

APPFA Professional Development Conference

Who Done It?

Unlock The Mystery of Auditing

November 3 - 6, 2002



**Newport Harbor Hotel & Marina
49 America's Cup Avenue
Newport, RI 02840
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About Your Sponsor



The APPFA Professional Development Conference is designed to further enhance participants'

auditing skills and provide a forum for the exchange of ideas and concepts. At the conference, the participants will attain an overview of the topic areas. Attendees should have a basic knowledge of accounting and auditing procedures, practices and theory. There is no experience requirement and no advance preparation is needed. Participants attending this seminar will receive an attendance certificate following the completion of this program. Auditing and accounting professionals may qualify for 17 hours of Continuing Professional Education (CPE) by attending this conference, which is designed to comply with NASBA's CPE Standards.



APPFA is registered with the National Association of State Boards of Accountancy (NASBA), as a

sponsor of continuing professional education on the National Registry of CPE Sponsors. State boards of accountancy have final authority on the acceptance of individual courses for CPE credit. Complaints regarding registered sponsors may be addressed to the National Registry of CPE Sponsors, 150 Fourth Avenue North, Suite 700, Nashville, TN 37219-2417, (615) 880-4200, Web site: www.nasba.org.



Rosecliff Mansion

Agenda

SUNDAY - NOVEMBER 3

Reception 6:00 - 9:00 pm

MONDAY - NOVEMBER 4

Continental Breakfast 7:30 - 8:30 am

Introduction & Logistics 8:30 - 8:45 am

Welcome to Rhode Island - Frank J. Karpinski, Executive Director, ERS of RI 8:45 - 9:15 am

1. Employer Audits 9:15 - 10:15 am

Break 10:15 - 10:30 am

Employer Audits (cont'd) 10:30 - 11:30 am

Lunch 11:30 - 1:00 pm

2. Corporate Governance 1:00 - 2:15 pm

Break 2:15 - 2:30 pm

3. Roll Call of the States 2:30 - 4:45 pm

Business Meeting 5:00 - 6:00 pm

TUESDAY - NOVEMBER 5

Continental Breakfast 7:30 - 8:30 am

4a. Consulting the Business 8:30 - 10:00 am

Break 10:00 - 10:15 am

4b. Business Tools That Work 10:15 - 11:45 am

Lunch 11:45 - 1:15 pm

4c. Effecting Change 1:15 - 2:45 pm

Break 2:45 - 3:00 pm

4d. Branding and Selling 3:00 - 4:45 pm

Dinner Aboard the Mystery Train 5:30 - 8:30 pm

WEDNESDAY - NOVEMBER 6

Continental Breakfast 7:30 - 8:30 am

5. It's 8 AM: Do You Know Where Your Retirees Are? 8:30 - 10:00 am

Break 10:00 - 10:15 am

6. Auditing Private Equity Partnerships 10:15 - 11:30 am

Session Descriptions and Presenters

1. Employer Audits

The State of California Public Employees' Retirement and State Teachers' Retirement Systems audit employers such as cities, counties, special districts and school districts for compliance with applicable laws. CalPERS and CalSTRS will present an overview of audit planning, fieldwork procedures, and common audit report findings/issues. The presentation will also include how other states provide audit coverage to employer organizations.

1st Presenter: Randy Cortland

Audit Supervisor
California State Teachers' Retirement System (CalSTRS)

Randy is currently the audit supervisor for the CalSTRS Office of Audits. He has 25 years audit experience, which includes performing school district single audits, school district program compliance reviews, and peer reviews of CPA firms. For the past 3 years, Randy has supervised and performed audits of school districts located throughout California. These audits involve examining school district payroll reporting systems for compliance with the State Teacher's Retirement Law.

Randy is married to an elementary school teacher. They have two children, ages 24 and 19. In addition to spending time with his family, Randy likes to take bicycle rides, jog, read non-fiction, travel, and listen to classic jazz and rock music.

2nd Presenter: Bruce Smith

Bruce Smith, CIA, CGFM, is currently a senior audit manager at the California Public Employees' Retirement System. A graduate of California State University, Sacramento, with a BS in Business Administration, and a minor in chemistry, Bruce joined CalPERS in 1991.

Prior to employment in the public sector Bruce worked in retail banking and as an assistant controller at a mortgage company. Joining the public sector in 1984 Bruce worked as a bank examiner for five years and then two years as an internal auditor at the California State Lottery. Upon joining CalPERS in 1991, Bruce developed CalPERS' initial real estate compliance audit program. For the last five years Bruce has been responsible for overseeing both the public agency audit and health plan audit programs at CalPERS.

Bruce is a Certified Internal Auditor, and a Certified Governmental Financial Manager. Bruce recently passed the Certified Public Accountant exam and is in the process of being licensed.



Chateau-sur-Mer

2. Corporate Governance

Insider trading, bogus entities, phony accounting transactions, obscene CEO perks, tax evasion. The recent spate of corporate scandals has created a clamor for reform from all fronts. The legislature, the SEC, the exchanges and the FASB all plan to take action. But what can we, the institutional investors, do? In this session, Joe Vet examines the some of the current fiascos, why they happened, what's being done, and what we, as investors, can do. Joe will focus his comments on his work with The Conference Board

(www.conference-board.org), an authoritative source of knowledge on corporate governance, business ethics, human resources, and corporate citizenship. The Conference Board brings together senior executives to examine timely issues and study best practices in a wide range of business disciplines. In this case, The Conference Board plans to publish a set of corporate governance best practices that we would expect to see in the companies we invest in.

Presenter: Joe Vet

Mr. Vet has been with the NYS Teachers' Retirement System, a \$73 billion defined benefit public pension plan, for over 26 years. In October 1998, he was appointed to the Executive level position of Securities Investment Officer. In this position he is responsible for investments in domestic fixed income, domestic equities, international equities, private equity and securities lending. He also has responsibility for asset allocation, manager selection when outside managers are used, and monitoring outside managers.

Starting in 1976, as the System's Finance Officer, he was promoted in 1985 to a Division Manager position. Prior to 1998, he was the Director of Internal Audit for four years. Joe received his BS from Bryant College in Providence, RI. and is a Certified Public Accountant (CPA) and Certified Employee Benefits Specialist (CEBS). He was active in the Government Finance Officers Association (GFOA) for over 15 years and served on the GFOA's National Committee on Retirement and Benefits Administration, chairing the accounting subcommittee. Joe is an active member in the GASB Pension Task Force and functioned as an advisor for GASB Implementation Guides. He is a member of the NYS Society of CPAs, International Foundation for Employee Benefits Plans and the AICPA. In previous roles, he was active in the Association of Public Pension Fund Auditors (APPFA), serving as President (1997-1998) and as a member of the Board of Directors.

He is an active participant in NASIO (National Association of State Investment Officers). As part of that organization, he recently was a co-author of Public Pensions Systems *Statement of Key Investment Risks and Common Practices to Address Those Risks*.

3. Roll Call of the States

In this session, a representative from each participating organization will speak to the group about current audit areas, ongoing projects and recent legislation affecting their pension fund. They will discuss how they accomplished the results and how they overcame hurdles. This session

facilitates networking and is extremely beneficial in locating peers that are working on similar projects and facing similar challenges.

Moderator: Marci Sundbeck

4a. Consulting The Business

This module will help the participants understand the role and requirements of a business consultant. It will help them identify and understand the key factors for successful consultant client relationships.

4b. Business Tools That Work

This module will help the participants understand how to use Control Self-Assessment (CSA), COSO, and risk models as effective consulting tools.

4c. Effecting Change, Moving From Here to There

In this module the participants will understand how to identify and manage the barriers of change. The participants will develop an understanding of how to remove the barriers and bring their clients to a better position.

4d. Branding: The Name You Make Will Make Your Name

This module will help the participants understand the benefits of branding and help them identify their own brand, niche, or specialty. It will help the participants understand how to use the brand to build relationships.

This module will also demonstrate effective selling tools used by sales professionals. The techniques demonstrated will help the participants sell themselves, their services, their concerns, and improvement strategies.

**Presenter: John McKeever,
CFE, CQA, CPC, CCSA**

John McKeever is the President of Contemporary Business Concepts. In addition, he has served as an Operations Manager, Consultant, Instructor, and Senior Internal Auditor at AT&T. During his fifteen years in the audit department at AT&T he conducted and led a wide range of audits and consulting projects. These included numerous audits and projects of finance, operations, and information technology processes.

He has trained thousands of auditors and managers while at the AT&T School of Business, The Institute Of Internal Auditors, and while in private practice. While in private practice he has developed and delivered a number of business programs that include Total Quality Management, Consulting: A Value Added Service, and COSO: The Steps To Success.

John frequently speaks at public seminars, professional associations, state and federal agencies, and corporations. He is the author of numerous research papers that have addressed the concepts of quality in business, employee empowerment, and the management of effective teams. Using these tools he has guided and encouraged thousands of domestic and international professionals to move toward process and business improvements. For his achievements as a seminar leader, The Institute of Internal Auditors has awarded John the designation of Distinguished Adjunct Faculty Member.

John has degrees in Business Administration and Management from Northeastern University, a Master of Science Degree in Management from Stevens Institute of Technology, and a graduate Certificate in Total Quality Management from the University of Phoenix. He is an American Society for Quality Certified Quality Auditor, a Certified Fraud Examiner, and a Certified Professional Consultant. In addition, John holds both a Control Self Assessment Qualification and a Certification in Control Self Assessment.

He is a member of the American Society for Quality, The Institute of Internal Auditors, and the Association of Certified Fraud Examiners.



The Breakers

5. It's 8 a.m.: Do You Know Where Your Retirees Are?

In the pension industry, we serve hundreds of thousands of people who are constantly on the go, and believe it or not, may try to obtain or retain benefits they are not entitled to. How do you keep track of these people? How do you verify their current status? The answers are contained in this session that includes the following topics:

- Surveillance
Red Flags
- International Capabilities
US Citizen VS Foreign
National
- Document Verification
Value of Information
obtained
Who Prepares the
Documents
What Should be Obtained
How to verify
- Normal Protocol / What Documents
Can Be Obtained On US Citizens
(Death/Disability in Foreign Country)
- Locating People
US VS Foreign
- Hot Spots

**Presenter: Kevin Tweedy, ALHC,
CFE, ACS**

***International Claims
Specialists/ChoicePoint/Equifax:
10/31/77 to present***

Kevin L. Tweedy, since 1993, has been Director of the Special Investigations Unit, handling large and complex investigations in the United States and worldwide. Consultant for customers and investigators on claims involving fraud and/or possible litigation - domestic and international. Handles investigations on particularly sensitive cases.

Previously, SIU Investigator, with personal experience traveling to and handling investigations in most of the U.S. In addition, extensive investigative experience internationally with concentration on the Far East. On site investigations handled in the following U.S. Territories and countries - Guam, Saipan, Philippines, Japan, Korea, Taiwan, Sri Lanka, India, Hong Kong, China, Singapore, Malaysia, Thailand, Australia, Scotland, England, Austria, Germany, Belgium, Switzerland, Ghana, and Suriname.

6. Auditing Private Equity Partnerships

In this session the panel will discuss details of Private Equity Partnership audits that have been performed by APPFA member funds and will look to form a consortium of pension plan funds to perform such audits during 2003.

**Moderator: Jim Kaellner, CPA,
CFA**

Jim has been involved in the auditing profession since 1977. In his current position he is responsible for the internal audit and compliance activities at the State of Wisconsin Investment Board. He is a member of the American Institute of Certified Public Accountants and the Association for Investment Management and Research.

Hotel Information

The Newport Harbor Hotel & Marina is offering conference rates as follows:

Single (1 person, 1 or 2 beds) \$99.00
Double (2 people, 2 beds) \$99.00

Pre-conference arrivals (i.e., Saturday) will be subject to a rate of \$159.00 per room, per night and the post conference rate will be \$99.00 per room, per night for a maximum of three (3) days prior to or following the group conference dates as listed above. These rooms are subject to a 12% Rhode Island State occupancy tax.

The cut off date for reservations is Friday, October 4, 2002.

Registration Information

The registration fee of \$200.00 must be received by October 8, 2002 to reserve your place at the conference. See registration form for details.

The registration fee includes all materials, continental breakfasts, lunches, breaks and dinner on Tuesday. Refunds are available if written cancellation notice is received 10 days before the conference. Refunds will not be issued after that date.

Business casual attire is appropriate.



