



*AGA—The
Thought
Leader in
Government
Financial
Management*

*Executive Session
White Paper
July 2005*

AGA's Strategic Plan Framework

Vision

AGA is the premier association in advancing government accountability.

Mission

AGA serves government accountability professionals by providing quality education, fostering professional development and certification, and supporting standards and research to advance government accountability.

Strategic Themes

Accountability • Certification • Education and Research • Service

Goals & Objectives

AGA's goals and objectives are derived to meet our members' and customers' needs.

ACCOUNTABILITY—*Promote and advance accountability in government*

- Promote the government accountability profession.
- Promote public awareness and confidence in the integrity, competence and professionalism of government accountability professionals.
- Be a leading source of information and knowledge on accountability in government.
- Alert government accountability professionals to emerging issues.
- Help shape legislation and regulatory proposals to affect accountability in government.
- Build relationships with other professional associations and private-sector organizations to expand AGA's influence in the government accountability profession.

CERTIFICATION—*Make the Certified Government Financial Manager (CGFM) the preferred professional designation in the government accountability community.*

- Advance the awareness, knowledge and value of the CGFM designation in the government accountability community.
- Promote public awareness and confidence in the integrity, competence and professionalism of CGFMs.
- Maintain certification competency through mandatory continuing professional education and strict adherence to AGA's Code of Ethics.

EDUCATION AND RESEARCH—*Provide comprehensive education and research to meet the changing needs of the government accountability profession*

- Develop the professional, management and technical skills of government accountability professionals.
- Facilitate and disseminate research of the government accountability profession.

SERVICE—*Provide members and customers with quality programs, products and services.*

- Attract and retain a diverse and growing membership.
- Provide leadership opportunities.
- Provide opportunities for networking.
- Use innovative technological approaches and methods to provide programs, products and services.

Core Values

Service • Accountability • Integrity • Leadership

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Background

For the second year, AGA gathered more than 100 government financial management leaders to discuss major issues facing the accountability profession and ways for AGA to be part of the solution.

“If you want to be a leader, you’ve got to get in the game,” said AGA Executive Director Relmond P. Van Daniker, DBA, CPA, in opening the July 10 executive session. Four task forces, which were formed in 2004, have started working on challenges associated with **Human Capital, Education & Research, Performance Reporting and Citizen-Centric Government**.

AGA continued the dialog and generated more ideas to tackle the challenges through an open discussion within the four task forces. Readers will note some overlap in the issues the groups discussed, which shows they are inter-related and not stand-alone challenges for the government financial community. All the participants then came together again to summarize their plans for the coming year.

Human Capital

Recruiting and maintaining an effective work force—human capital—is critical for government agencies to meet their goals and use taxpayers’ money efficiently. Many factors have combined to produce a shortage of qualified workers for government finance positions. While a wave of retirements has meant an exodus of brainpower, few accounting graduates see government as an attractive career option. Governmental accounting programs at universities around the country are rare, and as professors of governmental accounting retire, even fewer programs will be available.

Thanks to the Sarbanes-Oxley corporate reform legislation, accounting graduates are in high demand in the private sector. For the second straight year, accounting majors top the list of most desired job candidates in the United States, according to the National Association of Colleges and Employers. AGA may be able to build on that momentum by highlighting the benefits of working for government.

First, the task force discussed the accomplishments from the prior year, categorizing the work into these broad areas:

Beta Alpha Psi

- AGA has established ties with the student accounting organization, becoming an International Affiliate and taking part in their Advisory Forum.
- A PowerPoint presentation was created for chapters to use in its discussions with Beta Alpha Psi chapter members.
- AGA will be represented at the Beta Alpha Psi annual meeting this summer to gain exposure for AGA’s certification program and research efforts.

Education Support

- A new government financial management course is

being offered at the University of Maryland, thanks to the work of Bill Taylor, CGFM, chair of AGA’s Professional Certification Board.

- Discussions have begun to partner with Management Concepts to offer the Government Financial Management courses at Regis College in Denver.
- AGA laid plans to re-ignite the AGA Academy by offering grant money to academicians teaching governmental financial management courses.

Career Support

- AGA held an Early Career Conference in October 2004 featuring two panel discussions and on-site interviews with sponsoring agencies and companies.
- AGA met twice with U.S. Office of Personnel Management officials to discuss streamlining the federal hiring process.

The task force discussed the accomplishments from the previous year and whether new goals and specific tasks should be added for the coming year. The group came up with these overarching themes:

Recruitment

AGA can draw attention to the top colleges/universities and the top professors who are providing a solid background in government financial management courses. If students are not taking governmental accounting courses, there is no pool of talent for government agencies to choose from. AGA can consider joining with the Council for Excellence in Government or the Partnership for Public Service, organizations that promote government careers and work to improve government performance. In addition, AGA can consider adding a recruitment component to a just-completed marketing video that describes AGA.

Retention

Task force members talked about the need not only to recruit talent to government jobs, but to retain the employees who already work in government. Government financial management is constantly changing, with jobs becoming far less transaction-oriented and more analytical. The work force cannot stand still, but must constantly improve to succeed in the long haul in this dynamic work environment. This message can help build employer support for continuing professional education, and AGA should become the top provider of top-quality, low-cost professional development opportunities. Targeted communications from the AGA National Office to chapters can help chapter leaders send a message to managers on ways to encourage employees to keep their jobs.

Awareness/Marketing

AGA can provide resources to extend outreach not only to students associated with Beta Alpha Psi, but also to the National Association of Black Accountants, business schools and other groups. Creating awareness of the benefits of government work—including making a difference and giving back to the community—could help. Encouraging chapters to exchange their best practices in spreading awareness

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could generate ideas on ways to spread the word about the advantages of a career in government financial management.

Education & Research



The Education and Research Task Force sees research and education as part of a continuum, as shown in the accompanying graphic. There is a natural connection between the two. Results of research projects can be used by AGA for educational projects; awareness of gaps in educational course offerings can drive AGA research projects. With the help of its

Corporate Partner Advisory Group, AGA has made great strides in this area. For example, in July 2005 AGA produced a report, *Financial Management Shared Services: A Guide for Federal Users*, that is the first of its kind ever published. Future AGA educational offerings could be developed using the best practices suggested in the report. “Research and education go hand-in-hand,” William Morehead, CGFM, told the audience. “AGA can be in the middle. It’s a never-ending circle.”

Questions raised by the panel:

- How can AGA market government financial management as a career, not just a job? How can AGA reach the non-accountants who are working in federal financial management and interest them in the CGFM? AGA’s focus must be broader than accounting or program management; it must drive integration of accounting with program management.
- What is AGA’s target market? It should extend beyond academicians to students, parents and people looking for a second career.
- How can AGA draw attention to the CGFM and its other programs, and to government accounting in an academic setting? AGA should strategically identify partners, such as states and local governments, should leverage its relationships with other associations/accreditations and try to get government financial management included into programs of accrediting bodies.

The task force came up with the following action items to consider:

- Developing a college-level course, which could be made available to universities. Perhaps it could be an online class that could be built on our existing GFM courses. AGA could provide adjunct faculty as needed. AGA could also develop a “plug-in” section on government financial management that could be added to an existing auditing or accounting class. Again, AGA could provide experts to assist.

- Working with accreditation bodies to understand their criteria and to help ensure they understand the government environment.
- Surveying the top 25 universities, as well as smaller colleges that provide online courses, to assess the current state of government financial management education and potential need/interest. The information can be used to determine how AGA can use funding to make the biggest difference, for example, research assistance, seed money to offer a course, financial aid for students, etc.
- Considering research programs on systems that can provide integrated cost and performance management information that can be used for planning and management as well as preparing Performance and Accountability Reports.
- Using senior advisory councils can help define research projects.
- Ensuring that specific AGA research projects are easily accessible through search engines.
- Creating a student web page modeled after one offered by the AICPA to expose them to government financial management.
- Using the CGFM to market government financial management as a career regionally, by sponsoring educational events such as panel discussions, symposia, courses, or students nights etc. AGA can arrange meetings with program managers, administrative program professors, the Association of Professional Assistants and others.

Performance Reporting

AGA has built two successful Certificate of Excellence programs to help governments describe whether they are achieving their goals and whether they are doing so cost effectively. The Certificate of Excellence in Accountability Reporting, now in its ninth year, recognizes federal agencies that produce reports that are exceptionally easy to read, understand and evaluate. Eleven federal agencies will be recognized with certificates in September, 2005.

AGA has just completed the implementation phase of the Certificate of Excellence in Service Efforts and Accomplishments Reporting program, and will issue certificates to eight state and local governments. AGA will lead a national conversation on the issue of performance reporting at its first National Performance Management Conference, *Service Efforts & Accomplishments Reporting: The Cornerstone for Building Trust and Enhancing Management*. The conference is set for November 14-15 at the Portland Marriott Downtown in Portland, OR. Experts will talk about how reports can be used to improve operations, build public trust and justify budget decisions. The Alfred P. Sloan Foundation will provide support over the next two years to ensure AGA can continue its efforts to improve SEA reporting.

Through these two programs, AGA establishes standards of excellence, offers government agencies recommendations to improve disclosure, trains reviewers, recognizes achievement and raises expectations every year.

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Performance reports are not widely used by citizens yet, but AGA can help taxpayers understand the importance of the reports while helping agencies produce messages that are clearly targeted to the users of the reports. Readers must be able to understand the message to appreciate how their tax dollars are being spent. As budgets shrink and citizens demand more accountability from their governments, these reports can play a pivotal role in showing how government uses limited resources.

The group discussed ways to build on AGA's successes. To build the value of the Certificate of Excellence programs, work must be focused on communicating the achievements of the program. Ideas included:

- Collaborate with other professional associations.
- Educate the public through radio ads, newspaper columns and more.
- Work with *Governing* magazine to include SEA reporting in the magazine's annual "Rating the States" project.
- Provide speakers for chapters to speak on performance issues.
- Encourage citizens to communicate with their legislators about the information they want to see in performance reports.
- Provide chapter scholarships for members to attend AGA's first Performance Management Conference.
- Develop talking points on the benefits of performance reporting, answering the question "What's in it for me?"
- Conduct an Intra-AGA performance forum.
- Consider developing a Performance Reporting Coordinator position at the chapter level.

Citizen-Centric Government

Governments produce financial statements that are too large and too cumbersome for the average citizen to understand. Citizens have a right to know how their governments are spending their money and if the money is being spent efficiently and effectively. What is needed is a 2-4 page report that answers five questions regarding use of taxpayer dollars, such as, 'Are we better off this year than last year?' AGA as a thought leader needs to be in the forefront in this area—it is our responsibility.

The Citizen-Centric Government group organized its session into four segments:

1. Popular Financial Reporting
2. Media Activity and Education
3. Perception of Government Financial Management
4. Attracting Students to Government Financial Careers

During each segment, the group recapped the results of last year's Executive Session and then reviewed progress made over the past year. The group closed by making a plan for efforts in the coming year to move AGA along in the Citizen Centric Government arena.

Popular Financial Reporting

At last year's session, the group recognized the need to better inform citizens on government financial results. The need for a popular-type report emerged from the discussion.

During the year, the Winter 2004 issue of AGA's *Journal of Government Financial Management* included an article on Readability of Reports by Lu Montondon and Treba Marsh, both of whom presented at a session during the PDC. The Corporate Partner Advisory Group issued a report on the Utility of PAR reports, which was also presented during the PDC. In addition, AGA's Certificates of Excellence in Accountability Reporting (CEAR) at the federal level and Services Efforts and Accomplishments (SEA) Reporting at the state and local level are continuing to grow in importance and influence. AGA can plan for a follow-up research project to develop a prototype document that governments can use to report effectiveness and efficiency to the citizenry. The group had the following comments about this prototype report and they had the following comments:

- Discussed the importance of readability in citizen-centered reports. The information must be understood by a wide and varied audience; using lots of white space, photos and graphs..
- Thought it would be easier to begin this effort at the state and local level. Seems there would be more commonalities among the governments that they could report on. A few individuals in the group thought it would be easier to come up with a report for the federal government.
- AGA needs to do research on what governments are doing now in the area of citizen reporting. Several in the group indicated that their city/state does produce such a citizen-centered report. Also need to find out what success these entities have had with getting the information into the hands of citizens.
- Politics need to stay out of the report-only should include financial facts (potential pitfall-if the entity has a less than stellar year, than they might not produce the report). If an entity produces a report one year, it needs to continue to be produced every year. AGA's role should be to promote this-send out the results, good and bad, and focus on bringing credibility to the information being presented.
- AGA could hand out awards to those entities that provide good financial information in a user-friendly format.
- AGA should hold focus group sessions to determine what type of information citizens are looking for. We cannot assume what citizens want to know about their government.
- See AGA working with other organizations to develop a prototype report (states, cities, other non-profits, universities), with AGA providing the vision, leadership and commitment to make this initiative a reality.
- Some see this as a daunting task, but we should start small and build on it each year and market it!

- Ask a task force to gather information on what is out there already and combine that with the citizen focus group feedback to come up with a primer for governments to use (lessons learned, best practices). This way alleviates the need to try to determine a 'one-size fits all' report.

Media Activity and Education

Last year, the group suggested AGA embark on a national public relations campaign and produce a video about AGA to help chapters actively participate in outreach activities. Both of these suggestions have been accomplished in the past year. This year's group had the following additional suggestions for the coming year:

- Need to use the media to help get the governments' financial information to the citizenry. People are more likely to watch the news versus reading a newspaper report. Everyone agreed though, that this will be a challenge because the media only wants to report on negatives (such as the discovery of a massive fraud versus the fact that a government financial manager discovered it).
- Some felt that it may be too difficult to educate the media—seem to always skew the information.
- AGA should examine AICPA's financial literacy program.

Perception of Government Financial Management

Last year's group suggested that AGA needs to help change the public's negative perception of government by informing the citizens about what government does and how it works. Focus on government careers as an attractive career choice. The AGA video does just that and it will be distributed to chapters and leaders for their use.

Attracting Students to Government Financial Careers

Last year's group realized that AGA needs to help recruit students by participating in career fairs, offering free "memberships" to students. In addition, AGA can help to encourage more universities to include governmental accounting in their offerings. Over the last year, AGA held a successful career fair and the Human Capital work group developed a PowerPoint package for chapters to use at schools and at other outreach opportunities.

What's Next?

After summary presentations were made by each focus group, Van Daniker asked participants to take on these issues. Staff liaisons will help each group coordinate conference calls, facilitate discussions and organize activities. Another discussion will take place during the 2006 PDC.

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About AGA

For 55 years, AGA has been dedicated to making government more accountable to the people it serves. As the only professional association representing financial managers across all levels of government, AGA offers a comprehensive education program. Through its national conferences, traditional classroom courses, convenient online offerings, audio conferences and dozens of training events offered by our 90 local chapters, AGA can meet the professional development needs of financial managers at the local, state and federal levels.

Sponsor

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