

DRAFT Minutes
AGA National Executive Committee Meeting
Friday, September 18, 2009
Four Points Sheraton
Washington, D.C.

ATTENDANCE

Committee Present

- William Morehead, Ph.D., CGFM, CPA, National President, Jackson Chapter
- Lisa Casias, CPA, National President-Elect, Washington, D.C. Chapter
- Samuel Mok, CGFM, CIA, Immediate Past National President, Washington, D.C. Chapter
- Mary Lechner, CGFM, CPA, National Treasurer, Virginia Peninsula Chapter
- Joseph Kull, CGFM, CPA, National Treasurer-Elect, Northern Virginia Chapter
- Thad Juszczak, Immediate Past National Treasurer, Washington D.C. Chapter
- Wallace Alan Franklin, CGFM, CGA, Senior Vice President Regional Services, Section I, Boston Chapter
- Karmen Stockman, CGFM, Senior Vice President for Regional Services Section II, Mid-Missouri Chapter
- Robert Bond, CGFM, Senior Vice President for Regional Services Section III, Northern Utah Chapter
- Phillip Nally, CGFM, Senior Vice President Regional Services, Section IV, Central Kentucky Chapter
- Kelly Stefanko, CGFM, CPA, Senior Vice President At Large, Virginia Peninsula Chapter
- Karl Boettcher, MBA, CGFM, Senior Vice President At Large, Washington, D.C. Chapter
- John Radford, CGFM, CIA, CFE, Senior Vice President, Presidential Appointee, Portland and Mid-Willamette Valley Chapter
- Zack Gaddy, CGFM, Senior Vice President, Presidential Appointee, Denver Chapter
- Henry Steininger, CGFM, CPA, Corporate Partner Advisory Group Chair, Washington, D.C. Chapter
- Relmond Van Daniker, DBA, CPA, Executive Director

Committee Members Not Present

- Richard Bunce, CGFM, Professional Certification Board Chair, Richmond Chapter
- Peggy Javery, MPA, CGFM, Senior Vice President, Presidential Appointee, New Orleans Chapter

National Office Staff Present

- Cristina Barbudo, CPA, Director of Finance
- Pete Aliferis, CGFM, Deputy Executive Director of Operations and Professional Certification
- Evie Barry, Director of Performance Reporting
- Susan Fritzlen, Deputy Executive Director of Programs
- Anna Miller, MBA, CPA, Director of Research
- Joe Jozefczyk, Director of Education
- Helena Sims, Director of Intergovernmental Relations
- Marie Force, Director of Communications
- Katya Silver, Director of Professional Certification Administration
- Ada Phillips, CMP, Director of Meetings and Compositions
- Michiyo Wheeler, NEC Liaison and Governance Manager

FORMAL NEC MOTIONS (The motion passed unanimously unless otherwise noted.)

MOTION #1: Approved agenda

MOTION #2: DM 09-21 Approved two appointments to FMSB

MOTION #3: DM 09-22 Approved NLC Co-chair appointments

MOTION #4:

FINANCIAL HIGHLIGHTS

- National Treasurer Mary Lechner presented the total revenues recorded for the four months ended July 31, 2009 compared to those of the prior year and the budgeted revenues for FY10. We are very close to last year's numbers (only \$4,000 less). She also presented information relating to dues for Membership, CGFM and Corporate Partners and for FY10. We have recorded \$46,000 more than last year. She presented a chart for the estimated P&L for the PDC in New Orleans compared to budget and the PDC in Atlanta last year. Our best estimate at this point is excess revenues over expenses of \$425,261, which represents a profit of \$59,000.
- Immediate Past National Treasurer Thad Juszczak presented a schedule for the "worst case scenario/potential exposure" for contracts signed for conference facilities. This document showed the total exposure that AGA would face if all the executed contracts were to be canceled as of the NEC meeting date. The total liability was \$893,500, but Mr. Juszczak explained that this does not represent an actual liability since the contracts have not been canceled, and there is a very remote possibility any of them would be cancelled, let alone all of them. This was presented to address a request from the NEC at the last meeting to explore business risk management.
- Mr. Juszczak also discussed the 990 Tax Return for FYE 3/31/2009. He explained how there is a new section addressing Governance, Management and Disclosure (Part VI) for which he needed the entire NEC to answer a questionnaire. He brought up two questions specifically: 12a) Does the organization have a written conflict of interest policy? 13) Does the organization have a written whistleblower policy? Both answers were "No," so these issues will be discussed by the Governance Committee with the ultimate goal of drafting such policies for NEC approval and implementation. Alternately, the answer to question 14 about the existence of a document retention and destruction policy was "Yes." Some NEC members expressed concerns about its adequacy so Immediate Past National President Sam Mok volunteered to review it and offer his comments.
- Director of Finance Cristina Barbudo stated that the final draft of the Form 990 would be available within a couple of days via email to all the NEC members. A week will be given as review time before its filing with the IRS.

DISCUSSION

- **Governance Session**—Dr. Richard Jung was unable to give a session on strategy, governance and principles of best practice due to a scheduling conflict. President Morehead gave a brief presentation in his place. He pointed out two things he wants the NEC to achieve in the near future. One is to produce a NEC self-evaluation document. The other is to update the current Strategic Plan, which was last approved in 2003. The National President emphasized the importance of close communication between the governance body and the Executive Director. It is important to create an evaluation instrument to be used by the NEC where it can evaluate the effectiveness of itself, the National President, the Executive Director, the National Office, and the organization. NEC members were asked to review two evaluation documents and provide feedback to the National President. Mr. Morehead will also ask the Governance Committee to

review the documents and come back with draft recommendations so the NEC can begin working on the self-evaluation document.

- **Governance Committee Report**—The Governance Committee reviewed AGA’s code of conduct and best practices. We currently have a code of conduct for our members but no policy exists for the staff. The Committee reviewed a few code of conduct forms as well as the whistleblower policies of other organizations. The Committee made a recommendation to the NEC to have the Executive Director research other organizations’ codes of conduct and identify what is applicable to AGA. The Committee also recommended that staff research the possibility of an ethics hotline. Dr. Morehead reported that the Dr. Van Daniker or his designee will serve as the liaison to the Governance Committee as all AGA committees have a staff liaison assigned to them.
- **Issues from Regions**—SVPRSs discussed the challenges that the chapters have regarding membership and leadership. A member reported that the lack of a leadership structure is causing leader recruitment challenges in the chapters. Discussion on these areas will continue offline, and the SVRPSs will report back to the NEC. SLM budget and selection of attendees were discussed. The number of attendees has been increasing each year. Ms. Lechner suggested chapter leaders use inexpensive technology to get necessary information to the members. SVPRSs asked that the Japan Chapter be invited to the SLM. SVPRSs were asked to make a recommendation to Ray Harris on who should attend the SLMs. If there are any budgetary limitations, further discussion will occur at the December meeting.
- **Chapter Development**—Efforts were made to assist the chapters that are currently in the “Move to Close” category such as Minneapolis/St. Paul, Quad Cities, Dayton and Orange County. Telephone calls were made by Ray Harris and Bobby Derrick, asking members of these chapters their thoughts on whether the chapters should remain open. Minneapolis/St. Paul Chapter members unanimously voted to revitalize the chapter. The Dayton Chapter may also remain open. The Orange County Chapter has been inactive for years. The Sacramento Chapter was moved to the “Nurturing” category and will work on their leadership issues. The LA Civic Center Chapter successfully moved from the “Major Revitalization” category to the “Nurturing” category. A new chapter in Helena, Montana is on the horizon, and the petition will be filed at the December meeting.
- **Certification**—The Professional Certification Board (PCB) has met to review the CGFM Program operations and come up with strategies for program growth. AGA has switched to a new testing vendor—Pearson Vue, which offers great customer service, outstanding technology and high-security testing centers. The transition went smoothly, and AGA received positive feedback from candidates about the new vendor. Peter Aliferis has been working with Linda Springer and Janice Lachance, former OPM directors, and as a result he was invited to be a judge of 2009 OPM Presidential Rank Awards. Other CGFM promotional initiatives include: working with Norwich University to offer graduate credit to active CGFMs; meeting with executive and senior government officials to promote value and awareness of CGFM; encouraging members of the CFO Academy to be certified as CGFMs.
- **AGA Academy**—Dr. Van Daniker and Evie Barry met with Paul Posner and Dr. Robert Dudley from George Mason University and discussed the possibility of partnering to establish a “Center for Government Accountability.” George Mason is very interested in partnering with the Academy. The discussion also included James Chan, a retired University of Illinois-Chicago professor, who is interested in working with Academy and George Mason. Representatives from George Mason and the Academy have scheduled a November 17 meeting to create an outline for a textbook that would cover the relationship among federal, state and local governments in the areas of financial management and public policy. A group of 15 to 20 individuals will be invited to participate.

- **AGA-Sponsored Training Courses**—The AGA-sponsored training program continues to grow. We now offer 31 onsite courses and gross sales for last fiscal year were \$103,000. AGA was approached by Chris St. John, acting director of the IG Academy. He is conducting interviews with inspectors general to find out their current and future staff training needs. He interviewed about 13 IGs before he approached AGA, at the recommendation of the IGs. AGA was also invited to the RAT (Recovery Accountability and Transparency) Board “Gang of 28” meeting and was asked for some training guidance. At the last NEC meeting, several members expressed concern about AGA being on the GSA schedule, particularly as it may compete with several Corporate Partners that also provide education services. After some research, we decided not to go forward with the GSA Schedule at this time.
- **CPAG Research**—The CPAG dinners will continue in an effort to get more senior CFOs involved in AGA. Waiting for a confirmation on Danny Werfel as the Controller of OFFM (which has since occurred) as well as the Director of Management from OPM to present at the CPAG breakfast. The latest reports “AGA CPAG Research Report No. 22, *Managerial Cost Accounting in the Federal Government: Providing Useful Information for Decision Making*, is being printed. The research project, *Using Performance Measures to Improve State and Local Governments’ Service Delivery*, sponsored by Corporate Partner Crowe Horwath, is nearing completion and will be highlighted at the PMC in Seattle in November. Two other research projects under way are *Governance Risk Compliance: An Integrated Approach*, sponsored by Corporate Partner MorganFranklin, and *Creating an Interactive Single Audit Act Database [A-133 Project]* to facilitate analysis and review of single audit findings across programs and agencies, sponsored by Corporate Partner PwC.
- **Intergovernmental Partnerships**—Held four regional dialogues on the American Recovery and Reinvestment Act of 2009 (ARRA) in Baltimore, MD, Portland, OR, Kansas City, MO, and Boston, MA. Many positive ideas came out of the dialogues. Rick Skinner and Earl Devaney invited AGA to their Gang of 28 meeting so AGA can get involved in the training process. An overview of ARRA was published on the website and the document was sent to Danny Werfel, who has been a huge supporter of AGA. Rick Skinner asked AGA to consider hosting 16 more ARRA dialogues in the near future.

OTHER

- **Proposal on Performance Metrics Project**—The NEC continued its discussion on the proposal made by AGA Past National President Clyde E. Jeffcoat. Members raised several questions about funding and staffing, and if this is within the purview of AGA. After discussion, members agreed that AGA would not pursue this project at this time for the primary concern that it is outside the scope of the strategy of AGA as currently outlined. The NEC did recommend the project be included as part of the discussion of the strategic directions of AGA.
- **PDC Evaluation**—Overall evaluation was very positive. The only negative comments mentioned were related to the exhibit hall space. The numbers of attendees increased by 800 from the time the contract was signed with the hotel.
- **NEC Retreat**—Detail plans will be discussed at the December meeting.

ACTION LIST

National President

- Ask Governance Committee to review the two evaluation documents and make recommendations as a draft so the NEC can begin working on producing the AGA NEC Self-Evaluation document.
- Report back to NEC with detailed information on the retreat.

NEC Members

- Review two evaluation documents that were provided at the meeting and provide feedback to the National President

Relmond Van Daniker

- Research other organizations' codes of conduct and whistleblower policies to find out what is suitable for the AGA.
- Research and evaluate other organizations' ethics hotlines.

Ray Harris

- Work with SVPRSs and determine who should be invited to the SLMs. If there are any budgetary considerations, discuss at next NEC meeting.

SVPRSs

- Make a recommendation to Ray Harris on who should attend the SLMs.

FUTURE NEC MEETINGS

- **December 4–5, 2009** (Lunch at noon then meet 1–5 p.m. on Dec. 4, holiday dinner with NEC and staff in the evening, meet 9 a.m.–noon on Dec. 5), Washington, D.C.
- **February 17, 2010** (the day before the National Leadership Conference), Washington, D.C.