help from all of you to get it up and running again.

From the Directors, Con't.

LaVerle Kepler, Director of Publicity, con't.

The Board has requested that our chapter get a list of places (e.g. newspapers, TV, etc.) where we can announce our monthly AGA teleconferences and, more importantly, our May PDC, using as few club dollars as possible. Do you belong to any other professional organization with a CPE or training requirement and does it have a newsletter that may let us place announcements? Do you live in a suburb of Denver that may have a free newspaper with a community calendar? Do any of you have contacts with local radio, television, or newspaper that we may use? Any information you provide would really help our chapter right now.

If you know of any type of media that accepts announcements of this type for free or for a minimum charge, please contact me as soon as possible. My e-mail address is jlkdenvr@msn.com and my phone number is 303-989-2173 (leave a message). We'd especially like to get the news out about our May PDC so we can get a good attendance.

Tiffany Epperson, Director of Recognition

In my role as the Director of Recognition, it has been an honor working with the AGA Denver Chapter. The members of the Chapter have been busy planning our upcoming Professional Development Conference, which we are anticipating being a great success! We are eagerly working to recruit more members as we continue to grow. Please remember to provide me with the activities you have conducted in order to make our Chapter more visible in the 2007-2008 Chapter Recognition Program. I can be reached at 303-572-7340 or eppersont@gao.gov.

AGA Denver Chapter Financial Update

Income Statement

September 1, 2007 through February 29, 2008

Revenue	\$ 3,863.00
Expenses – Monthly Meetings	\$(6,407.85)
Expenses – Scholarships, Misc.	<u>\$(2,281.30)</u>
Net Loss	\$(4,826.15)

Bank Balance as of February 29, 2008: \$17,942.52

--Submitted by James E. Caldwell, Treasurer



16 CPE Credits
Available for
Entire Conference

22nd ANNUAL

PROFESSIONAL DEVELOPMENT CONFERENCE

*“Significant Changes in Government
Accounting, Auditing and Finance”*

May 14 and 15, 2008

Radisson Hotel – Denver Southeast

3200 South Parker Road

Aurora, Colorado 80014

(303) 695-1700

*Recipients of AGA Denver Chapter Awards
will be announced during the PDC*

Program registration forms available at www.denveraga.org

Register by April 25th, 2008 and save \$25 on your registration fee. If you will need to stay at the hotel, please contact the Radisson at 303-695-1700 or 1-888-201-1718 or www.radisson.com/auroraco. The room rate is \$84 if you make reservations by April 25th. Please be certain to tell them you are with the AGA when making your reservation. As always, we will have several exciting speakers and relevant topics. The Denver AGA 2008 PDC Planning Committee is finalizing the agenda, so look for more details coming soon on our Denver AGA website: www.denveraga.org.

AGA Denver Chapter Awards Program

The Denver Chapter has developed a new Awards Program to acknowledge the efforts and contributions of our members across a wide variety of areas. Details about the award program and a nomination form can be obtained from the Chapter website at <http://denveraga.org/AGAAwards2008.pdf>.

Nominations are due to Jennifer Leone at leonej@gao.gov by the close of business on April 9th, 2008. Awards will be announced at the PDC on May 15th.

Award categories include:

- 1) Community Leader:** This individual, group, or organization has demonstrated a deep understanding of the issues surrounding a community and is influential in his or her organization and/or in the greater community in working towards that community's betterment. Such work might revolve around culture, education, or volunteer activities.
- 2) Filling the Gap:** Some people are born as leaders and others have it trusted upon them. This individual has been called upon and demonstrates the ability to step into a position that has recently been vacated.
- 3) Generation Award:** This individual has shown a great affinity for getting the younger generation of people (ages 20-35) interested in government work particularly in the field of accounting or finance.
- 4) Eyes Toward the Future:** This individual or group has worked to identify and educate the accounting and governmental industry about emerging issues which have a profound effect on the work that we do.
- 5) Leadership:** This individual has demonstrated a deep understanding of the issues surrounding the governmental accounting community and is influential in his or her organization.
- 6) Distinguished Service:** This individual or group has demonstrated exceptionally meritorious service to the government in a duty of great responsibility.
- 7) Recognition Award:** This award is to be given to all members who have recently passed the CPA, CFE, or CGFM examinations.

Staying out of the Headlines

By: Jeremy Cockrum, CFE, CPA

Do these headlines sound familiar?

“Tab in Scam at Tax Office in D.C. Nears \$50 Million”

“A Rogue Trader Makes Unauthorized Trades That Led to \$7.1 Billion in Losses”

Certified Fraud Examiners estimate that 5% of annual revenues are lost to occupational fraud and abuse each year. In a 2006 survey of Certified Fraud Examiners, 11.5% of all occupational fraud and abuse cases reported were perpetrated in the Government and Public Administration Industry, making it the second-most common industry for occupational fraud and abuse^[1]. You can keep your organization from making the headlines as the next victim by not only understanding the environment that fosters fraud, but also by taking steps to prevent it from happening.

The Fraud Environment

For most occupational fraud to occur, three factors must be simultaneously present. These factors, commonly known as the fraud triangle, include opportunity, pressures and rationalization.

An individual is given the opportunity to commit fraud by an ineffective system of internal controls or by abuse of authority. Pressures can take many forms. For example, an individual may feel pressure because of personal debts, drug habits, or demands to meet performance metrics. Rationalization is defined as the ability to justify committing a fraud.

The following fictitious case provides a depiction of an occupational fraud that could occur due to the existence of the three factors:

Brian is the controller for the small city of Wellington. In that capacity, he has been given check-signing authority for the city’s bank account. Suddenly, Brian accumulates large medical expenses after his wife has surgery. He becomes frightened when he finds that he cannot afford to pay his wife’s medical expenses and he begins to deposit city checks into his personal bank account. He knows that he is breaking the law but convinces himself that the city owes him the money because his health insurance through the city did not pay for the surgery.

Continued on page 9

Staying out of the Headlines, con't.

Brian committed fraud against his employer because the fraud triangle was complete. Firstly, Brian's ability to sign the city's checks gave him the opportunity to commit fraud. Secondly, he felt pressure because of his inability to pay medical expenses. Finally, he rationalized the fraud by blaming the city for his medical expenses. Had the city taken preventative measures to eliminate any one of the three factors, the fraud would not have taken place.

Minimize Exposure to Occupational Fraud

In order to minimize exposure to occupational fraud an organization must decrease or eliminate at least one of the three aforementioned factors. Each organization should customize its fraud prevention efforts to its size while keeping in mind the costs and benefits of its efforts. The following are a couple examples of what any organization, big or small, may do to minimize its exposure to occupational fraud:

Segregation of Duties

Maintain proper segregation of duties within each department or by function (i.e., accounts payable) by making sure that no employee has the ability to perform more than one of the following duties: authorize transactions, maintain custody of assets, and record transactions.

Tone at the Top

Keep management involved in fraud prevention efforts and make sure to communicate to all employees that management supports the organization's fraud prevention efforts and ethics standards. For example, be sure that managers attend all fraud, and ethics-related training courses.

Internal Audits

Perform spontaneous internal audits. If the internal audit department is small, use a risk-based approach. For example, petty cash is historically prone to fraud so internal audit staff may perform a spontaneous petty cash count.

Employee Appreciation

Be sure that your employees know that they are appreciated and valued by doing such things as keeping current with performance appraisals, providing feedback, keeping employees informed and publicly recognizing accomplishments.

Please visit <http://www.acfe.com/> for more information on fraud, waste, and abuse.

[1] Association of Certified Fraud Examiners, 2006 Report to the Nation

Calendar of Spring 2008 Meetings

- March 26, 2008** **“Emerging Issues at FASAB and GASB” (audio)**
Simms Landing Restaurant, 6th & Simms, Lakewood
11:00 – 11:30 a.m. Check In; 11:30 a.m. Lunch; 12:00
to 2:00 p.m., Presentation
- April 23, 2008** **“Citizen-Centric Reporting” (audio)**
Simms Landing Restaurant, 6th & Simms, Lakewood
11:00 – 11:30 a.m. Check In; 11:30 a.m. Lunch; 12:00
to 2:00 p.m., Presentation
- May 14 & 15, 2008** **Denver AGA PDC “Significant Changes in**
Government Accounting, Auditing and Finance”
See details on page 6
- May 14, 2008** **Award Presentations (during luncheon at PDC)**

CGFM Update

March is CFGM month, so there's no time like the present for joining the thousands of other leaders in government financial management who have discovered the unique value and benefit of the CGFM designation. More than 14,000 individuals have received the CGFM.

The CGFM is the first certification to cover the whole field of government financial management--federal, state and local. It deals with measuring a wide range of knowledge and skills that a professional needs to succeed in the federal, state, or local government financial environment.

This designation is already recognized as a professional standard. Since the 2001, federal legislation authorizing federal government agencies to use appropriated funds to pay for expenses to obtain professional credentials, three agencies including the U.S. Department of Defense and twelve of its components, have issued formal professional certification policies and list the CGFM designation as one of the accepted certifications. Seven states and various local governments have formally recognized the CGFM.

Today's government financial managers must keep up with the changing times. The government financial management field will be far different tomorrow from what it is today. Having a broad knowledge and a recognized professional designation will be the way to distinguish yourself from the crowd.

Contact David O'Farrell, Chapter CGFM liaison for more information:
ofarreld@bouldercolorado.gov.

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Spring 2008 Executive Board

President	Doug Griffin	dgriffin@ix.netcom.com
President-Elect	Eric Johnson	eric.johnson@state.co.us
Vice President, PDC	Debra Clark	debraclark73@hotmail.com
Vice President, Programs Education	Gwenna Zacchini	gwenna.zacchini@dfas.mil
Vice President Communications	Sally Symanski	Sally.symanski@state.co.us
Secretary	Glen Struempf	glennon.struempf@dfas.mil
Treasurer	James Caldwell	James.Caldwell3@mms.gov
Past President	Jean Reynolds	jean.reynolds@dfas.mil

Spring 2008 Directors

Agency Coordination	Vacant	
Awards	Jennifer Leone	leonej@gao.gov
CGFM Liaison	David O'Farrell	ofarrelld@bouldercolorado.gov
Community Service	Cheri Frazell	Cheri_Frazell@fws.gov
Early Careers/Mentoring Program	Jeremy Cockrum	cockrumj@gao.gov
Education	Cheryl Thomason	Cheryl_R_Thomason@nbc.gov
Emerging Issues	Eric Johnson	eric.johnson@state.co.us
Employment	Miriam Banach	miriam.banach@dfas.mil
Membership	Michelle Dimodica	Michelle.Dimodica@cliftoncpa.com
Publicity	LaVerle Kepler	jlkdenver@msn.com
Recognition	Tiffany Epperson	eppersont@gao.gov
Scholarships	Debra Haynes	Debra.Haynes@denvergov.org
Student Liaison	Vacant	
Webmaster	Karl Greve	kgreve@copera.org