



AZ Valley
of the Sun
Chapter

The Roadrunner

February 2016

Volume 17, Issue 9

Inside this issue:

President's Message	2
PCAOB Updates	3
Internal Controls	4
IMA Wild West Council February Events	7
February Technical Session	11
CMA Corner	13
Chapter Board	15
Chapter Event Calendar	17

New Report Highlights Efforts on Audit Quality

The Center for Audit Quality (CAQ) issued a new report that provides insights from a global series of roundtable discussions with audit committee members and other stakeholders on a potential set of audit quality indicators. This outreach, together with the results from pilot testing of the *CAQ's Approach to Audit Quality Indicators*, suggests a path forward on efforts to identify the most effective way to assess audit quality.

Key findings from the roundtables include the following:

- Participants expressed desire for information that can assist audit committees in their assessment of the more qualitative aspects of the audit, such as the engagement team having the right mindset to bring forth professional skepticism and auditor judgment.
- Audit committee members recognized that AQIs can help them oversee the quality of their external audit, even if external audit is just one aspect of quality financial reporting.
- Most participants endorsed a flexible approach that allows an audit committee, working with the external auditor, to tailor or customize the selection and portfolio of AQIs that best suit its specific information needs.
- While supporting the concept of AQIs, some roundtable participants said they already have the tools necessary for them to gauge the quality of their audit.
- Audit committee members agreed that AQIs alone, without context, cannot adequately communicate factors relevant to any particular audit engagement or audit firm.
- There was agreement that the process of identifying and evaluating AQIs needs to be audit committee-driven and iterative, and will require continuous assessment and refinement in order to meet the changing information needs of audit committees.
- Audit committee members expressed strong concerns that public disclosure of engagement-level AQIs could lead to unintended consequences. A strong consensus emerged that any disclosures of engagement-level AQI information should be voluntary.

The full report can be found here: http://www.thecaq.org/docs/default-source/reports-and-publications/auditqualityindicators_journeyandpath2016.pdf?sfvrsn=4

For more information on The Center for Audit Quality (CAQ), visit www.thecaq.org.

The February issue of *The Roadrunner* newsletter focuses on Auditing. Accounting and financial professionals should stay current on audit changes for our individual needs, our company or our clients. Take advantage of your IMA membership and join us for any of our educational, career and networking events to keep current on tax and accounting issues.

IMA AZ Valley of the Sun Chapter President's Message

Dear IMA AZ Valley of the Sun Chapter Members,

Auditing is a subject that is near and dear to my heart. I am a Senior Manager in the audit department at CBIZ MHM, LLC and Mayer Hoffman McCann P.C. Providing audit services is the primary objective of what I do but it also includes reviews, compilations, agreed-upon procedures and consulting services. The general reaction I get when I tell someone I am an auditor is not a good reaction. We definitely don't have a great reputation in the general public for two reasons. The general public only ever hears about us when something has gone very wrong and a massive fraud has occurred or when their tax return is being audited, which is the IRS not an independent public accountant. When auditors do a good job, the company is given a piece of paper called an audit opinion, which can be a little underwhelming given all the time and costs to the company. To combat this impression about auditing, we do a lot of different things. The first and most important is looking for the value added services to our clients. Since we get to know our clients and their processes well, we are able to provide recommendations for improvement and/or efficiencies in their processes and internal control.

As part of our profession, we are at the forefront of new accounting pronouncements and other industry changes, so we are in a great position to alert our clients to these changes and can guide them through their understanding and implementation. To take this even further, we are able through our national resources to provide educational content, both live and webcast, to enhance our clients understanding of accounting changes or to just provide them with some much needed free CPE. The other big way we can add value to our clients through our audits is to look and listen to where they are facing their greatest challenges. When we recognize that our clients are facing a challenge, we don't just look at this from an auditing and compliance perspective. We look at how we can help them take on this challenge and end up a better business for it after it is over. CPA firms are a vast network of business resources that can help provide a solution to any business problem. One of my favorite things about working for CBIZ is the huge array of business services offered under one company that I can utilize to help my clients grow their business.

Finally, CPA firms combat their image issue through a lot of community service, professional and community involvement, and education of students on campus and through various opportunities at their firms. Putting ourselves out there and educating the public is a key tool to making sure those we don't provide services to also know what we are really about. At this point in my career, I am way past the negative impression about auditing. I see the great benefit that I can bring to my clients as a trusted business advisor and to the public as a responsible professional, and not just an auditor. I hope I have helped to change the attitude towards auditing, even if just a little bit.

Sincerely,

Travis J. Magneson, CPA CMA CFM

IMA AZ Valley of the Sun Chapter

2015-2016 President

PCAOB Adopts Rules Requiring Disclosure of the Engagement Partner and Other Accounting Firms Participating in an Audit

The Public Company Accounting Oversight Board today adopted new rules to provide investors with more information about who is participating in public company audits.

The new rules and accompanying amendments to auditing standards require audit firms to disclose the names of each audit engagement partner as well as the names of other audit firms that participated in each audit.

Under the final rules, auditors will be required to file a new PCAOB Form AP, *Auditor Reporting of Certain Audit Participants*, for each issuer audit, disclosing:

- The name of the engagement partner;
- The names, locations, and extent of participation of other accounting firms that took part in the audit, if their work constituted 5 percent or more of the total audit hours; and

The number and aggregate extent of participation of all other accounting firms that took part in the audit whose individual participation was less than 5 percent of the total audit hours.

"Auditing is a business about reputation," said James R. Doty, PCAOB Chairman. "Transparency about the partner and firms involved should further incentivize auditors to organize audit teams conscientiously to give investors comfort that it is reliable."

"Form AP will provide investors and other financial statement users with the information they have continued to request — the name of the engagement partner and information about other accounting firms participating in the audit — in a single searchable database, giving the market valuable information, while responding to concerns raised by accounting firms and others about the unintended consequences of such a disclosure in the auditor's report," said Martin F. Baumann, PCAOB Chief Auditor and Director of Professional Standards.

The standard filing deadline for Form AP will be 35 days after the date the auditor's report is first included in a document filed with the Securities and Exchange Commission. In the case of initial public offerings, the Form AP filing deadline will be 10 days after the auditor's report is first included in a document filed with the SEC.

The new rules are subject to approval by the SEC. If approved by the SEC, the disclosure requirement for the engagement partner will be effective for auditor's reports issued on or after January 31, 2017, or three months after SEC approval of the final rules, whichever is later. For disclosure of other audit firms participating in the audit, the requirement will be effective for reports issued on or after June 30, 2017.

The PCAOB, acting on a recommendation of the Department of Treasury's Advisory Committee on the Auditing Profession, began an analysis of this transparency issue in 2009 when it [issued a Concept Release](#). Auditor transparency has been the subject of four rounds of public comment, and has also been discussed at several PCAOB Standing Advisory Group and Investor Advisory Group meetings. Further background and relevant documents on the initiative can be found on the PCAOB website on [Docket 029](#).

PCAOB staff plans to publish guidance in 2016 for firms relating to compliance with the reporting requirements of Form AP. Visit <http://pcaobus.org> for more auditing updates and PCAOB press releases.

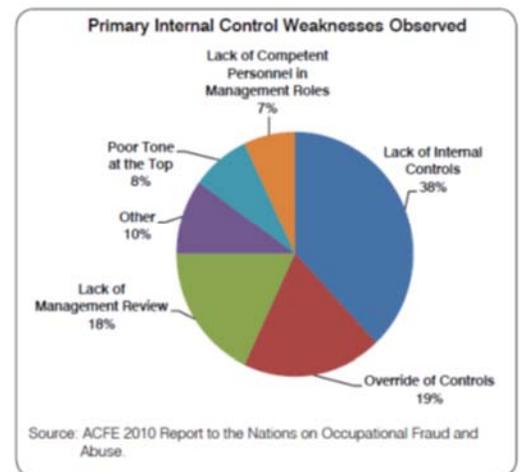
The Office of the Auditor General is a legislative agency under the direction of the Joint Legislative Audit Committee. Our mission is to improve state and local government operations and accountability by independently providing the Legislature, government decision-makers, and the public with timely, accurate, and impartial information; relevant recommendations; and technical assistance. This fraud alert addresses internal controls and recommends controls that can help prevent fraud, waste, and abuse.

Internal Controls Really Do Prevent Fraud

Most frauds occur because organizations lack effective internal controls. Controls serve different purposes—some reduce the amount of losses sustained in fraud schemes while others help limit the length of time the scheme is being perpetrated. Some controls are more susceptible to circumvention by employees and key members of management can override almost all controls. An effective system of internal control contains a combination of preventive and detective measures.

The Association of Certified Fraud Examiners (ACFE) completed a global study of occupational fraud and abuse in 2010 to identify the primary factors that allowed fraud to occur. As shown in the chart, 75 percent of the respondents cited

lack of internal controls, override of existing controls, and lack of management review as the primary factors that allowed fraud to occur.



TO OBTAIN MORE INFORMATION

(602) 553-0333

or by visiting our Web site at: www.azauditor.gov

Contact person:
Lindsey Perry



2011

September • Alert No. 11-02

Controls to Prevent and Detect Fraud

Your organization can, and should, implement a number of internal controls to prevent and detect fraud, waste, and abuse. Following are a few controls that will eliminate weaknesses we commonly encounter during our audits:

Policies and Procedures—Ensure that these are in writing and that employees are familiar with policies regarding cash disbursements; attendance and leave; travel expenses/reimbursement; purchasing guidelines; petty cash; and conflicts of interest.

Preventive Controls—Require that an authorized employee reviews and approves purchases, payroll, and disbursements; separate cash handling—

receipt and deposit—from recordkeeping functions. Limit computer access so that employees are granted only the access rights necessary to perform their jobs. Establish strong computer passwords at least eight characters in length that use a combination of alphabetic and numeric characters; require users to change their passwords every 90 days; and prohibit password sharing.

Detective Controls—Ensure that supervisors review the activity of employees who have been granted heightened computer access. Require an employee who does not have bookkeeping or cash-handling responsibilities to complete monthly reconciliations.

Community Service Projects

Waste Management Open - February 6th

Volunteers needed for the Waste Management Phoenix Open!

On Saturday, February 6, 2016, IMAAZ will be helping the Special Olympics by staffing one of their concession stands at the Waste Management Phoenix Open! Our shift we run from 7:30 AM to 2:00 PM, and we will need at least 25 volunteers. Special Olympics get a donation for each Volunteer. Make yourself count by volunteering! This is our sixth year participating in this event, and it has always been a fun and very busy time at the open!



All volunteers receive a free day pass for the Open. To sign up, contact IMA Community Service Director Chris Fritsch at cpinnacle@cox.net. Thank you for your support of our community!



Lunch & Learn - The Business of Baseball - March 3, 2016

Come join us for a fun Lunch at Learn with lawn ticket seats at Salt River Field at Talking Stick. We will host an hour of CPE from 12:00 p.m. – 12:50 p.m. to learn about “The Business of Baseball”, followed by the Opening Day of Spring Training at 1:10 p.m. when the Diamondbacks will play the Rockies. Enjoy lunch, get CPE and enjoy the Annual Rite of Spring while cheering at a great rivalry spring training baseball game. Is it possible to have a better time than this?

Lunch: 11:30 – 1:00 p.m.

Lunch and Learn Topic: “The Business of Baseball”

Presentation: 12:00 – 12:50 p.m.

Venue: Lawn, Salt River Fields at Talking Stick

We will be sitting on blankets in the lawn seats – right field top corner. To get to our area, walk left when entering the gates and walk to the end of the lawn seating. We will be sitting in the top corner. Bring a blanket and sand chairs if you prefer. We will circle around our speaker and have lunch from the food court.



Expand your network and sharpen your leadership skills! Volunteer in the IMA Wild West Council

Volunteering in IMA gives you opportunities for Learning and Refining New Skills for Personal and Professional Growth, Developing/Strengthening Professional Relationships, and Supporting the Management Accounting and Finance Profession.

IMA's Wild West Council is seeking volunteer leaders to contribute to its mission of promoting IMA's strategic objectives and supporting the success of chapters in Arizona, southern California, southern Nevada, and Utah. Regional councils are chartered by IMA's Global Board of Directors to serve as a bridge between the Global Board and staff and professional member chapters, student chapters, and members in their designated geographic area.

Council responsibilities include:

- Monitoring the health and success of assigned chapters
- Organizing new chapters
- Leading revitalization efforts for chapters that are experiencing difficulties
- Assisting in identifying and establishing student chapters
- Supporting members not served by a local chapter and at-large members
- Augmenting chapter resources in providing education and networking events, strategizing and making corporate development calls, and promoting CMA® (Certified Management Accountant) certification

The Council meets four times per year at different locations within the Council area. Our meetings include CPE, business meeting, and networking events. All Council volunteers are encouraged to actively participate in Council activities, but attendance is not mandatory. Web connections are generally available for business meetings.

For more information on available positions, contact Wild West Council VP of Chapter Relations, Pem Smith at pem.smith64@gmail.com or visit the Wild West Council website <https://sites.google.com/site/wildwestcouncil/volunteer>.

Applications are open from 1/7/16 through 3/4/16 for the IMA Fiscal Year starting July 1st.

For more information on the application process, contact Pat Stefanczyk, IMA vice president of governance and volunteer relations, at pstefanczyk@imanet.org or call (800) 638-4427, ext. 1592.



The Association of
Accountants and
Financial Professionals
in Business

IMA WILD WEST COUNCIL

Winter Meeting- Phoenix

February 19-20, 2016

Schedule of Events

Friday, February 19, 2016:

11:30 to 12:30

CMA Rally at ASU

Tempe Campus

1:15 pm to 5:15 pm

CPE Sessions

Sheraton Downtown Phoenix

Evening:

Networking/Social Event with

IMA Global

Saturday, February 20, 2016:

IMA WWC Meeting

9:00 am to 12 noon

Afternoon social event:

Lunch and visit to

The Phoenix Art Museum

Like us on Facebook and follow us
on Twitter: @IMAWWC

Friday, February 19 events

11:30 am to 12:30 pm

CMA Rally at ASU Main Campus

(Pizza, Prizes, Networking and CMA certification information)

1:15 pm to 5:15 pm

CPE—4 hours

Sheraton Downtown Phoenix

Ethical Leadership: A Values Based Approach (2 hours)

Presented by Bud Kulesza, CMA, CFM, former IMA Chair

The Importance of Management Accounting (1 hour)

Presented by William F. Knese, CMA, CFM, CPA,

former IMA Chair

(1 hour CPE)

Developing Leadership Skills through IMA (1 hour)

Presenter TBA

Evening:

Networking event with IMA Global

For more information on all events:

<https://sites.google.com/site/wildwestcouncil/>



Inside Talk Webinar

ASC 606 – Using Change Management to Your Advantage

Wednesday, February 10, 2016

Presenters: Doug Arms VP Americas Finance Center of Excellence Kelly Services
 Tony Bercik Director Finance Center of Excellence Kelly Services
 Laura Borovsky, CPA Sr Finance Manager Revenue Accounting Kelly Services

Event Description

Are you ready for ASC 606? The upcoming organizational changes associated with ASC 606 will impact most companies. The individual impact and costs will vary greatly from firm to firm. Preparing for ASC 606 properly, and early will be essential to successfully managing the changes. Smart companies will be busy taking inventory of their talent, talent gaps, and overall talent strategies, necessary to navigate ASC 606. The timing of change, preparation, and lessons learned from past changes such as SOX or Dodd-Frank will be great indicators of future challenges.

This webinar will focus on talent strategies, proper company education, most impacted industries, measuring the degree of change necessary in the company, and predicting costs associated with the changes. The impact of ASC 606 will vary, but inevitably impact daily operations to some extent. Proper preparation can limit the disruption of daily operations as a result of the change.

Learning Objectives

After this webinar, you will be able to:

1. Have a better understanding of the requirements of ASC 606
2. Explain how the changes may impact your organization
3. Recognize what you should be doing now and in the future to prepare for the changes associated with ASC 606
4. Consider talent options and partnerships based on available talent options
5. Understand the potential disruptions to daily operations and how to minimize them

Price: Free

CPE Credit: 1 hour

Field of Study: Operations Management

Research Area: Operations, Process Management & Innovation

Program Level: Intermediate

Prerequisite: None

Advanced Preparation: None

Instruction Method: Group Internet

Visit the IMA Global Website www.imanet.org for more webinars and registration.



The Association of
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Women's Accounting Leadership Series

Mark your calendars for **Friday, April 29, 2016** for an innovative, inspiring, and informative event, presented by IMA, Pace University, and Arizona State University.

WHAT: The Women's Accounting Leadership Series is designed to provide relevant professional development and support for the advancement of women in accounting and finance functions in corporate America. Participants will include accomplished female leaders in the profession, as well as aspiring and mid-career accounting professionals, so that different perspectives on challenges and potential solutions are shared in an interactive dialogue.

WHEN: Friday, April 29

WHERE: Arizona State University
WP Carey School of Business, McCord Hall
Tempe, Arizona

WHO:



Sandra B. Richtermeyer,
Ph.D., CMA, CPA
Professor of Accountancy and
Associate Dean
Williams College of Business
Xavier University
Former IMA Chair
IMA Global Board of Directors



Leslie F. Seidman
Executive Director
Center for Excellence in
Financial Reporting
Lubin School of Business
Pace University
Former Chair of FASB

Price: Free

Earn NASBA-approved
CPE credits

Includes: Breakfast,
networking break, and
informal lunch

REGISTRATION:

Details to follow in a
subsequent e-mail.

IMA Wild West Council 2015-2016 Board

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Get Social with the IMA Wild West Council



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[@IMAWWC](https://twitter.com/IMAWWC)

IMA Wild West Council 2015-2016 Meeting Calendar

February 19-20, 2016 Phoenix

April 22-23, 2016 Salt Lake City

Join us for the IMA Wild West Council events in Phoenix!

Friday, February 19, 2016

11:30 AM - 12:30 PM - CMA Rally (tentative) - Free!

Join us for an informational event about the Certified Management Accountant Certification, Accounting Careers in Industry, and Networking

1:00 PM - 5:00 PM - 4 hours of CPE

1:00 PM - 3:00 PM. Former IMA Chair, Bud Kulesza - Ethical Leadership: A Values Based Approach (2 hours)

3:00 PM - 5:00 PM Additional topic to be announced

Location: Sheraton Downtown Phoenix Hotel

6:30 PM - 8:00 PM (tentative) - IMA Global Board Networking Reception - Wild West Council members welcome

Saturday, February 20, 2016

9:00 AM - 12:00 PM - Wild West Council Meeting -

All IMA members welcome!

Location: CBIZ Office

3101 N. Central Ave., Suite 300

Phoenix, AZ 85012

12:00 - 4:30 Lunch and Social/Networking Event

Phoenix Art Museum - we will take the Light Rail to the museum and back to the hotel

6:00 Group Dinner TBD

Visit the IMA Wild West Council for event details, registration and payment <https://sites.google.com/site/wildwestcouncil/events-1>

February 2016 Technical Session

Past Presidents' Night

Date: Tuesday, January 19, 2016

Time: Networking 5:00 - 6:00pm / Dinner: 6:00pm - 7:00pm / Session: 7:00pm - 8:00pm

Session: Innovation Leadership and Governance

Speaker: Jeff Thomson, CMA IMA President & CEO

Description: Join us for a celebration with the Global IMA President & CEO, Jeff Thomson who will offer us insights into innovation leadership and governance. This will give us an opportunity to interact with him about our organization's outreach to students, members & other organizations in the world of accounting & business decision-making. Our role is evolving to one of financial leadership that is recognized for its responsibility to many stakeholders. We also honor our members who have served as President of local chapters. We celebrate & thank them for their contributions to the IMA effort over the years. Please join us for the opportunity to network & learn more about the IMA at the Global & local levels.

Amount of CPE: 1 hour

Menu: NY Strip Loin Plated Dinner or Chef's Vegetarian Selection

Cost: Members \$37, Non Members \$42, Students \$5

RSVP Due: Thursday February 11, 2016

Register online at www.imavalleyofthesun.org and use our credit card payment option.

Speaker Biography

Jeffrey C. Thomson is president and CEO of the Institute of Management Accountants. Mr. Thomson was promoted to this position on April 19, 2008 and is responsible for leading and directing IMA's operations, programs, products, and services. In 2009, Mr. Thomson led IMA through a strategic turnaround which resulted in attracting more than 5,500 new IMA members and nearly 12,000 new CMA candidates in the face of a recession. The strategic initiative included the launch of a new CMA exam, a new visual identity for the IMA and CMA brands, the implementation of a major enterprise technology system, and establishment of new IMA Core Values, serving as guideposts to the IMA strategic theme of "creating value, through values." Prior to joining IMA, Thomson worked at AT&T for over two decades where he served in various financial, strategic and operational roles. In his last position at AT&T he served as the CFO for business sales, an \$18B revenue operation.

Mr. Thomson has conducted research and spoken globally on a variety of topics, including financial leadership, enterprise risk management, business performance management, strategic planning, and competitive analysis. Thomson has also appeared before the SEC and PCAOB on critical regulatory matters impacting U.S. global competitiveness. He is a member of the COSO Board of Directors, which delivers global guidance on internal controls and enterprise risk management.



Phoenix Heart Walk

Saturday, March 19, 2016 | Cityscape Downtown Phoenix

Join thousands of walkers from the Greater Phoenix area as they step out to have fun, get inspired, & support a meaningful cause! The Heart Walk is a 3 mile route and the Stroke Walk is a 1 mile route. **Participants are allowed to bring strollers, rollerblades, etc., but please be mindful of the large crowds, especially at the Start Line. Dogs are welcome and, by City of Phoenix law, must be on leash and cleaned up after.** We look forward to seeing you downtown!

Event Information

Date: Saturday, March 19, 2016
Location: Cityscape Downtown Phoenix 145 E Washington St. Phoenix, AZ 85004
Time: 8:00am to 12:00pm
The Route: 3-mile Heart Walk and a 1-mile Stroke Walk

Join the **Number Crunchers Team** for the 2016 Phoenix Heart Walk! Together we can take a step toward improving our heart health while having fun! Members of the **Accounting & Financial Women's Alliance** and the **Institute of Management Accountants**, along with friends and family will participate in both the 3 mile and 1 mile walks. No matter your fitness level, there is an opportunity to participate in the walk and the festivities. Please visit <http://phoenixheartwalk.kintera.org/numbercrunchers> to join or support the Number Crunchers Team!

Questions: Contact Team Captain Laura Mangan at 480-276-5926 or lauralynne@earthlink.net.



*IMA's Certification for
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The
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Presented by:
The IMA Arizona Valley of the Sun Chapter
& The IMA Wild West Council

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- Extensive coverage of practice multiple-choice and essay questions
- Access Until You Pass®

Cost:

IMA Members: \$1,020, Non-Members: \$1,175, Student Members: \$600.
Bundle – Members Only (Both sessions discount): \$1,836.
Take advantage of Early Bird rates for more savings.

Schedule:

Part 1: 1pm -6pm
Part 2: 7am-12pm
Classes held over 7 Saturdays
beginning on April 16, 2016

Location:

The comfort of your living room!
Classes are live online sessions.

More information, please visit imavalleyofthesun.org
If you are interested in registering for the course, please contact:
cma@imavalleyofthesun.org

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melissa.leonard@gleim.com
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SUCCESS GUARANTEED!!



IMA AZ Valley of the Sun Chapter 2015 - 2016 Board of Directors

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Past President	Cheryl Brock (P)		
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Co-Director	Tom Dopler	Asst Corp Development	Mirza Alihodzic
Co-Director	Pam Zanzucchi (P)	Sponsorships	open
Co-Director	Deb Michalowski (P)	Employment	Mitchell Davidson
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Asst CMA Program	Mirza Alihodzic	Employment	Glenn Hines
Asst CMA Program	Andrew Rhea	Employment	Chris Stich
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Certificate Reporting	Laura Mangan	SCST Scholarship	Donna DeMilia
Webcaster	Kathleen Moren (P)	SCST ASU	Nick Stefaniak
Meetings/Attendance	John Bakker	SCST DeVry	Robert Norton
Raffle	Susan Bobbe	SCST GCU	Alex Ortiz Rosa
		SCST Internship	Yaman Nass

Please contact Travis Magneson if you are interested in serving on the chapter board, on a committee or volunteering for an event. Email Travis at tmagneson@cbiz.com. Members are welcome to join us at monthly board meetings. Check the events page for the date and location of board meetings.

IMA AZ Valley of the Sun Chapter Member February Anniversaries

1-10 Years

Joshua Skelton, CPA
Khaled Abdulsalam
Shamini N V.Narayanan, CA
Kevin La Ra
Samantha Vesperman
Douglas William Torda
Tuong Vinh Phan
Douglas Kenney
Andrea Jones
Rebecca Pistillo
Joshua James Delong
Jared V Hogrefe, CMA, CPA
Christopher Krygier, CMA
Kristine Duke
Charles Campbell
Russell Gardner
Eric Smith, CMA

11-20 Years

Timothy Fagerstrom, CMA
Heidi Blecha, CMA, CPA
James Schroepfer, CMA, CPA
Thad Colgrove, CMA
Paul Byrne, CMA, CFM
Deborah Krebs, CMA, CFM, CPA
Daniel Russell, CMA, CPA
Scott Green, CMA, CPA
Eric Teel, CMA, CPA

21-30 Years

Elizabeth VanKerkwyk, CMA
Lorraine Schriefer, CMA
Debra Norton
Karen Timian, CMA
James Kernan, CMA
Robert Dye, CMA
Thomas Scotney, CMA
Gerald Warren Ada, CMA
Denise McDermott
Nicholas Stefaniak, CPA

31-40 Years

Kenneth Rickey
Donald Spalding

50+ Years

H Scott Strem
William R Wiebe
Frank Bowman, CPA
Rex Wilde, CPA
Bill Hook

Strategic Finance: Federal Compliance Accounting

In the Governance column of the February 2016 issue of *Strategic Finance*, Robert S Lawson, CMA, CPA, CGMA reviews the information staff working in government contractors and nonprofits need to be successful. Colleges haven't covered these topics to provide entry level staff with adequate knowledge to comply with federal regulations.

Students and practicing accountants should understand Cost Accounting Standards (CAS), Disclosure Statements, Federal Acquisition Regulations (FAR), and Office of Management & Budget Circulars (OMB A-21 and A-122).

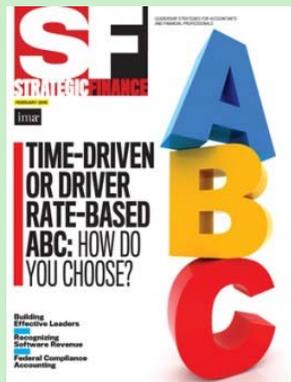
By having an extensive knowledge of CAS 401, "Consistency in Estimating, Accumulating and Reporting Costs," and CAS 410, "Allocation of Business Unit General and Administrative Expenses to Final Cost Objectives," I was a major force in the dismissal of a recent court case, which will save my company more than \$17 million. If new graduates could come into the workforce with knowledge of these standards, their careers and employers would benefit.

The Cost Accounting Standards Board (CASB), founded in Public Law 100-679, established 19 Cost Accounting Standards for defense companies. There are categories of contracts and subcontracts that are exempt from the CAS requirements, but all other contracts are categorized as CAS-covered.

The Federal Acquisition Regulation (FAR), a large, complex set of rules governing the federal government's purchasing process, lists in detail the costs a contractor or subcontractor can't claim as an expense when performing work on a defense contract. Failure to identify these costs and exclude them from government work can result in substantial penalties. Many of these costs are deducted when companies perform commercial work, so accounting students and practicing management accountants must be aware of the government regulations in order to avoid penalties at their place of business.

Given the more than \$500 billion spent annually on federal government contracts, more training is needed in the curricula at colleges and universities across the U.S. on the subject of federal accounting. It's also important for employers to be aware of this need so they can hire well-qualified employees.

Visit www.imanet.org for IMA Publications and the new SFMagazine.com for the full article and the latest issue of *Strategic Finance*.



Upcoming Chapter Events



Feb 6th

Waste Management Open Volunteering

February 9th

Board Meeting

Macayo's Phoenix

February 16th

Innovation Leadership & Governance

Past President's Night

Marriott Airport Hotel Phoenix

February 19th

Wild West Council Meeting

Sheraton Grand Phoenix

March 3rd

Lunch & Learn

AZ Diamondbacks Spring Training

March 8th

Board Meeting

Macayo's Phoenix

Vision Statement

The world's leading association for management accounting and finance professionals.

AZ Valley of the Sun Chapter
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The Association of
 Accountants and
 Financial Professionals
 in Business

Mission Statement

Provide to members personal and professional development opportunities through education, association with business professionals, and certification in management accounting and financial management skills. Ensure that IMA is universally recognized by the financial community as a respected institution influencing the concepts and ethical practices of management accounting and financial management skills.

February 2016

Reminders :

- Sign up to join IMA volunteers at the Waste Mgt Phoenix Open on Feb 6th.
- Make a New Year's Resolution to maximize your IMA membership by joining us for CPE and networking opportunities this year!
- Reserve your lawn seats for the March 3rd Lunch & Learn with the AZ Diamondbacks and an afternoon Spring Training game.

	Sun	Mon	Tue	Wed	Thu	Fri	Sat
	1	2	3	4	5		6 Waste Mgt Open
7	8	9	10	11	12	13	
			Board Meeting	Webinar			
14	15	16 Webinar	17	18	19	20	
		Technical Session			WWC Meeting		
21	22	23	24	25	26	27	
28	29						