



AGA St. Louis

The Louie- Sept. 2019

Sista Strut -Breast Cancer Walk

October 5th, 2019
Saint Louis, Mo

The AGA Saint Louis Chapter is teaming up to Walk to fight Breast Cancer! Join the AGA-Saint Louis team by register by September 15th. Team Name—AGA St. Louis—Register HERE! <https://raceroster.com/events/2019/24216/sista-strut-st->

Membership Promotions

Trevon Mosley was recently promoted to a Lead Accountant with the NFAOC. Tony Malle was recently promoted to a Lead Accountant in the CFO office. Please congratulate Trevon and Tony!

Future Events

Fraud Risk Assessment- Luncheon
Date: October 24,2019
Time: 1130am-1230pm
Who: Ron Steinkamp with BrownSmithWallace
Location: 4300 Goodfellow Blvd, St. Louis, Mo 63120

If you have any questions please contact Toni.Swedlund@usda.gov

President's Message

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I would just like to thank the board and the members for your continued support of the AGA St. Louis Chapter. Please come out and join us for our first volunteer event – **Sista Strut Oct 5, at 8:45am**, I will be attending this event, so I hope to see you there! We are also planning our first **luncheon** on **October 24th**, please look for that information to be shared soon.

“We Cannot Become What We Want by Remaining What We Are.” -Max Depree

Toni Swedlund, Chapter President

2019-2020 AGA St. Louis Chapter Leadership

President	Toni Swedlund
President – Elect	William Kraemer
Immediate Past President	Tony Malle
Secretary	Antoinette Taylor
Treasurer	Carolann Marker
Bylaws, Communication, and Media Director	Jared Brauer
CGFM Director	Demetric Williams
Newsletter Editor	Tony Malle
Community Service	Cynthia Cooper
Membership	Jose Ramirez
Program/Education Director	Michelle Harris
Website	Jennifer Whitaker

CGFM Study Tip of the Month

Study with a group of people can help you learn multiple test taking techniques. Join a study group!

When the Early Bird Commits the Fraud, You Need to Catch It

Monthly Article- By Ron Steinkamp

Early revenue recognition has long accounted for a substantial portion of financial statement fraud. By recording revenue early, a dishonest business seller or an employee under pressure to meet financial benchmarks can significantly distort profits. Fortunately, fraud experts have tools to expose such manipulation.

Multiple methods

Early revenue recognition can be accomplished in several ways. A dishonest owner or employee might:

- Keep the books open past the end of a period to record more sales
- Deliver product early
- Record revenue before full performance of a contract
- Backdate agreements
- Ship merchandise to undisclosed warehouses and record the shipments as sales
- Engage in bill-and-hold arrangements

In this last scenario, a customer agrees to buy merchandise but the company holds the goods until shipment is requested. It and any of these schemes might be carried out by one employee or several in collusion.

Expert strategies

Probably the most obvious marker for early revenue recognition is when a company records a large percentage of its revenue at the end of a given financial period. Significant transactions with unusual payment terms can also be a danger sign. When these or other red flags are unfurled, it's time to investigate.

Fraud experts might compare revenue reported by month and by product line or business segment during the current period with that of earlier, comparable periods. They typically employ software designed to identify unusual or unexpected revenue relationships or transactions.

Reading the signs

If, for example, an expert suspects merchandise is billed before shipment, he or she will look for discrepancies between the quantity of goods shipped and quantity of goods billed. The expert will also examine sales orders, shipping documents and sales invoices; compare prices on invoices with published prices; and note any extensions on sales invoices.

What if the expert suspects merchandise was shipped prematurely? He or she compares the period's shipping costs with those in earlier periods. Significantly higher costs could indicate an early revenue recognition scheme.

The expert also may sample sales invoices for the end of the period and the beginning of the next period to confirm the associated revenues are recorded in the proper period. If phantom sales are suspected, reversed sales in subsequent periods and increased costs for off-site storage may provide evidence of fraud.

Exposure can be fatal

If improper revenue recognition is exposed to the public, the resulting scandal can destroy a company. Contact us immediately if you suspect it or other forms of financial statement fraud