

November 2018

Volume 42, Number 4

President's Message



**J. Michael Winston, CGFM,
Chapter President**

UPCOMING EVENTS

**December 5, 2018 — Audio Conference
Communications**

December 10, 2018 — Luncheon Meeting

**January 9-10, 2019 — Nashville Chapter
Winter Seminar**

Inside...

- ♦ Luncheon Speaker Spotlight
- ♦ Save the Dates
- ♦ Risk Assessment and the Green Book
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- ♦ Chapter Leadership Directory

Happy Thanksgiving! It's hard to believe that the holidays are already upon us, but I've got coworkers bragging about having decorated for Christmas or having their holiday shopping almost done. It's probably because I am a procrastinator, but I like to celebrate Thanksgiving before turning my attention to decorating and shopping. Whether you are already putting out wreaths or focused on thawing your turkey, I hope you'll join me in being thankful for our AGA Chapter. We have great events planned in the next few weeks, and we hope you'll come and join us for them all.

Our monthly luncheons have featured networking, delicious food, and educational speakers. At our November lunch, David Connor engaged us on the topic of return on investment in criminal justice reform. While very few of our members work directly in a corrections or criminal justice agency, we got an eye-opening look into the statistics of incarceration and the hefty returns that can be realized from investing in rehabilitation best practices. It's an important lesson for all financial management professionals to be receptive to new programs and ideas that may deviate from the core mission. While such initiatives come at a cost, they may lead to results beyond our expectations. As Mr. Connor reported, each \$1 invested in rehabilitation has shown a return of \$4-\$5 by reducing recidivism and returning inmates to economically productive careers. Our next luncheon is coming up on Monday, December 10th. Our speaker is detailed on the coming pages. I hope you'll join us for exciting insights to help you grow professionally.

Next, our Community Service team is working diligently to provide opportunities for us to give back to Nashville each and every month. Last month, a group served dinner to over 200 men at the Nashville Rescue Mission. Now, we look forward to partnering with Mending Hearts during November to support their mission through monetary and supply donations. As AGA members and public servants, we have much to be thankful for, and I hope you'll join me in sharing some blessings with our neighbors.

Last, registration for the Winter Seminar is now open! The premier training event of the Nashville Chapter will be held in the Tennessee Tower on January 9th and 10th. The Education Committee has been hard at work lining up speakers to deliver 16 hours of CPE. This event always sells out, so be sure to register soon!

Happy Thanksgiving to you and your families!

Best,
Michael

NASHVILLE NOTES



Interested in becoming a CGFM? We're here to help!

The Nashville Chapter is putting together a **CGFM Review Course for Exam 2- Governmental Accounting, Financial Reporting and Budgeting**

When? March 18-20, 2019

Where? Training Room in Cordell Hull (3.102)

Cost? \$450 per person

Taught by a National AGA instructor!

Attendees will receive: NASBA approved CPE, exam 2 study guide and a chance to win an exam voucher!

Class size is limited!

**Contact CGFM Committee Chair Drew Sadler
Drew.Sadler@cot.tn.gov
to reserve your spot**

Membership

Recruiting New Members

As of our November luncheon, our membership count was 337, just 63 short of our goal of 400 for January 1! Currently, we have ten people in the running for the \$100 Prize in our local recruiting competition to sponsor the most people between May 1 and December 31! That means everyone still has a chance to win! Continue to share the benefits of AGA membership with your coworkers and acquaintances. Sponsors receive three points and a \$10 gift card!

New Members

Mrs. Kimberly M. Green
Ms. Kay L. Morgan



The Community Service committee is seeking donations to Mending Hearts, our community service project for November 2018.

If you would like to make a monetary donation, please follow the link below. Select option 1 for a one-time donation

<https://mendingheartsinc.org/donate-now/>

Please forward a copy of your receipt to Keevia Battle or Kilolo Dunmore to show that you have made a donation and the amount as the Chapter will make a **matching donation**.

Wish List - November 2018

Towels (bath, hand and washcloths)

Winter gloves

Pine Sol cleaner

Dish detergent

Trash bags – all sizes

Laundry detergent, Bleach

Paper towels

Kitchen towels and dish cloths

Swiffer mops with cloth and wet pads

Comet

Oven cleaner

Windex

Furniture Polish

Dish scrubbers

We would like to collect all of the donations by November 30, 2018. Donations may be dropped off at the following locations:

KDunmore@thda.org: 3rd floor, Andrew Jackson Building, 815-2143

Veronica.I.Coleman@tn.gov: 20th floor, Tennessee Tower, 253-3998

Tammy.Fruscione@tn.gov: 3rd floor, Cordell Hull, 747-5221

Charlotte.A.Gentry@tn.gov: 7th floor, Davy Crockett Building, 741-7520

SAVE THE DATE!

2018-2019 Luncheon Meeting Dates

September 10, 2018 — DoubleTree
October 8, 2018 — DoubleTree
November 5, 2018 — Double Tree
December 10, 2018 — DoubleTree
January 7, 2019 — DoubleTree
February 4, 2019 — DoubleTree
March 11, 2019 — TBA
April 1, 2019 — DoubleTree
May 6, 2019 — DoubleTree

2018-2019 CEC Meeting Dates

August 1, 2018
September 5, 2018
October 3, 2018
October 31, 2018
December 5, 2018
January 2, 2019
January 30, 2019
March 6, 2019
March 27, 2019
May 1, 2019

2018-2019 Audio Conference Dates

September 12, 2018 — Communications
October 10, 2018 — Internal Control
November 28, 2018 — Ethics
December 5, 2018 — Communications
February 6, 2019 — GASB Update
March 6, 2019 — Finance
March 27, 2019 — Cybersecurity
April 24, 2019 — DATA Act
May 15, 2019 — Fraud/Data Analytics
June 12, 2019 — Leadership

2018-2019 Conference Dates

January 9-10, 2019 — Nashville Chapter Winter Seminar

February 27-28, 2019 — National Leadership Training — Washington, D.C.

July 21-24, 2019 — National Professional Development Training — New Orleans

Speaker Bio



“Driving Performance Excellence in State Government.”

December 10, 2018

Rebecca Hunter serves on Governor Bill Haslam’s cabinet as Commissioner of the Department of Human Resources. Prior to this appointment, she spent six years as the Director of Human Resources for Hamilton County Government in Chattanooga and held management positions in governmental finance for over 25 years. Rebecca’s certifications include CPA, CGFM and Senior Professional in Human Resources.

During her tenure with State government, Rebecca has established the Department of Human Resources as a leader in innovative human resources practices, while shaping the best workforce for state government. She led a successful effort to transform the State’s employment practices with the passage of the T.E.A.M. Act, which is moving the State from a focus on seniority to a focus on performance. As a result, all state employees have a S.M.A.R.T. performance plan which aligns their work with the agency goals and the Governor’s priorities.

Rebecca’s commitment to excellence and performance is demonstrated not only in her leadership of the department, but extends to her leadership on various boards and associations. She serves on the board of the Tennessee Center for Performance Excellence, whose mission is to drive organizational excellence in Tennessee. She serves on the Executive Committee and is a past president of the National Association of State Personnel Executives. She is also a past president and currently serves on the board of the Tennessee Personnel Management Association.

Rebecca is a 2014 graduate of the inaugural class of Leadership Tennessee. She also serves on the board of HealthCare 21 Business Coalition, the board of Hixson Utility District and was appointed by Governor Haslam to the Utilities Management Review Board.

Rebecca strongly believes that continuous improvement, life-long learning and performance excellence are keys to success both personally and professionally.

Risk Assessment and the Green Book

By Mary Lou Goins

According to Webster's Dictionary, risk is "exposure to possible loss or injury" while assessment is "evaluation by an action or process."

The Green Book, GAO-14-704G Federal Internal Control Standards, tells us that "Risk Assessment" is "having established an effective control environment, management assesses the risks facing the entity as it seeks to achieve its objectives." "This assessment provides the basis for developing appropriate risk responses." "Management assesses the risks the entity faces from both external and internal sources." As the Green Book emphasizes, all of the principles should be easily understood and have measurable results.

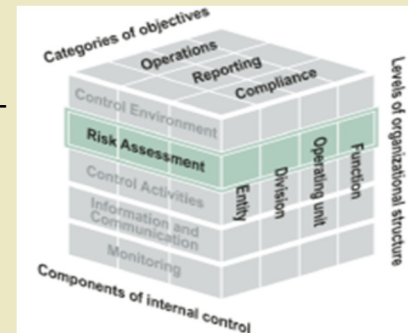
There are seventeen principles supporting the five components of internal control of which, four are related to the Risk Assessment:

Number #6 - Management should define objectives clearly to enable the identification of risks and define risk tolerances.

Number #7 - Management should identify, analyze, and respond to risks related to achieving the defined objectives.

Number #8 - Management should consider the potential for fraud when identifying, analyzing, and responding to risks.

Number #9 - Management should identify, analyze, and respond to significant changes that could impact the internal control system.



All risk assessment objectives are part of principle #6 and should be classified into one or more of three categories, operations, reporting, or compliance. Reporting risks should further be classified as internal or external and financial or nonfinancial. Some objectives may be quantitative (measured in a percentage or numerical value) or qualitative (measured by a degree of performance or a milestone being reached). Risk tolerances for the objectives vary according to the category in which they are associated. Compliance is simple; you are either compliant or not compliant. Financial reporting is all about materiality. Nonfinancial reporting objectives may be qualitative and quantitative, depending upon the user. Operations objectives vary as each relates to the overall relationship and to specific risk involved.

Identification, analysis and response to risks are part of principle #7 and include inherent and residual risk. Inherent risk is an established risk while residual risk is the remaining risk if one has not established or identified the inherent risk. An analysis of risk has to be considered according to the size or magnitude of impact, likelihood or the occurrence, and the nature of the risk. Some risks can be analyzed collectively while others are analyzed on an individual basis. Response to risks is grouped into four different actions: acceptance, avoidance, reduction, or sharing. One accepts the risk. One avoids the risk all together. One can reduce the risk because it is not considered material. One can share the risk.

Principle #8 is assessing the risk as it relates to fraud with three different attributes: the type of fraud, the fraud risk factors, and the response to fraud risks. Types of fraud include fraudulent financial reporting, misappropriation of assets (theft) or corruption. Controls need to be in place to prevent, analyze and respond to identified fraud, however the court system decides if fraud has occurred, not management; management should only access the risk of fraud may be involved. Segregation of duties, reorganization, or making changes to processes by management can be done if specific fraud risks are identified.

The last principle in Risk Assessment, #9, is to identify, analyze and respond to significant changes that could impact an internal control system. This principle is often overlooked, but has to be addressed when reviewing the risk assessments for the organization and/or government entity. Change is something that is constantly happening. Change is inevitable. Change can be incurred from an internal source or external source. Whether it's the implementation of a new accounting system, a change in personnel (legislative or employee), a new law or regulatory requirement, or a change in the organizational structure all of these changes would have to be identified, assessed, and responded to if the changes may generate new risks.

Risk assessment can't be ignored; it has to be addressed by everyone involved. For additional information, go to GAO.GOV/GREENBOOK.

SEATING IS LIMITED
TO THE FIRST 200
REGISTRANTS!

Nashville AGA Winter Seminar 2019

January 9 & 10, 2019, 8AM-4:30PM

William R. Smodgrass Tower
Tennessee Room
312 Rosa L Parks Blvd, Nashville, TN 37243

This two day training event will provide attendees with accounting and auditing updates. The training will also include presentations about ethics, leadership training, and more! Sixteen hours of CPE will be offered.

REGISTER AT

<https://www.agacgfm.org/Chapters/Nashville/Training-Events/2019-Winter-Seminar.aspx>
by December 31, 2018.

Registration Fees:

- Member - **\$175**
- Non-member - **\$275**
- Non-member group rate - **\$225** per non-member for 3 or more non-members from the same agency.

Cancellation Policy:

Any request for cancellation must be sent to:
Melissa.Lahue@tn.gov

no later than December 31, 2018.
After that date, members and non-members who have a reservation but are not able to attend should find a replacement or be responsible for the registration fee.

Preferable Payment Methods:

- Provide cash or a check made payable to "Nashville AGA" and give to Melissa Lahue (payment will be accepted between now and the day of the training).
- Mail a check to:

Nashville AGA ATTN Winter Seminar
P.O. Box 198025 Nashville, TN
37219

- State Agencies can pay through Edison using the vendor number for Nashville
AGA0000084336

Due to PayPal fees, the payment methods above are preferable, but PayPal is an option at
<https://www.agacgfm.org/Chapters/Nashville/Training-Events/>

MORE INFORMATION COMING SOON!

News And Just The Facts

Awards Committee

The Awards Committee would like to share with you an update to the AGA Nashville Chapter Policies. The Community Service Committee requested changes to the Appendix of Policy 7 (the AGA Point Policy). On September 5, 2018, the Chapter Executive Committee (CEC) approved the changes to the community service points structure related to volunteer time and to sponsorship of donation boxes. The changes to the Appendix of Policy 7 are as follows:

	Former	New
Volunteer (in person)	3	<1 Hr Event – 1 pt 1-3 Hr Event – 2 pts 3+ Hr Event – 3 pts
Sponsoring a drop box	1	1-2 boxes – 1 pt 3-4 boxes – 2 pts 5+ boxes – 3 pts

The changes are effective as of the date of approval (9/5/18).

FINAL POINTS STANDING AS OF SEPTEMBER 30, 2018 , IS AS FOLLOWS:

<u>Chapter Recognition Section</u>	<u>Points</u>	<u>Maximum</u>	<u>Percentage</u>
Chapter Leadership, Planning & Participation	4,725	5,000	95%
Education & Professional Development	1,000	4,000	25%
Certification	250	4,000	6%
Communications	1,375	3,000	46%
Membership	900	4,000	23%
Accountability	150	2,000	8%
Community Service	200	2,000	8%
Awards	0	1,000	0%
TOTALS	8,600	25,000	34.4%

LUNCHEON / CEC MINUTES

To read the minutes from the most recent CEC and luncheon meeting, please visit the chapter website at www.nashvilleaga.org . The luncheon minutes will be presented for approval at the next business meeting scheduled for the next program year.

JOB OPPORTUNITIES

From time to time departments forward job opportunities to the Website Committee, which are posted for members' convenience. If you are interested in new job offerings or know someone who is, go to this link for detailed information — <http://nashvilleaga.org/jobs.html>

Editor's Corner

We truly enjoy reading articles submitted from our membership. Please share your thoughts and ideas or interesting news with us by submitting your article to Britt.Wood@cot.tn.gov no later than December 14, 2018 for the next edition of our newsletter. If you have any questions, please let me know.
Thanks!

2018-2019 AGA Chapter Leadership Directory

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Visit the Nashville Chapter web-site at www.nashvilleaga.org
Visit the National website at: www.agacgfm.org