

Association of Government Accountants Denver Chapter

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From the President.....

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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.

Doug Griffin
AGA Denver Chapter President

**Do you know where you are?
Do you know where you are going?**

A man flying in a hot air balloon realizes that he is lost. He reduces his altitude and spots a man in a field down below. He lowers the balloon further and shouts, "Excuse me, can you tell me where I am?"

The man below says, "Yes, you're in a hot air balloon, about 30 feet above this field."

"You must be an engineer," says the balloonist.

"I am. How did you know?"

"Everything you told me is technically correct, but it's of no use to anyone."

The man below says, "You must be in management."

"I am" says the man in the balloon. "But, how did you know?"

The man below answered, "You don't know where you are, or where you are going, but you expect me to be able to help. You're in the same position you were before we met, but now it's my fault."

Knowing where you are and knowing where you are going in your career is extremely important for everyone, no matter whether you are just starting out, are in mid-career, or nearing the end of your career. The joke above makes fun of managers for not knowing where they are or where they are going and then blaming someone else for their situation.

It is often said that if we don't know where we are going, how will we know when we get there? However, it is very helpful in figuring where you want to go, if you know where you are. The real question is a combination of "where am I?" "where to I want to go,?" and "how do I get there from here?"

President's Message (Continued)

career counselors ask people what they want to do, and they work with them to plan how to achieve their goal. The first question should be, "Tell me everything about your present job...your likes, dislikes, successes, frustrations, opportunities, and all other negatives and positives." The second question should be, "Articulate your values, both work and personal, and tell me where your present job and present organization match or conflict with your values." If we don't know where we are, how can we make an informed decision about going somewhere else? Now, we have to learn about the options. How can we know where we are if we don't know what is around us?

We can easily get caught up in the "grass is greener on the other side of the fence" mentality. I am reminded of the sheep that squeezed through a fence to graze on the long green grass in the next field, only to have to be rescued when he sunk up to his chest in the muck that was the reason the grass was so green.

Don't get me wrong! I am all for changing jobs or even careers when it is right for you. I have certainly done it many times. I often tell people, "Don't run from a job. Run to a job. Otherwise you may have to change jobs again very soon." I have made this mistake.

How do you find out where you are and what kinds of career opportunities are out there? One proven way is to attend professional development conferences to learn all you can about your career and other careers. Just as important is to meet people who are in your career and other similar careers and ask them questions.

One of the easiest ways of doing this is by attending the AGA professional development conferences and local meetings. Many years ago, when I was a criminal investigator, I saw a flyer for the AGA National Professional Development Conference in Boston. The seminars sounded pretty interesting. I was not a CPA then. I don't know how I talked my agency into sending me. But, I did.

The conference was one of the most professional I had ever attended, and the content of the seminars was outstanding. I decided to join AGA then, and I never let my membership lapse, even when I spent many years away from government. This year the National PDC was in Atlanta from July 27 – 30. Next year's PDC will be June 21-24, 2009, in New Orleans. If you can attend, I strongly urge you to do so. The link to get more information is <https://members.agacgfm.org/source/security/member-logout.cfm?origin=meetings>.

If you can't attend the National PDC, how about attending the next Denver Chapter lunch seminar; you won't regret it. You will receive email notices of these meetings when they begin in September.

Oh, if you want to talk to me about career decisions, I will be glad to share my observations. I have been, in this order: Jr. H.S. Math Teacher, Marine Officer, H.S. Teacher of Government, Economics and Reading Development, SBA OIG Investigator, DOL Investigator and Manager, Loss Prevention Manager/Financial Investigations Manager/Due-Diligence for Commercial Lending Manager for an International Bank, CPA in an Accounting Firm, Director of Sales to Financial Institutions for a Small International Software Company, Owner of a Software Company, and, for the past 5 years, Manager of Investigators for DOL. For the past 12 years I have taught the Becker CPA Review as well. I am exhausted just thinking about it.

Would I have done things differently? "Yes!" But, we don't get many "do-overs" in life. Each choice we make is the right one at the time we make it, based on what we know at the time. Wouldn't it make sense to know more when you make a career or life choice? Attend a PDC and expand your knowledge.

Hope to see you at a Denver AGA seminar soon!
Doug



Report on National AGA Professional Development Conference in Atlanta, GA

By: *Eric Johnson,*
President-Elect of Denver AGA Chapter
Colorado Office of the State Auditor

Several members of the Denver chapter attended AGA's national Professional Development Conference in Atlanta during the last week of July. The conference, whose theme was "Shaping a Culture of Accountability," offered 24 CPE and featured over 80 sessions covering topics such as accounting, auditing, finance, ethics, and personal development. In addition, the conference included chapter development sessions on education, membership, and the CGFM exam that we plan to use in improving our chapter's programs.

Highlights of the conference included keynote speeches by David Walker, Andrew Young, Bernice King, and Ernest Almonte. Mr. Walker, former Comptroller General of the United States and now President and CEO of the Peter G. Peterson Foundation, vividly described the fiscal crisis facing our country in areas such as budget deficits and entitlement spending and challenged us to pressure our leaders to take action so that "the pain associated with doing nothing (is) greater than the pain of doing something." Mr. Young, civil rights leader and former mayor of Atlanta and U.S. representative to the U.N., inspired attendees with a message of unity and hope that focused on illustrating how great things can be achieved when people work together.

Ms. King, ordained minister and daughter of Martin Luther King, Jr., told attendees that creating a culture of accountability involves taking risks that show we are more concerned about our character and integrity than about whether we might lose our jobs if we do the right thing. Finally, Mr. Almonte, Rhode Island's Auditor General and the first government accountant to become President of the AICPA, stressed his office's core values of integrity, reliability, independence, and accountability as he talked about the challenges facing our profession.

In addition to these wonderful speakers and the informative training sessions, attendees enjoyed numerous opportunities to socialize and network with both old and new friends and to see nearby attractions such as the Georgia Aquarium, Olympic Centennial Park, and the World of Coca-Cola. It was a great experience!

Next year's national PDC will be in New Orleans from June 21-24, 2009. The theme will be "Jazzing It Up: Best Practices in Government Accountability." As they said in Atlanta, hope to see y'all there!

AGA DENVER CHAPTER FINANCIAL SUMMARY

SEPTEMBER 1, 2007 THROUGH JUNE 30, 2008

GENERAL REVENUE	\$	6,129.40
EXPENSES-MONTHLY MEETINGS	\$	(7,409.43)
EXPENSES-SCHOLARSHIPS, MISC.	\$	(5,893.59)
GENERAL NET INCOME (LOSS)	\$	<u>(7,173.62)</u>
PDC REVENUE	\$	20,225.00
PDC EXPENSES	\$	(7,929.62)
	\$	<u>12,295.38</u>
TOTAL NET INCOME(LOSS)	\$	5,121.76

BANK BALANCE AS OF JUNE 30, 2008: \$25,197.91

I overheard comments at our December 2007 monthly meeting that we may as well cancel the PDC for the spring of 2008, our 25th anniversary, and hope the future would hold something better for our Chapter. Many disagreed, and our April 2008 Denver Chapter PDC was one of the most successful we've ever had. We finished the year with a solid bank balance and adequate funding for the Chapter to continue its mission in the year ahead. So from your outgoing Treasurer, I say give yourselves a well deserved pat on the back for a job well done and may you have continued success in the future.

Submitted by James E. Caldwell, 2007-2008 Treasurer

Four Keys to Completing the CGFM

By: Amy Abbott, CGFM, CFE

AGA Nashville Chapter

I was very happy to complete the CGFM examination process last year. Hopefully, some thoughts from my experience will help you to complete the process as well.

Commitment

The first and foremost requirement to pass the exam is commitment—this process will take a commitment on your part. The best way I found to make that commitment was to schedule a test for a future date, giving myself a goal to work toward. I decided to schedule all three exams over a period of four months; this gave me a target to work toward for each exam. For me, finding a place to study was also very crucial. If I am at home, there are too many things that serve as a distraction. I made the commitment to spend time studying at the library and I found it easier to concentrate and focus in that type of environment. Setting aside a designated time each week to study may also help you make a commitment that you can live with. The bottom line is find a time and place that work for you, come up with a schedule, and stick to it!

Guide

The study guides that have been developed by AGA are very helpful. However, for my own personal learning, I developed outlines that helped me focus on the main topics and principles described in the study guides. I found that if I spent too much time on the examples and case studies in the study guides, I might lose focus on the main principles. If you understand the main concepts and principles in the guide, you should be able to apply that to any situation given on the exam. I also highly recommend using the chapter review quizzes that are at the end of each section; these will help you apply the principles and concepts that are in the text in a way you will have to do for the actual exam. Exams 1 and 3 also offer a true/false test, which I found to be another helpful study tool. The glossary in the back of each study guide will help you learn the terminology and are great to review before taking the exam. I also recommend highlighting main topics and concepts in the study guide—this will be helpful when you review the material and will help you focus on the main ideas rather than re-reading the entire text. Everyone learns differently so there are lots of different approaches. Find the way that works best for you. If outlines are helpful to you, I would definitely recommend developing one—or contact me and I'll be glad to share mine with you.

Focus

I studied and took the exams in numerical order. I found this helpful because some of the information on Exam 1 was repeated on Exam 2 and some information on Exam 2 helped me understand material on Exam 3. I don't think taking the exams in numerical order is necessary for success. If there is an area you feel particularly strong in, maybe you will want to take that exam first to build your confidence. The main point is to decide on an order that will work best for you and focus your attention on taking the tests in that order. Concentrating on one exam at a time will help you focus your efforts on the material that is necessary to pass that exam. Developing a study guide will also help you focus your attention on the material that you need to understand and know for each exam.

Motivation

Everyone has a reason for wanting to take this certification. You have to find what will motivate you to start and complete the process. Maybe your office offers a salary increase for certifications or maybe you will be more likely to receive a promotion with a certification—or maybe you want to have the certification for your own personal development. Whatever your reason, find out what motivates you and use it to help you successfully complete the process.

I hope these thoughts will help you be successful in obtaining the CGFM. If I can be of any help, please feel free to contact me at amy.abbott@state.tn.us.

Choosing A Sampling Method

By: Sefton Boyars, CPA, CGFM

Be careful when choosing a sampling method! Too often, we select an audit sample casually, without thinking through the implications and what we will do with the results. The first mistake often occurs before we draw a sample at all. Internal controls come first!

Before thinking about sampling, we should have assessed internal controls. We should expect that the sample will corroborate our conclusions regarding the area under audit.

In general, if we consider the internal controls as strong, we would draw a sample just to ensure that the procedures were actually implemented and are working as we anticipate. If the sample confirms our original conclusions, little more needs to be done. Either a judgmental or a random sample will usually work in this instance.

On the other hand, if we conclude that internal controls are weak, we will have to draw a larger sample. (This ties in to the model of audit risk. That is, when control risk is high, we need to compensate with more testing.) The chances of problems increase with a poor internal control system. Fortunately, some organizations have diligent, honest employees who try to do the right thing even though there are gaps in the controls. In those cases, even the poor internal controls will not result in significant deficiencies. When internal controls are poor, think twice about what type of sample to draw.

Statistical sampling:

A statistical sample can provide a valid, defensible, picture of the entire universe. Unfortunately, that virtue comes at a cost. Such samples tend to be larger than we would like, and the resulting projections may have wide confidence limits. That is, we may not be very sure that the projection is close to the actual number in the universe.

Judgmental sampling:

As an alternative to a statistical sample, we can select a judgmental sample. In a judgmental sample, we select cases for a particular reason. Often, we select cases because we believe they may have a higher than normal likelihood of having deficiencies. Sometimes we just select the largest items.

Regardless of the reasons for selection, we can draw no conclusions about the cases we did not examine. If, for example, we selected items we thought were likely to have deficiencies, we could not in fairness project the results from those transactions to items we did not expect to have deficiencies. Similarly, we cannot assume that smaller items will have the same type or proportion of errors as the larger items.

Statistical sampling may not always be best. I required my staff to explain the rationale for their samples. I wanted to know how they would select the items for testing and how they planned to use the results. Generally, my default was a statistical sample. An auditor rarely had a difficult time convincing me that a statistical sample was the best way to go. But that was not universally true.

We know that when we plot accounting data, it rarely forms the classic bell curve. Rather it is skewed significantly to the left. The vast majority of transactions are small in amount, and a few large items often comprise a large percentage of the total amount in the universe. For that reason, it is often advantageous to select a sample of large items. Imagine, for instance, that we could draw a definitive conclusion about 90% of the total universe by examining just 8% of the transactions (not that far-fetched a possibility). If that were the case, it would be far more efficient to select that sample than review a statistical sample.

Choosing a Sampling Method, con't

Haphazard sampling:

The poorest samples were those that auditors called judgmental samples, but could not explain why they picked the items they did. They just “grabbed a few cases.” To me, this was not a judgmental sample. After all, there was no judgment. I referred to them as haphazard samples. They were the worst of all worlds. We could not draw any overall opinion about the universe. We knew the results of our tests, but we had little knowledge of how the items in our test related to the universe. As a result, our hard work gave us little information on which to draw audit conclusions.

Record your selection method in the audit program. In summary, select those samples with forethought. Know how you will select sample items and how to plan to use the results of your tests. Record those thoughts in your audit program. The program is more likely to meet the audit planning standard, and will help you achieve a successful audit.

Sefton Boyars was the Regional Inspector General for Audit for the U.S. Department of Education. He retired in 1996 after a 35-year career as a government auditor and audit manager. In his retirement, he presents continuing education courses for a variety of organizations, including federal, state and local governmental organizations, AGA and IIA chapters.

Stay Tuned for Upcoming Training Announcements

The Denver Chapter Officers and Directors are in the process of finalizing the training program for the 2008-2009 year, with the intent to begin the monthly luncheon CPE series again in September. A flyer will be sent out to all Denver Chapter members in advance of the September luncheon meeting, and we look forward to seeing as many members as possible there to start off the new program year.

The September newsletter will contain information about upcoming training opportunities for several months in advance.

Elected Officer Positions

	Name	Office	email
PRESIDENT	Doug Griffin	DOL	dgriffin@ix.netcom.com 720-264-3235
PRES-ELECT	Eric Johnson	CO State Auditor's Office	eric.johnson@state.co.us 303-869-2854
VP-PDC	Debra Clark		debraclark73@hotmail.com 303-437-9199
VP-COMMUNICATIONS	Sally Symanski	CO State Auditor's Office	Sally_Symanski@state.co.us 303-869-2800
VP-PROGRAMS	Gwenna Zacchini	DOI-MMS	Gwenna.Zacchini@mms.gov 303-231-3513
SECRETARY	Gail Bruce	WAPA	gbruce@wapa.gov 720-962-7481
TREASURER	Cheryl Thomason	NBC	Cheryl_R_Thomason@nbc.gov 303-969-7377

Appointed Board Positions

DIR- AWARDS	Jennifer Leone	GAO	leonej@gao.gov 303-572-7346
DIR- CGFM PROGRAMS	David O'Farrell	Boulder	ofarrelld@bouldercolorado.gov 303-441-3871
DIR- COMMUNITY SERVICE	Cheri Frazell	DOI-FWS	Cheri_Frazell@fws.gov 303-984-6845
DIR- EARLY CAREERS	Jeremy Cockrum	GAO	cockrumj@gao.gov 303-572-7342
DIR- EDUCATION	Pat Nelson	NBC	Pat_Nelson@nbc.gov 303-969-5419
DIR- EMERGING ISSUES	James Herbic	DoD OIG	james.herbic@dodig.mil 303- 676-3280
DIR- MEMBERSHIP	Michelle Dimodica	Clifton Gunderson CPA	Michelle.Dimodica@cliftoncpa.com 303-241-3522
DIR-PUBLICITY	Laverle Kepler	NBC	laverle_e_kepler@nbc.gov 303-969-5327
DIR-RECOGNITION	Tiffany Epperson	GAO	eppersont@gao.gov 303-572-7340
DIR-SCHOLARSHIPS	Debra Haynes	City/County of Denver	Debra.Haynes@ci.denver.co.us 720-913-6336
DIR-EMPLOYMENT	Miriam Banach	DOI-MMS	miriam.banach@mms.gov 303-231-3231
DIR-AGENCY COORDINATION	Jennifer Leone	GAO	leonej@gao.gov 303-572-7346
DIR-INTERGOV. RELATIONS	Brad Gunther	City/County of Denver	Brad.Gunther@Denvergov.org 303-446-3493
Webmaster	Karl Greve	Colorado PERA	kgreve@copera.org 303-837-6218

Other Leadership Members

Regional Vice President	Karla GomezMeyer	City/County of Denver	Karla.Gomez-Meyer@ci.denver.co.us 720-913-1544
Regional Vice President Elect	Glen Struempff	DFAS	Glennon.Struempff@dfas.mil 303-676-7264
Past National President	Jeff Hart	EPA	Hart.Jeff@epamail.epa.gov 303-312-6169