

Austin Area Chapter Association of Certified Fraud Examiners

President's Corner

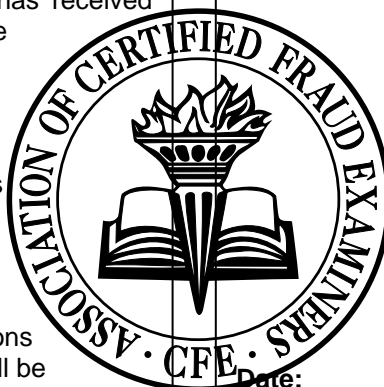
Shari Daffern, CFE, CIA, CPA

Last month's meeting was a lot of fun. Not only did we get to see our speaker Mike Garner "juggle" too many responsibilities during an audit, I had the pleasure of helping him demonstrate (through the skit "Who's On First") what chaos can be created by not listening during an audit.

We presented the winner of our spring scholarship, Keelah Sundbeck with a check for \$1,000. Keelah is currently enrolled in the University of Texas at Austin and is pursuing a degree in Accounting. She has received University Honors each semester while in the business school. In addition to her college classes, Keelah is a member of the Texas Longhorns Aquatics Masters Swimming Team and Texas Christian Fellowship. When not taking college classes, Keelah has worked as a camp counselor and swimming instructor during her summer breaks. (See page 2 for a picture of Keelah).

We are in the process of accepting applications for our Chapter's fall scholarship. The link will be on our web site soon, or you can contact Glyn Rogers for more details. Our scholarships are funded by our seminars.

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Chapter Meeting Schedule

Time: 12:00 to 12:50 p.m.
Lunch served promptly at 11:45 a.m.

Location: Nuevo Leon Restaurant
1501 East, 6th Street

Cost: \$11.00 – Chapter Member
\$13.00 – Non-Chapter Member

This Month's Meeting

Date: October 2, 2006

Speaker: Susan Wynne, CFE, CIA, CGAP

Topic: Fraud at the Austin Community Access Center: New case study, same old story

register on line: www.austinacfe.com
or

call 512/389-4813

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Our fall seminar is set for December 14 this year. As soon as we finalize our speakers and topics, we will post the information. We have some exciting speakers lined up for you!

Some of our attendees wanted to know what will be on the menu for the upcoming luncheons. We will try to post this in the future. A limited number of substitutes can be made.

Hope you enjoy our Spotlight on a member. It is always interesting to learn about the members, their backgrounds, and what they do when they aren't working. If you have a suggestion for a future Spotlight, let us know.

What You Missed

Mike Garner, CFE, CIA

If you were not able to attend the September 11, 2006 chapter meeting, you missed a presentation on Internal Audit and Fraud Awareness by Mr. Mike Garner, CFE, CIA, Internal Audit Director, Texas Adjutant General's Department. The presentation centered on two important elements of Internal Auditing 1) a good audit is when the auditor and the manager of the area being audited both understand and agree on what should be (criteria) and what is (condition) and 2) you reap (effect) what you sow (cause).

During the presentation Mr. Garner touched on audit requirements, the audit purpose, fraud awareness, the audit process, and closed with an interview exercise. At the Adjutant General's Department the only audit required by the federal funding source is the Single Audit (conducted in accordance with OMB Circular A-133) but there is also Internal Audits as directed by the Adjutant General (TAG), Internal Audits directed by the United States Property and Fiscal Officer (USPFO), and audits by the federal funding source including the Defense Contract Audit Agency (DCAA), Army Audit Agency (AAA), Air Force Audit Agency (AFAA), and National Guard Bureau Internal Review (NGB-IR).

The purpose of all of our audit and investigative activities is to promote ethics, values, compliance, accuracy, efficiency,

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AUSTIN AREA CHAPTER OF
THE ASSOCIATION OF CERTIFIED FRAUD EXAMINERS
PO Box 13462, AUSTIN, TEXAS 78711

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protecting resources, and accomplishing the mission. Mr. Garner emphasize one of the two central points of the presentation which is “you reap what you sow.” Sow a thought reap an act, sow an act reap a habit, sow a habit reap a character, sow a character and you reap a destiny. This concept is not only true for each employee but for the organization at all levels and as a whole.

To further emphasize this major point of reaping (effect) what you sow (cause) Mr. Garner provided a visual demonstration on the importance of this premise. The demonstration (using juggling balls) indicated that the organization can do good things by overcoming difficulties and increasing demands by picking up drop balls (adapting and overcoming your mistakes) and keep plugging away at your activities but can do exceedingly great things by using Internal Audit to evaluate and improve the risk, control, and governance processes being used within the organization because you not only reap what you sow but you reap much more than you sow and you reap much longer than you sow.

The last phase of the presentation included an interview exercise demonstrated by Mr. Garner and Chapter President Ms. Shari Daffern where there was much confusion and misunderstanding by the auditor of what the Manager was trying to tell him. This interview exercise was adapted from the Bud Abbott and Lou Costello classic routine “Who’s on First.” In Mr. Garner’s opinion, the major cause of a bad audit is when either the auditor or management of the area being audited does not develop a good understanding of the way operations should be (criteria) and the way things are (condition).

In closing Mr. Garner emphasized that an audit is a team approach between the auditor and the management of the area being audited. If either party fails to do their part, the audit may not provide a true picture of what should be happening (Criteria) what is happening (Condition), the reason for the difference (Cause), the cost to the organization (Effect), and what should be done to address the cause of this difference (Recommendation). The resulting misunderstanding will hurt the quality of the audit and the benefit that it will have on the organization.

As a side note, one of the questions at the end of the presentation asked the name of the right fielder since their name was not mentioned during the interview exercise. Mr. Garner was unable to answer this question, but after further investigation, study, and

contemplation, has determined that the right fielder was probably named “Naturally.” This determination was based in part on Ms. Daffern’s correction of Mr. Garner when she said you do not throw the ball to “Naturally” you throw the ball to “Who.” She was saying you don’t throw the ball to the right fielder you instead throw the ball to the first baseman.

Speaker’s Biography

Susan L. Wynne, CFE, CIA, CGAP

Susan has worked for the City of Austin’s Office of the City Auditor for over six years. She began as a staff auditor and is currently the Assistant City Auditor for Integrity and Ethics. In this role, Susan manages the City Auditor’s Integrity Unit, a specialized unit responsible for conducting fraud, waste, and abuse control activities including investigation, detection, prevention, and review of fraud-related internal controls.

Susan also worked as an investigator in the Texas Attorney General’s Consumer Protection Division from 1997 through 2000.

Susan holds a bachelor’s degree in natural sciences with a major in biology and a minor in chemistry from the University of Texas at Austin.

After working as an environmental chemist for about five years, she decided to completely “shift gears” professionally, so she returned to school to study criminal justice.

In 1999, Susan obtained her master’s degree in criminal justice from Southwest Texas State University (now Texas State University) in San Marcos, Texas.

Currently, she is a doctoral student with 28 semester hours completed towards her PhD in criminal justice from Sam Houston State University. Her research interests include all types of white-collar crime with a special focus on the study of public corruption and corporate fraud.

In addition to her work with the Office of the City Auditor, Susan is also an adjunct instructor of criminal justice at Huston-Tillotson University in Austin. Susan holds professional certifications as a Certified Fraud Examiner (CFE), Certified Internal Auditor (CIA), and Certified Government Auditing Professional (CGAP). She is a member of the Academy of Criminal Justice Sciences, the American Society of Criminology, and the National Association of Certified Fraud Examiners.

The Spotlight's On You!

A special feature focusing on members of the Austin Area Chapter of ACFEs

Patty Vela has been a member of the Chapter

for the past 5 years.

But maybe you didn't know...

Job Description:

Administrative Assistant IV/Purchaser

What I'm working on now:

Training for Division Budget Coordinator for the Executive Office

Best part of my job:

Assisting our Internal Affairs Unit with investigations

Ambition and/or Goals:

Learn the basic responsibilities as Budget Coordinator by 2019 (year I'm eligible for retirement)

Years of state service:

16 years

My first job:

Cashier, Wally World (Wal-Mart), Eagle Pass, TX

Hobbies:

Reading and watching movies

Favorite Movie:

An Affair to Remember w/Deborah Kerr and Cary Grant

Last books I Listened to:

Hot Blooded by Lisa Jackson (read)

Favorite foods:

Anything pasta & Cajun food

Favorite Restaurants:

Amaya's Taco Village
Texas Roadhouse (anyplace that serves steaks)

My pet(s):

none

It's a good day when:

Get home to Cedar Park under 45 minutes

Pet Peeves:

Rude people, people who borrow & never return things, whiners...

What I would do with a surprise afternoon off:

Go home and do nothing but take a nap

I'm most proud of:

My daughter, Karina

Most people probably don't realize:

That I'm actually a very shy individual & that no matter how social I may be at work I'm pretty much a recluse & homebody kinda gal.