



Nashville Notes

March 2004

Volume 26, Number 7

President's Message

It's hard to believe that we are at that point in the AGA Nashville Chapter year when we are planning for next year. It seems as if we just nominated officers and CEC members and formed committees for 2003/2004; we are now making nominations for 2004/2005.

Raise your hand if you have extra time and are looking for something to do? The natural response for most of us when we are asked to accept an additional responsibility is to say, "I don't have time for that." We know how busy we are with work, family and other matters and think that there is no way we can fit one more thing into our schedules.

I'll admit, when I was first asked to be President, I had the same reaction. But once I thought about it for a little while, I started to get excited. What a wonderful opportunity to lead such a successful group and help continue the legacy of our Chapter! My past experience with the Chapter had shown me the willingness of members to participate in the leadership, so I knew that I would have plenty of support in making sure that our activities continued. We are fortunate to have a Chapter full of ACTIVE members who are willing to help out and serve with their talents where needed.

And isn't it amazing that when we do assume something new in our lives, everything else seems to naturally shift to make room for it. I've had the added experience of serving as President, and I can honestly say that nothing else has suffered for it.

So as we make plans for 2004/2005, if

you are asked to be an Officer, a CEC Member, a Committee Chair or a Committee Member, I hope you will look at the potential reward instead of the cost. It is gratifying to be a part of the leadership of the AGA Nashville Chapter. Each of you has the same opportunity; I hope you will take advantage of it.

Chapter Recognition Points YTD

(through February 17, 2004)

Leadership	2,900
Education	6,000
Certification	3,175
Communication	4,550
Membership	325
Community Service	2,800
Awards	1,200
Total Points YTD	20,950
Chapter Goal	10,000



The image shows a television set displaying a slide with the title "Welcome New Member" and the name "Lynn Wright" followed by "Metro Finance".

CHAPTER MEETING

Thursday
March 18, 2004

Speaker:
Mark Coffey

Deborah Davis, AGA South-eastern Regional Vice President, will also be in attendance.

11:30 a.m. - Cumberland Club
COST: \$8.00 per member

Make your luncheon reservation online at
<http://www.nashvilleaga.org>.

If necessary you may call

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News from National

Training for Government Financial Managers

You are aware of the courses that have been developed for the CGFM training program. However, did you know that the same courses can be used for training government financial managers?

The courses would be of considerable benefit to the following professionals:

- Individuals who are just beginning their career in government;
- Program managers, budgeters, accountants, auditors, and controllers; and
- Government consultants.

Course 1 - Governmental Environment - provides education on the environment in which they will work, including how governments are structured and organized, the legal aspects of governments, the management cycle and how the components are related and interrelated, how governments are financed, public accountability, ethics, and various financial management responsibilities and skills.

Course 2 - Governmental Accounting, Financial Reporting and Budgeting - provides education on governmental accounting, financial reporting, and budgeting including influences, objectives, and standards setting; general principles of accounting; cost accounting and performance reporting; budgeting; accounting and reporting for state and local governments; and federal budgeting and financial reporting.

Course 3 - Governmental Financial Management and Control - provides education on government financial management and controls, including internal controls, auditing, performance management and reporting, financial and managerial analysis techniques, cash management, investment management, credit management, procurement management, inventory and supply management, and financial management systems.

Naturally, we would like to see attendees pursue the CGFM certification after they have completed the courses. It could be

a very beneficial step for their career and a great way to apply the knowledge learned in class!

AGA can arrange to bring the training to your Chapter. Contact Pete Rose, AGA Director of Professional Certification to get more details on sponsoring a training program. Send an e-mail to prose@agacgfm.org.

Make Plans Now to Attend AGA's 2004 PDC

To stay at the top of the profession, it's not enough for government financial managers to keep up to date on current developments in the field. To position yourself as a leader, you must understand emerging issues and trends to be prepared to handle the inevitable challenges and crises that arise in an ever-changing environment. Technological advances in government financial management have changed financial reporting. New regulations have made those changes mandatory. Are you prepared to face these challenges?

AGA's 53rd Annual Professional Development Conference & Exposition (PDC), with the theme, "Technology: Powering the Accountability Age," is one important way professionals can become more knowledgeable about the complexities of meeting new expectations for accountability. Commit to excellence today by registering for one of the top training events of the year.

The PDC brings together more than 1,200 professionals from all levels of government. Consider the benefits. Leaders in the field will discuss the most timely issues affecting government financial management. The high-quality sessions alone are the biggest reason to attend, but the PDC is more than that. The PDC offers unparalleled opportunities to make valuable professional contacts. Discuss challenges with your peers and discover creative solutions. Connect with a national network of your colleagues. Check out exhibits of the latest information technology products and services that make agencies more effective. Make plans now to join us for this important event. Stay tuned to the website as more details become available. Please check back often, as this page will be updated regularly.

See you in Washington!

Attend the Southeastern Regional Professional Development Conference



The Southeastern Regional Professional Development Conference, hosted by the Chattanooga Chapter of AGA, will be held Monday and Tuesday, April 26-27, 2004. There will be several speakers and topics will include:

- GASB Accounting Update
- GASB issued since the completion of the Statement 34 project;
- Deposit and Investment Risk Disclosures (Statement 40);
- Impairment of Assets (Statement 42);
- Lessons learned in other parts of the country as related to GASB 34 implementation and some ways to improve financial reporting; and
- Measuring up, developing, and implementing performance measures.

There will also be an evening of mystery and excitement for the Monday Night Event. The Mystery Cafe in Downtown Chattanooga will host a Murder Mystery Dinner show free of charge for Seminar Attendees and guests, but reservations are required.

There is a registration fee of \$300.00 for two days (16 hours of CPE) or \$175.00 for one day (8 hours of CPE). The deadline for Early Registration is March 15, 2004.

To register and for more information,

<http://www.nashvilleaga.org/AGAPublication.pdf>

Meeting Minutes

February CEC Meeting

*Submitted by Suzanne Smotherman,
Chapter Secretary*

The Nashville Area Chapter's Executive Committee met on Tuesday, February 17, 2004, at 505 Deadrick Street, 15th Floor Conference Room, from 11:30 am to 1:00 pm. In attendance were Phil Carr, Melinda Parton, Suzanne Smotherman, Gerry Boaz, Kim Dorsey, Donna Duarte, Tammy Farley, Melvin Jones, Tammy Thompson, Dan Willis, Mary Anne Queen, and Todd Liebergen. The meeting was called to order by Phil Carr, President.

Welcome

Phil Carr welcomed all those in attendance.

Discussion of January CEC Minutes

The January CEC minutes were submitted for correction and approval. There were no changes. Mary Ann Queen made a motion the minutes be approved, Melinda Parton seconded the motion. The motion passed unanimously.

Committee Reports

Treasurer

The January 31, 2004 operating statement was distributed. Phil Carr reported that the chapter has \$7,429.24 in checking and \$22,634.87 in a certificate of deposit.

Finance

Melvin Jones reported that the chapter's history report is currently in process

Early Careers

There was no report for this committee.

Chapter Recognition

Melinda Parton reported that the chapter currently has 20,950 points.

Membership

Todd Liebergen reported January 31 year to date information: 13 new members overall, 45 fewer members overall with 102 suspended memberships contributing to that decline.

CGFM

Gerry Boaz reported that the CGFM study books are available for any members interested in checking them out. Additionally, there will be a training session in the 15th floor conference room of the James K. Polk Building on March 29 for those interesting in taking the CGFM exam. Around 15 people may attend.

Newsletter

There was no report for this committee, however, Phil Carr reminded CEC members that articles are due by Friday.

Education

Phil Carr reported that the Winter Seminar was a success with over 160 people attending.

Meetings and Attendance

Tammy Thompson reported that to date, 40 people have signed up to attend the February meeting on Thursday. Rick Conner of Metro Public Works will be the speaker and Gerry Boaz will offer the invocation

Awards

Donna Duarte reported that scholarship information has been communicated with several schools and has been included on the chapter's web-page.

Program

Sharon Wahlstrom reported that the speakers for the remainder of the year have been booked. The speaker for March will be Mark Coffey, Regional Coordinator of the Office of Homeland Security and April will be Loren Chumley, Commissioner of the Tennessee Department of Revenue. The May meeting will be the annual awards luncheon.

The spring social will be held on May 8th at Opryland Hotel's dinner theater, with Assassins Never Lie being the production. The chapter will guarantee 75 seats and will be subsidizing \$33 per ticket for the first 100 members and guests to sign up. The member and guest cost will be \$25 per person.

Community Service

Tammy Farley reported that the Preven-

tion of Unwanted Pets (PUP) project will be announced at the next two chapter meetings.

The Country Music Marathon will be the chapter's final community service project for the year.

Internet

Dan Willis indicated that there was no report for that committee.

Other Business

Phil Carr made the following reports, suggestions and announcements

Audio Conferences

It was recommended that the chapter not participate in any additional audio conferences for the remainder of the program year. Mr. Carr has submitted a suggestion to national that a schedule of audio conferences be provided so that chapters can have adequate planning time to deal with logistics.

Regional PDC

The PDC will be held in Chattanooga on April 26 and 27. The cost will be \$300, with a discount of 10% for groups of three or more. CGFs will receive a 5% discount. Topics will include a GASB Update by Robert Smith and Performance Measures by an instructor from Cleveland State University.

Regional Vice President Visit

Deborah Davis, Southeastern Regional VP, will be attending the chapter meeting in March.

Community Service Photo Contest

It was suggested that the community service committee review pictures from various events and submit them for the national Community Service Photo Contest.

National Awards

Richard Norment's name has been submitted for a national award. The Awards Committee will review whether we will submit nominations for other national awards.

Continued on Page 4

Meeting Minutes

Continued from Page 3

Strategic Planning

The chapter is undertaking a project to collect historical data with the goal of establishing information for future planning and developing the chapter's purpose, mission and statement of values and High Level Goals. A Strategic Planning Committee was recommended as follows; Phil Carr, current chapter president and recommended chair, Charles Harrison, former chapter and national president, Deborah Loveless, past chapter president and former regional vice president, Richard Norment, former chapter and past national president and Melinda Parton, current president-elect to be members of the committee. Tammy Farley made a motion that the slate of members be accepted, Gerry Boaz seconded the motion. The motion passed unanimously.

Nominating Committee

The final list of nominees for program year 2004-2005 is as follows:

President-Elect Dianne McKay
Treasurer Amy Czerwinski
Secretary Penny Austin

Two-Year Directors

Georganne Martin
Dan Willis
Susan Irby
Kevin Huffman
Mike Wall

Gerry Boaz made a motion that the slate of officers and directors be accepted, Melvin Jones seconded the motion. The motion passed unanimously.

Budget Review

An operating statement with expenditures projected to the end of the program year was distributed. Mr. Carr requested that CEC members and committee representatives take care to spend conservatively. Mr. Carr also recommended that services to members not be negatively impacted by these efforts.

Next Meeting

Phil Carr indicated February 19th will be

the next chapter meeting. It will be held at the Cumberland Club. The next CEC meeting will be held on March 15th.

Adjourn

Phil Carr thanked those in attendance for their service and adjourned the meeting at 1 pm.

February Chapter Meeting

Submitted by Suzanne Smotherman, Chapter Secretary

The Nashville Area Chapter held its monthly meeting at the Cumberland Club on Thursday, February 19, 2004. President Phil Carr called the meeting to order.

Gerry Boaz offered the invocation. The minutes of the January Chapter meeting were approved as printed in the February newsletter. Phil Carr introduced individuals at the head table and recognized the guests. The chapter has one new member, Lynn Wright who is with the metro Finance Department.

Sharon Wahlstrom introduced the February speaker, Rick Conner, Director of Public Works, Metropolitan Government of Nashville and Davidson County. Mr. Conner discussed customer service as well as answering related questions.

Tammy Thompson of the Community Service Committee announced that donations for the Prevention of Unwanted Pets (PUP) would be the February and March project. PUP is a not-for-profit organization which provides subsidized spay and neuter services for pet owners who can not afford the service. Donations of money, food, doghouses and other pet supplies can be accepted.

Gerry Boaz announced an upcoming Training Seminar for Exam II of the CGFM exam on March 29th. The training will be held in the 15th floor conference room of the James K. Polk Building.

Donna Duarte reported that the scholarship awards will soon be made. Detailed information about the William R. Snodgrass Scholarship and the Fawn W. Ellis Scholarship has been provided in fli-

ers distributed at each of the luncheon table.

Sharon Wahlstrom announced the details of the spring social. The social will be held at Opryland Hotel's dinner theater on May 8 with seating starting at 6:30, and the program starting at 7:00. The play will be Assassins Never Lie. The cost to each member will be \$25 and each member may bring one guest. The subsidized tickets will be limited to the first one hundred tickets sold. Members will need to order their dinner choice when making their reservations.

Margaret Walker announced the new slate of officers and directors for the 2004 through 2005 program year. The officer nominees are Diane McKay, President-elect, Amy Czerwinski, Treasurer, and Penny Austin, Secretary. Those nominated as two year directors are Georganne Martin, Dan Willis, Susan Irby, Kevin Huffman and Mike Wall.

If the membership wishes to present an opposing nomination, that may be done by obtaining a nominee willing to serve and 50 signatures of those supporting the nominee. This must be submitted by March 15th.

Mr. Conner drew Dennis Elgin's name for the monthly door prize of \$25.

Ron Anderson provided the solution to the February puzzle.

Phil Carr adjourned the meeting until March 2004.

Happy St. Patrick's Day

Did you know???



– That green is associated with St. Patrick's Day because it's the color of spring?

– That the first St. Patrick's Day in America was celebrated in Boston in 1737?



– That the following things on St. Patrick's Day will bring you good luck? Finding a four-leaf clover, wearing green, and kissing the Blarney Stone.

Tax Fraud Alert: Fraudulent e-file Returns on the Rise
Return preparers and financial institutions should be on alert!

By Gary Bell, Director, Office of Refund Crimes, IRS Criminal Investigation

The IRS wants to make return preparers and the financial institutions offering refund anticipation loans (RALs) aware of a growing fraud area that may affect you. There has been a significant increase in the number of fraudsters filing completely false returns based on bogus documents. This is being done for the sole purpose of obtaining illegal refunds, mainly in the form of refund anticipation loans so they can get the money as fast as possible.

In these schemes, the fraudulent tax returns are being used as the vehicle for obtaining the loans which are the proceeds for the perpetrators of these crimes. When the RAL is paid by the financial institution, the fraudsters disappear, leaving the return preparer and the financial institution incurring a loan loss if the refund is not issued. And the vast majority of these fraudulent refunds are stopped by the IRS so the loans are never paid.

This crime is increasing at a disturbing rate. Last year, one in every 966 e-filed returns was fraudulent. While just three years ago, that number was one in 4,789.

The vast majority of fraudulent e-file returns are being transmitted by practitioners who offer e-file. During the 2003 filing season, a total of 55,904 fraudulent returns were e-filed. Of those, 78% came through practitioners. In addition, there were 212 unique Electronic Filing Identification Numbers (EFIN) that transmitted more than 50 fraudulent returns.

As a tax practitioner offering e-file and RALs, please practice due diligence and be on guard to stop fraudulent returns from being filed through your EFIN.

To prevent fraud, you should:

- Look closely at all documents, particularly those authenticating the identity of the taxpayer, and question suspicious activity. The following may be indications of fraudulent activity:
- W-2s that are typed, handwritten, duplicated or have noticeable corrections.
- W-2s for a firm in the area that differ from other W-2s from the same firm.
- Suspicious people accompanying the filer and observed on prior occasions.
- Multiple refunds directed to the same address or P.O. Box.
- Employment or earnings that are a basis for refundable credits are not well documented.
- Similar returns (e.g. same amount of income, deductions or refund.)
- Report potentially fraudulent documents to the IRS for evaluation. Documents may be faxed directly to the IRS Criminal Investigation Fraud Detection Center for your state.

**State
Fraud Detection Center FAX
Number**

CT, MA, ME, NH, RI, VT, Upstate NY,
MI
Andover (978) 691-6902

GA, NC, SC, AL, FL
Atlanta (678) 547-3344

TX, NM, AZ
Austin (512) 460-7436

Brooklyn, Manhattan, NJ
Brookhaven (631) 447-4608

OH, KY, WV, IN
Cincinnati (859) 669-3711

CA
Fresno (559) 441-5881

IL, WI, ND, SD, NE, IA, KS, MO, MN
Kansas City (816) 823-8543

AR, TN, MS, LA, OK
Memphis (901) 546-3148

CO, MT, WY, UT, NV, ID, OR, WA, AK, HI
Ogden (801) 620-6806

PA, VA, MD, DE
Philadelphia (215) 516-1445



CGFM Training Opportunities

CGFM Exam 2 Training class

Sponsored By Nashville AGA Chapter CGFM Committee
3/29/2004

Advanced GASB 34

Sponsored By Comptroller of the Treasury, Department of Audit
4/2/2004

GASB Overview

Sponsored By Comptroller of the Treasury, Department of Audit
6/25/2004

CGFM Exam 1 Study Course – online

AGA website: <http://www.agacgfm.org/cgfm/prepare/onlinecourses.aspx>
Anytime

The Department of Personnel includes the CGFM certification in the list of certifications eligible for a one-step salary increase. A salary increase **may** be granted to employees of the State of Tennessee if the certification is obtained by passing the exams. To be certain that you qualify for the salary increase, obtain approval from your supervisor and the Department of Personnel **before** sitting for the exams. For specific details see the Department of Personnel Policy #90-031 (10/10/90) amended March 23, 1999.

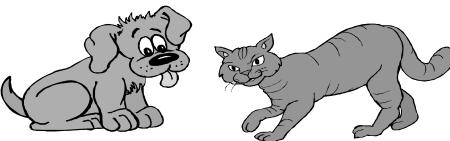
Committee News

CGFM Committee

The committee plans to continue presenting free lunch certificates for those individuals passing the exams, disbursing brochures at meetings to extol the virtues of becoming a CGFM certificate holder, and providing notice of training relevant to CGFM exam content. The committee plans to host a brainstorming study session for the CGFM Exam 2 based on AGA's development of an Exam 2 study book. This study session is scheduled for **March 29, 2004** and will be **FREE** to all participants. The Committee will seek authority to offer this session as CPE (8.0 hours), if possible. The Committee also plans to work with the Education Committee to offer formal training that will include topics helpful for individuals who plan to take the CGFM exams. The training is tentatively scheduled for May or June 2004. All members interested in participating in these training opportunities should contact the committee co-chairs, Gerry Boaz (Gerry.Boaz@state.tn.us) or Rebecca Barr (Rebecca.Barr@state.tn.us).

Community Service Committee

Prevention of Unwanted Pets (PUP)



During the months of February and March 2004, the Nashville AGA Chapter is sponsoring a drive for P.U.P, a small, non-profit, all volunteer group that formed in 1991 to help with the cost of spaying/neutering companion pets. Their goal is to prevent unwanted litters of pets that may eventually be "dumped" or destroyed because there simply are not enough homes for all of them.

What They Do:

They will pay part of the veterinarian fee for spaying/neutering an individual's cat or dog. Income must qualify for this assistance. Additionally, they maintain a website which helps place cats and dogs needing new homes.

How Can We Help P.U.P.???

By donations of doghouses, pet food, cat litter and other pet needs. Monetary donations are tax-deductible. Please make all checks payable to AGA and reference "P.U.P" on the checks. Your donations can be taken to an approved drop sites. Contact Tammy Thompson (615-747-5219), tammy.thompson@state.tn.us or Alla Baranova (615-747-5218), alla.baranova@state.tn.us. You can also bring donations to the February and March 2004 chapter meetings.

Should you have any questions, please contact Tammy Thompson. Thank you for your support.

AGA Spring Social



Who: The first 100 members or member and 1 guest at \$25 per person (AGA is subsidizing the remainder of the \$58 ticket cost). You must sign up by March 12th. People requesting to attend after the 100 person limit will be put on a waiting list.

What: Show named "Assassins Never Lie" held over from last year due to popularity. The show is a four act murder/mystery comedy with each course of the meal served between acts. You can sit back and watch or you can use the "mad money" on each table to bribe the actors into giving you clues and try to become the Super Sleuth of the evening.

When: Saturday May 8th. Seating at 6:30 p.m., Show at 7:00 p.m.

Where: Opryland Hotel. Park in any Self Parking Area and your parking ticket will be validated at the show.

Why: For the food and fun of course! The menu is listed below and choices will need to be given when you sign up.

Menu: Salad – Rainbow Salad

Main Course – Choice of Chicken Wellington, Salmon, or Grilled Vegetables with Wild Rice. All meals include steamed vegetables.

Dessert – Chocolate Mousse Torte with Raspberry Sauce

How: Send payment, name, and meal selection to:

AGA Nashville Area Chapter, P.O. Box 198025, Nashville, TN 37219

If you have any questions, please contact Sharon Wahlstrom at 880-1681 or e-mail her at sharon.wahlstrom@nashville.gov.



Nominations for Chapter Leadership for the 2004-2005 Year

In accordance with AGA Nashville Chapter Bylaws, a Nominating Committee was recently formed with the responsibility of selecting candidates for officers and directors for the 2004-2005 year. The members of the Nominating Committee were Melinda Parton, President-elect and Chairperson, Joe Holzmer, Margaret Walker, Donna Duarte, and Penny Austin.

The Nominating Committee is pleased to announce the following individuals as candidates for Chapter leadership positions:

Officers

Dianne McKay, President-elect
Penny Austin, Secretary
Amy Czerwinski, Treasurer

Two Year Directors

Kevin Huffman
Susan Irby
Georganne Martin
Mike Wall
Dan Willis

Each nominee has indicated his or her willingness to serve. The Chapter Executive Committee unanimously accepted these nominations at their February meeting.

Independent nominations will be accepted by Melinda Parton through March 15, 2004. A nomination must be accompanied by a petition containing signatures of at least fifty members, and the candidate must indicate his or her willingness to serve.

In the event there are additional nominations, an election will follow. If there are no other nominations, the nominees listed above will be certified without ballot.

Chapter Strategic Planning

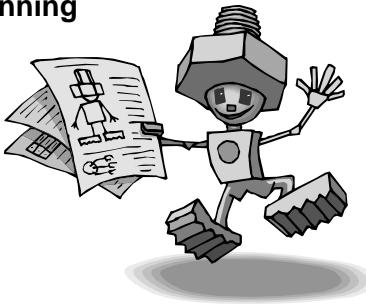
The Chapter leadership recognizes the need to develop a formal "Strategic Plan" as has been done at the National level and with other chapters across the country. Our Chapter President, Phil Carr, recommended the establishment of a Strategic Planning Committee to lay the foundation that will guide our chapter in future years.

Upon recommendation by the president and ratification by the Chapter Executive Committee (CEC) at the February CEC meeting, the following individuals will serve on the strategic planning committee:

Phil Carr, Chapter President, Chair
Charles Harrison, Past Chapter and National President
Deborah Loveless, Past Chapter President and Regional Vice President
Richard Norment, Past Chapter and National President
Melinda Parton, President Elect

The committee will be reviewing a summary of planning information from past years and is tasked with developing high level goals that will assist future CECs in establishing objectives for each year to meet those high level goals.

The CEC would like to solicit member participation in providing information and feedback to committee members as they begin the development of the framework for a strategic plan that can be carried forward each year to assist each new CEC in the establishment of budgets and plans that fit within this framework.



Reminder

Be sure to attend the March Chapter meeting and meet Deborah Davis, the AGA Southeastern Regional Vice President, who will be attending.

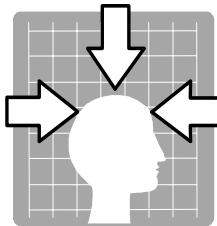


Three Helpful Tips From Your Nashville AGA CGFM Committee Members

1. The new study guide to Test 2 has quizzes (and the answers!) Make the new study guide part of your study plan for Test 2.
2. Reserving the time to take the test can be unpredictable. For Exam 1, I refused to schedule my exam until I had fully studied for the test. Then, the earliest day that I could take the test (at the time of day and test location of my choice) was not for four weeks.

For the next test that I took, I went ahead and reserved my computer time to take the test, intending to study for the exam before my exam date. I barely had time to finish studying before my exam date and almost had to reschedule my exam.

3. If you get discouraged or overwhelmed with studying for the exams, do not hesitate to contact someone who has passed the exams. The Nashville Chapter of AGAs has a number of people who have taken and passed the three exams. Also, the chapter has a CGFM Committee, whose members would be happy to extend encouragement and guidance. Better yet, join the CGFM Committee! You do not have to be a CGFM to be on the committee.



"How to Have a Brainstorm" By Mason Ball

What do you talk about on those long car rides to Memphis or Johnson City? Some may talk about how the Titans were one play away from the Super Bowl. Or you might talk about how Tennessee is going to be an embarrassment in the Peach Bowl. AGAIN! (And I'm a Big Orange Fan) Since it is an election year, you can carry on civil conversations about your favorite candidate(s). But what about conducting a "Brainstorming Session"? And pleeeease do not refer to it as the "BS" time!

According to SAS 99: "Consideration of Fraud in a Financial Statement Audit," prior to or in conjunction with the information-gathering procedures, members of the audit team should discuss the potential for material misstatement due to fraud. The exchange of ideas among the audit team members should include:

- How and where they believe the entity's financial statements might be susceptible to material misstatements due to fraud;
- How management could perpetrate and conceal fraudulent financial reporting; and
- How assets of the entity could be misappropriated.

The conversation should also include an emphasis on the importance of maintaining the proper state of mind throughout the audit regarding the potential for material misstatements due to fraud. The audit team members' discussion should include a consideration of the known external and internal factors affecting the entity that might (a) create incentives/pressures for management and others to commit fraud, (b) provide the opportunity for fraud to be perpetrated, and (c) indicate a culture or environment that enables management and/or employees to rationalize committing fraud. The discussion should also include a consideration of the risk of management override of controls. Finally, the discussion should include how the auditor might respond to the entity's financial statements susceptibility to material misstatement due to fraud.

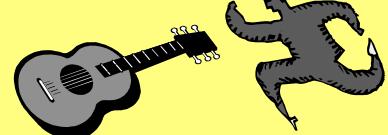
The audit in-charge or supervisor should encourage the audit team members, during the discussion, to maintain a questioning mind and to exercise professional skepticism in gathering and evaluating evidence throughout the audit.

There are two primary objectives of the brainstorming session. The first is strategic in nature, so the engagement team will have a good understanding of information that seasoned team members have about their experiences with the client and how a fraud might be perpetrated and concealed. The second objective of the session is to set the proper "tone at the top" for conducting the audit. The requirement that brainstorming be conducted with an attitude that "includes a questioning mind" is an attempt to model the proper degree of professional skepticism and "set" the culture for the audit (quoted from *Fraud Detection in a GAAS Audit – SAS No. 99 Implementation Guide* by Michael Ramos).

The article would not be complete without reminding you of the importance of audit documentation that a brainstorming session was conducted, when it was conducted, who was present, and what was discussed. Notice that I did not say "that word" that has been tossed to the side (i.e. working papers).

Now you have an incentive to discuss more than sports, politics, and significant others with your fellow audit team members. Have fun and talk-it-up!

Music City Marathon



Volunteers Needed

The Country Music Marathon & $\frac{1}{2}$ Marathon will be held on Saturday, April 24, 2004. The proceeds from the race benefit The Leukemia & Lymphoma Society. Last year's race raised over \$2 million (net) which goes towards finding treatments and ultimately, cures for leukemia, lymphoma, Hodgkin's disease and myeloma, while focusing on the quality of life of patients and their families.

The marathon relies on thousands of volunteers each year for its success. For the last few years, AGA has provided volunteers in a number of areas. If you are interested in volunteering or have questions, please contact Jennifer McClendon at

Jennifer.McClendon@state.tn.us or (615) 747-5329.

OR you can fill out the volunteer form online at http://run.eliteracing.com/php/cmm_vol_form.php and choose the area you want to volunteer; however, to get AGA points you must let Jennifer McClendon or Tammy Farley

Tammy.Farley@state.tn.us or (615) 747-5221)) know that you did volunteer. Thanks in advance for your participation!!!

All volunteers receive a volunteer t-shirt, goodie bag and a ticket to the post-race concert featuring Brad Paisley and Carolyn Dawn Johnson. The concert starts at 7:00 p.m. on Saturday, April, 24, 2004 at the Gaylord Entertainment Center.

March Speaker
Mark Coffey



Mark Coffey comes to the Office of Homeland Security from the Department of Defense and the United States Air Force Office of Special Investigations with headquarters at Andrews Air Force Base in Maryland. For the past three years, Mr. Coffey was the Special Agent-in-Charge of the Office of Special Investigations, Detachment 106 at Arnold Air Force Base, Tennessee, located near the communities of Tullahoma, Manchester, and Winchester. Mr. Coffey brings his extensive experiences in counterintelligence, counterespionage, antiterrorism, and criminal investigations from within Tennessee and around the world to the Tennessee Office of Homeland Security's Team of Teams by establishing the first Tennessee Regional Office of Homeland Security in Columbia, Tennessee.

Mr. Coffey is from Georgia and began a career with the United States Air Force in 1982. He has performed missions as a Special Agent for the Office of Special Investigations for over fourteen years while assigned to locations in Georgia, the Azores Islands, Portugal; Washington, DC; Guam, USA; Colorado; and finally in Tennessee.



Winter Seminar Results



The AGA Winter Seminar had Jay Fountain from GASB as the morning speaker. There was a speaker from a AmSouth bank who spoke on Estate Planning, Representative Charles Curtiss spoke on legislative issues, and we had Cortney Dillard from TSAC speaking on the Lottery Scholarships and a representative from the Tennessee Lottery Education Commission.

There were 179 individuals who registered for the seminar. There were 109 AGA members present and 49 Non-AGA individuals present. The seminar offered 8 hours of CPE.

Attention Printed Newsletter Recipients

The Newsletter Committee, in the spirit of saving money and to enhance our Chapter's newsletter, would like to forego the printing and mailing of newsletters. We have several constraints associated with the printed newsletter, such as number of pages and postage weight, which can dramatically affect the contents of the newsletter. We would like to ask everyone currently receiving a printed newsletter to please contact us with a current e-mail address. You may e-mail Nichole Curtiss at Nichole.Curtiss@state.tn.us or visit the Nashville Chapter Website at www.nashvilleaga.org and click on **Contact the Newsletter Committee** to contact us. If you do not have access to the Internet, please contact Nichole Curtiss at (615) 747-5329.



Free Lunch for Those Passing the CGFM

The CGFM Committee is continuing its program to congratulate those individuals passing the CGFM exams by offering lunch certificates that are good for a free lunch at any AGA luncheon meeting. If you passed the CGFM exams during September 2003 – February 2004 and have not received a lunch certificate, please contact

Gerry Boaz
[\(Gerry.Boaz@state.tn.us\)](mailto:Gerry.Boaz@state.tn.us) or

Rebecca Barr
[\(Rebecca.Barr@state.tn.us\)](mailto:Rebecca.Barr@state.tn.us).

Mark Your Calendar!

March 15, 2004
 CEC Meeting

March 18, 2004

Chapter Luncheon Meeting
 11:30 a.m.
 Cumberland Club
 Speaker: Mark Coffey

April 15, 2004

Chapter Luncheon Meeting
 11:30 a.m.
 Cumberland Club
 Speaker: Loren Chumley

2003-2004 Nashville Chapter Leadership

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Visit the Nashville Area Chapter's web site at <http://www.nashvilleaga.org>.