

# THE CENTRAL KENTUCKY AGA MESSENGER



## NEWS & UPCOMING EVENTS

**November 10, 2011**

**Monthly Meeting**

**1 Hour of CPE**

**Speaker:**

Charlie Harmon,  
*Kentucky Dept. of  
Education*

**Location:**

Crestwood Baptist  
Church Fellowship Hall

**Time: 11:30 am-1pm**

**Price:**

\$10 Members (\$5 CPE-  
no lunch)

\$15 Non-Members (\$10  
CPE-no lunch)

*Visit the Website*

<http://www.ckyaga.com/>

## President's Message Linda Hinton

I can't believe October is already gone and Thanksgiving is right around the corner! Since the fall conference was in September, October was a relatively quiet month for the CEC. The CEC started planning for two \$1,000 scholarships for college accounting students at KY colleges (details will be available in upcoming newsletters). We are still in search of speakers for May and November 2012.

We also had our Secretary, Barbara Beward, resign for personal reasons. Barbara was our secretary for several years and did a good job so I want to extend a special thanks to her for serving on the CEC.

We want to welcome our new Chapter Secretary, Laura Johnson from the APA. Laura has graciously agreed to serve as Secretary for the remainder of the fiscal year.

Our membership has been growing. We had nine new members join in

## November 2011

the month of October! Welcome to everyone and I look forward to seeing you at the monthly meetings and training events!

Also, congratulations to Catherine Hunt who received her certification as a CGFM. Don't forget, the CGFM study group will be starting in January. Please let Catherine know if you are interested since there are a limited number of study guides available.

The CKYAGA team run/walked in the Black Cat Chase on October 28<sup>th</sup> (a rather chilly night-I know because I was on the team and kept my jacket on during the race). Thanks to all who participated, despite the weather.

Please join me at the November meeting where Charlie Harman will discuss school district audits and the Kentucky Department of Education budget process.

Have a Happy Thanksgiving!

# Chapter Meeting News and Notes

---

## Community Service

By: Linda Hinton

### Black Cat Chase

Thanks to everyone who ran or walked as part of team CKYAGA! Members were: Daniel Hinton, John Stout, Angela Brown, Justin Ebert, Heather Stout, Linda Hinton, and Sarah Feltus. There were 1777 people in the race so downtown was crowded. We had a lot of fun, even though it was a bit cold that night. Next year, come join us!

### Franklin County Fire Department Toy Drive

Bring a toy to the November meeting! We are collecting new toys for the Franklin County Fire Department's annual toy drive at our monthly meetings. The toys will be distributed to needy kids in Franklin County at Christmas. If you prefer making a donation, you can write a tax deductible check payable to the FCFD Toy Drive. The money is used to fill any additional toy needs. Apparently most toys donated are for ages 3-10 so cash donations assist in purchasing toys for kids aged 1-2 and 10-12.

## Special Announcements

We have a new CGFM in our chapter! The CEC would like to extend congratulations to Catherine Hunt on her recent certification as a CGFM. Congratulations!

## New Members

Welcome to our new members!

BELL, LATONYA

KY Dept of Education – Office of Administrative Support

BUFFIN, MICHELLE

KY State Police – Financial Grants Management

COLLETT, JETTA

Office of Financial Management

COULTER, JEFFREY

KY Dept of Education

GARDNER, RAMONA

KY Dept of Education – Office of Administrative Support

HAWKINS, THELMA

KY Dept of Education – Office of Administrative Support

SMITH, CLAUDE

KY Dept of Education

WHELAN, MARK

KY State Government

WOODRUM, STACY

KY State Police – Financial Grants Management

## AGA 2011-2012 Programs Schedule

Date	Speaker	Topic	CPE Hours
November 10, 2011	Charlie Harman, Dept. of Education	School District Audits/KDE Budget	1
December 8, 2011	Susan Gaffield, Personnel Cabinet, KEAP	Verbal De-Escalation Skills	1
January 12, 2012	Mark Schmitt, Mountjoy Chilton Medley CPAs	2011 Tax Update	1
February 9, 2012	Dick Carroll, Exec. Director, State Board of Accountancy	CPA License Investigations/CPE Reqmts.	1
March 8, 2012	Cynthia Teddleton, Regional AGA President	"Must Have" Leadership Skills	2
April 12, 2012	BJ Bellamy, APA	Computer Fraud Schemes	1
May 16-17, 2012	Letia Hart-Fanta and TBA	Spring Training	8-TBD
June 14, 2012	Alice Wilson, Exec. Dir., KYTC Internal Audit	KYTC Internal Audits	1

### CGFM

**By: Catherine Hunt**

#### **CGFM News: CPE**

The CGFM designation denotes a high level of skills needed for the government environment. To keep those skills current and sharp, active CGFMs are required every two years to complete at least 80 hours of continuing professional education (CPE). Eligible CPE covers government financial management or related technical subjects.

AGA assists CGFMs in maintaining their certification. The Central Kentucky Chapter's monthly programs and spring and fall conferences are planned to help CGFMs retain their certification and enhance their skills by offering relevant and interesting topics for CPE. Audioconferences sponsored by AGA also provide CPE on the latest topics

## **CGFM Study Group Forming**

Want to sharpen your skills and enhance your credentials? AGA offers the Certified Government Financial Manager (CGFM) certification, which assures that the holder has mastered governmental accounting and financial management concepts at the local, state, and federal levels. The federal government and a growing number of state and local governments give preference in hiring and/or an increase in salary to CGFMs. Kentucky's state government recognizes March as CGFM Month, and discussions are underway to designate CGFM as a preferred certification for applicable positions. AGA's Central Kentucky Chapter is organizing a study group to prepare for the CGFM exam.

### **Study Group Meetings**

- 24 weekly meetings (early January 2012 through middle of June)
- One hour brown bag lunch meeting in Auditor of Public Accounts training room (day of the week determined by participants' preference)
- Study guides provided by chapter (\$225 value)
- Approximately 2 hours outside study per week expected
- Study group facilitator is Catherine Hunt

### **CGFM Requirements**

- College degree with at least 24 semester hours of financial coursework
- At least 2 years professional-level experience in government financial management
- Pass all 3 CGFM exams –
  - Governmental Environment
  - Governmental Accounting, Financial Reporting and Budgeting
  - Governmental Financial Management and Control

### **Testing Information**

- Schedule planned to allow taking CGFM intensive review course and exam prior to National PDC in San Diego during July 2012
- May also take exams at a Pearson VUE exam center, locations include Lexington, Louisville, and Cincinnati
- After passing first exam, have 3 years in which to pass the other 2 exams

### **CGFM Costs**

- Study guides and study group FREE
- \$85 application fee
- Exam costs:
  - \$109 for each exam (\$327 total); OR
  - \$279 for intensive review course before PDC and FREE exams

Space is limited and will be first-come, first-served with preference to chapter members. For AGA's information on CGFM, go to: <http://www.agacgfm.org/cgfm/cgfmdefault.aspx>. To sign up for or ask questions about the study group, contact Catherine Hunt at [Catherine.Hunt@auditor.ky.gov](mailto:Catherine.Hunt@auditor.ky.gov).

## National News



### **CGFM Chapter Incentive—\$20 Rebate for Applicants**

Need an extra incentive to encourage people in your chapter to apply for the CGFM Program? Here it is: from **Sept.1** until **Dec. 31, 2011** we'll give a rebate of \$20 for CGFM applications received with the assistance of AGA chapters. Participating chapters also receive special benefits. [Visit our website](#) for additional information.

#### **In order to receive a \$20 rebate,**

1. The complete CGFM application (application form, \$85 application fee and copy of the transcript) must be received by AGA Office of Professional Certification during the period of September 1 through December 31, 2011.
2. The CGFM application form must have the promotional phrase: "CGFM chapter promotion - [name of your chapter]" written at the bottom of the form. If the application is submitted online, the applicant must put this phrase in the last question: "How did you learn about the CGFM Program?"

#### **Important notes:**

- A full application fee of \$85 must be paid at the time of application. The \$20 check will be sent to the applicant by mail in January.
- The applicant must put the words "CGFM chapter promotion" AND the name of your chapter on the application form in order to receive the rebate.
- It is preferable that the applications are submitted by the applicants themselves and not by the chapter. The applicant does not have to be a chapter member in order to receive the rebate.

#### **But that is not all...**

The chapter that encouraged the most applications submitted as part of this promotion in the four-month period of September-December 2011 will also receive \$20 X the number of applications that quoted that particular chapter! PLUS every chapter listed on the application (in the promotional phrase as described above) will receive 50 BONUS CREDITS (Chapter Recognition Program) per application!

**Special bonus:** any chapter that encouraged at least 5 completed applications to be submitted during September 1-December 31, 2011 period (and listed in the "CGFM chapter promotion" phrase) will receive a complete set of CGFM study guides free!

<http://www.agacgfm.org/cgfm/downloads/CGFMapplicationform.pdf>

Questions? Contact: [Katya Silver](#)

## **Working towards earning your CGFM? Here is your chance to get it done!**

Participate in our next Intensive Review Course and take the CGFM Examinations at no additional cost right after the course.

### **What is the Intensive Review Course?** It is a...

- special limited enrollment opportunity for those individuals who have already been studying for the CGFM Examinations and want extra reinforcement of the material
- concentrated review of the main topics covered by CGFM Examinations
- refresher course led by a highly knowledgeable instructor who can explain concepts, provide examples and answer questions
- great way to set a deadline for completing your CGFM Examinations

### **What it is NOT:** It is...

- not an exam prep course, nor will you be given strategies on how to pass the exams
- not a shortcut, nor is it a substitute for the three AGA instructor-led courses
- usually not enough by itself to prepare you for the CGFM Examinations. Advanced preparation is strongly recommended – please see [www.agacgfm.org/cgfm/prepare](http://www.agacgfm.org/cgfm/prepare) for additional information.

### **Dates:**

The two-day Intensive Review Course will be held on Monday, February 27, and Tuesday, February 28, 2012, and the CGFM Examinations can be taken on February 29-March 2, 2012.

### **Location:**

The event will take place in Alexandria, VA near King Street Metro. The exact address will be provided to all registered attendees.

### **Cost:**

The cost of the Intensive Review Course is \$279 for CGFM candidates, and it offers 18 CPE hours. Special Bonus: the CGFM Examinations can be taken right after the course at no additional cost (since the fee for each CGFM Examination taken at a testing center is \$109, you can save \$327!).

### **How can you register?**

Submit the Intensive Review Course registration form. You can find it and more information on this event on the Intensive Review Course webpage - [www.agacgfm.org/nlc\\_2012/cgfm\\_exams.htm](http://www.agacgfm.org/nlc_2012/cgfm_exams.htm).

### **Academic Scholarship Applications Due March 30**

Are you or a family member pursuing undergraduate or graduate studies in disciplines such as accounting, auditing, budgeting, economics, finance, information technology, public administration, etc.? If so, consider applying for an AGA National Academic Scholarship today. Each year, AGA National awards:

- Up to four \$3,000 full-time merit scholarships to AGA members and their family members.
- One \$1,000 part-time merit scholarships to AGA members and their family members.
- One \$3,000 community service scholarship.

Apply now and take full advantage of your AGA membership. Please visit the [Awards and Scholarships](#) section of AGA's website for details and applications. The deadline for applications is **March 30**.



## **AGA Promotes Transparency Through Citizen Centric Reporting**

Bill Miller, Chair Accountability Working Group

### **What is Citizen Centric Reporting?**

Seeing a need to provide more informative government reporting to the general public, AGA launched the Citizen Centric Report initiative. This report is a nicely designed template of 4 pages of information the average citizen would want to know. The first page covers general information such as population figures, regional characteristics and government goals. The second page covers performance of key missions and services. The third page addresses revenues and costs, and the fourth page examines future concerns and initiatives for the ensuing year. AGA envisioned the reports to be prepared annually, although each entity would set their own parameters and goals—perhaps issuing them more or less frequently.

This initiative is moving across governmental entities fast and for good reason. The CCR reports are fantastic examples of transparency to the constituency in a format that captures the essential message citizens want to know. The CCR is the “CliffNotes” of governance—within minutes the constituency will know the essential facts, figures, and future issues and initiatives of their governing entity. For the governing entity, CCR is a talking paper and report card, and for the citizens, CCR is engagement. If they know the facts, figures, and initiatives they will be better informed and can judge where their concerns might be.

### **Why AGA?**

So, why is AGA engaged in this process? To quote AGA’s Executive Director, “If not us, then who? If not now, then when?” AGA leaders saw a need for understandable transparency with the citizens served by government. It was all too evident that normal government financial reports were too extensive and cumbersome to read much less understand. The financial reports were written for the accountants, not the average citizen. AGA’s initiative serves as a bridge to the outside world and window into government. AGA also recognized that the citizens have a need to know and governments need to be transparent.

### **What is AGA Doing?**

With an assigned National Director and with tremendous grass roots support from several members in various chapters, a pilot project was started. These dedicated servants helped craft the templates and worked directly with local governments to develop a CCR. The results were astounding. To date there have been 60 CCRs prepared by all levels of government and the enthusiasm for these reports is growing nationwide. (You can view these reports on our website). But, it is not enough. The goal is to have government institutions embrace the CCR concept and use the system for the good of all. AGA has designated proliferation of the CCR as one of the highest priorities in 2011-2012 and built the organization to get there. A working group was formed to expand knowledge and execution of the CCR system. This group is charged with advising the Director and working with chapters in developing and distributing the CCR. Members of this group include the superstars who successfully launched the pilot projects.

## Where is AGA Going?

Local chapter involvement is critical to the success of the CCR program. It is imperative for the chapters to recognize the need for government accountability to the citizenry. The successes we have had with the published reports bode well for proliferation over time. The chapters have a ready benchmark to work from, and the templates and instructions for use are available on the AGA website, <http://www.agacqfm.org/citizen/>.

Each chapter can take baby steps towards the process by creating a CCR for the chapter activity. Believe it or not, it is a fun activity to do and gives the chapter an easy reference for the chapter's finances and activities. The chapters' CCRs do not take a lot of time, generally between 4 and 9 hours. Additionally, chapters gain up to 2000 points in the chapter recognition program. As of September 30, 2011, 30 chapters submitted CCRs to the AGA National Office.

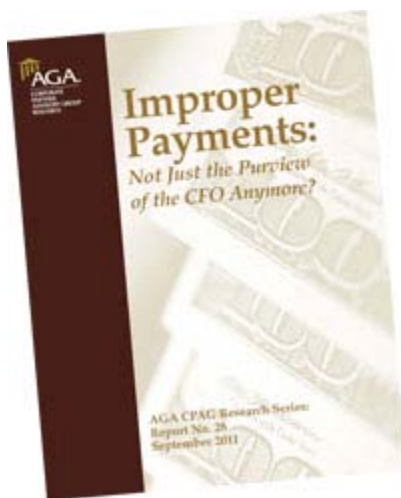
The chapters can then move to assisting government entities in preparation of a CCR. This can be done by perusing the entity's website and crafting a CCR based on that information and meeting with government officials. Or, chapter representatives can schedule a meeting with government representatives and discuss and show example CCRs prepared by other government entities.

Nationally, the government entities compete for Certificates of Excellence in Citizen Centric Reporting.

So, we look forward to working with the chapters to spur this initiative forward and encourage each chapter to accept the responsibility to develop the CCR program in their chapter. Please contact Evie Barry, director of performance reporting at [ebarry@agacqfm.org](mailto:ebarry@agacqfm.org) or 703-684-6931, ext. 324 or Louise Kapelewski, programs assistant at [lkapelewski@agacqfm.org](mailto:lkapelewski@agacqfm.org) or 703-684-6931, ext. 321.

## AGA Research Study Analyzes the Complexity of Federal Government Improper Payments

***AGA studied the inevitable tension between making timely payments and imposing effective internal controls to prevent fraud, waste and abuse.***



**Alexandria, VA (November 4, 2011)** -- In an era of increasing fiscal austerity, with entitlements and the national debt representing an ever-increasing portion of the nation's budget, the federal government is focusing more and more on ensuring that federal payments are proper--meaning the right payment in the right amount to the right recipient. Today, the AGA released a report that focuses on how improper payments occur and how they can be avoided.

The report is titled, [Improper Payments: Not Just the Purview of the CFO Anymore?](#) Fixing improper payments is a high priority for the federal government, and the report emphasizes that dissemination of best practices will help federal agencies comply with increasing requirements to reduce improper payments. The report provides an overview of improper payments, delineates the challenges agencies face in evaluating, preventing and detecting improper payments and shares best practices in combating the problem.

Research recommendations include:

. Agencies should set up agreements to use data from other agencies for matching and data mining to both prevent improper payments as well as detect them after they have been made. States and other pass-through entities should have access to these databases.

. Agencies and Congress should work together to streamline eligibility and other requirements to facilitate screening prior to payment, as well as streamline agency management of similar programs.

. Serious consideration should be given to mandate data-sharing among all government agencies, including the Internal Revenue Service, with proper controls to ensure security of the data.

. Finally, it must be recognized that there is a cost associated with checking for improper payments and installing controls to prevent them being made in the first place. Sometimes it may not be effective to reduce improper payments by more than a certain level. A study is needed, for example, to ascertain the cost of checking for entitlements payments.

The focus of the report is on both federally administered assistance programs (for example, Social Security Administration or Office of Personnel Management benefits, EITC, etc.) and federally funded, state-administered programs (for example, Supplemental Nutrition Assistance Program, Temporary Assistance for Needy Families, Medicaid). AGA conducted interviews with subject matter experts from within the federal government, and reviewed agencies' reports and published and unpublished literature.

"It is clear that the problem of reducing improper payments is particularly intractable. It would be impossible to reduce improper payments to near zero, as that would impair service to the needy," stated AGA Executive Director **Reimond P. Van Daniker, DBA, CPA**.

High rates of improper payments continue for several, complex reasons, which are outlined in the report. In addition, many federal officials and members of Congress feel that erring on the side of paying out benefits quickly is better than cold-hearted efficiency. Until the prevalent culture that creates this attitude changes, the best attitude may be that a certain level of improper payments is a "cost of doing business."

The AGA Corporate Partner Advisory Group (CPAG) Research Program chooses projects that are likely to provide helpful guidance to all levels of government--federal, state and local. This report was sponsored by AGA Professional Corporate Partner Booz Allen Hamilton.

[Read the report.](#)

## Upcoming Conferences



Government financial managers are deeply committed to producing timely, reliable and useful financial information, with the goal of running government programs more efficiently. At AGA's National Leadership Conference (NLC), those sentiments are more than just words.

The NLC brings together a stellar lineup of respected government financial management and accountability leaders to share valuable insight, proven strategies, lessons learned, and discuss the newest management techniques and the most recent information on always-changing standards and regulations.

Stay on top of issues that affect you. This event also features the newest tools and innovations to help agencies do their jobs more easily and more effectively. Don't miss this opportunity to earn 14 CPE hours, share best practices, find solutions to shared challenges, network with your peers and learn from the top financial management leaders and industry experts.

Join us **Feb.16–17, 2012** at the Ronald Reagan Building and International Trade Center in Washington, D.C. and show your commitment to a more accountable future.

[Register Online Now!](#)

## CEC Minutes

The CEC met on October 11, 2011 at the Finance and Administration Cabinet Cafeteria. The meeting was attended by Linda Hinton, Phil Nally, Tommie Richie, Angi Brown, Sandra Rudic, and Catherine Hunt. A quorum was present.

The CEC approved the Treasurer's report for September.

The September training results were discussed along with the plans for May 2012 and November 2012 speakers. The CEC decided the pricing for the October speaker would be the same as the August speaker.

The CEC voted to provide two \$1,000 scholarships to KY college students. Angi Brown will bring detailed information to the November CEC meeting for further discussion and review.

The CEC discussed a nomination for the National Leadership Awards.

The CEC officers will donate \$5 or \$10 each to the Franklin County Fire Department Toy drive.

The CEC was notified the Citizen Centric Report was on the chapter's website.

The next meeting will be at Mr. Gatti's Pizza.

**Central Kentucky AGA  
Treasurer's Report  
Month Ended October 30, 2011**

Reconciled Cash Balance as of 9/30/11		\$ 24,904.03
Receipts:		
Monthly Program Fees	\$ 158.00	
Chapter Dues	62.90	
Total Receipts		220.90
Total Funds Available		25,124.93
Less: Expenses		(4,984.53)
Checkbook Balance 10/31/11		\$ 20,140.40
Less: Education Fund Balance		(6,986.97)
General Fund Balance 10/31/11		\$ 13,153.43
Expenses:		
Speaker - September Training	4,462.78	
Credit Card Fees for PDC	300.25	
Monthly Speaker Honorarium	25.00	
Monthly Catering	161.50	
Monthly Meeting Space Rental	35.00	
Total Expenses	\$ 4,984.53	

**Central Kentucky AGA  
Change in General Fund Balance  
Month Ended October 30, 2011**

General Fund Balance 6/30/11		\$ 13,154.03
Monthly Program Fees	158.00	
Chapter Dues	62.90	
General Expenses	(221.50)	
Net Increase (Decrease) in General Fund Balance		(0.60)
General Fund Balance 10/31/11		\$ 13,153.43

**Central Kentucky AGA  
Change in Education Fund Balance  
Month Ended October 30, 2011**

Education Fund Balance 9/30/11		\$ 11,750.00
September Training Expenses	(4,763.03)	
Net Increase (Decrease) in Education Fund Balance		(4,763.03)
Education Fund Balance 10/31/11		\$ 6,986.97

# Central Kentucky Leadership Directory 2011-2012

<b>President</b> Community Service	<b>Linda Hinton, CPA, CPM</b> Auditor of Public Accounts 209 St Clair St Frankfort, KY 40601 (502) 564-5841 Linda.Hinton@auditor.ky.gov	<b>CGFM</b>	Catherine Hunt Auditor of Public Accounts 209 St Clair St Frankfort, KY 40601 (502) 564-5841 Catherine.Hunt@auditor.ky.gov
<b>Past President</b> Webmaster	<b>Amy Small</b> Auditor of Public Accounts 209 St Clair St Frankfort, KY 40601 (502) 564-5841 Amy.Small@auditor.ky.gov	<b>Attendance/ CPE/Awards</b>	Phil Nally, CGFM Finance and Admin Cabinet 702 Capitol Avenue Room 484 Frankfort, KY 40601 (502) 564-2994 Phil.Nally@ky.gov
<b>President Elect</b>  Treasurer	<b>Lee Ann Watters</b> Mountjoy Chilton Medley, LLP 150 Flynn Ave, Suite 100 Frankfort, KY 40601 (502) 227-9000 leeann.watters@mcmcpa.com	<b>Early Careers</b>	Angi Brown  ABC-Division of Enforcement 1003 Twilight Trail Frankfort, KY 40601 (502) 782-1037 Angela.Brown@ky.gov
<b>Secretary</b>	<b>Laura Johnson</b> Auditor of Public Accounts 209 St Clair St Frankfort, KY 40601 (502) 564-5841 Laura.johnson@auditor.ky.gov	<b>Historian</b>	Tommy Richie Office of the Controller 702 Capital Ave Frankfort, KY 40601 (502) 564-8637 Tommy.Richie@ky.gov
<b>Directors:</b> Programs	Mary Hudson Auditor of Public Accounts 209 St Clair St Frankfort, KY 40601 (502) 564-5841 Mary.Hudson@auditor.ky.gov	<b>Newsletter Editor</b>	Sarah Feltus Auditor of Public Accounts 209 St Clair St Frankfort, KY 40601 (502) 564-5841 Sarah.Feltus@auditor.ky.gov
<b>Education</b>	Sandra Rudic, CPA Auditor of Public Accounts 209 St Clair St Frankfort, KY 40601 (502) 564-5841 Sandra.Rudic@auditor.ky.gov	<b>Membership</b>	Roy W. Hunter, CPA rhuntr@aol.com