

ASSOCIATION of GOVERNMENT ACCOUNTANTS

THE WASHINGTON CONNECTION

Washington Chapter • P.O. Box 423 • Washington, D.C. 20044-0423 • (703) 758-4080 • November 1993

**WASHINGTON CHAPTER
LUNCHEON MEETING**
(Jointly sponsored with the
Institute of Internal Auditors)

**TUESDAY
NOVEMBER 16, 1993**

National Press Club
529 14th Street, N.W.
(Near Metro Center Metro Stop)

Social: 11:30 (Cash Bar)
Luncheon: 12:00 NOON
Cost: \$19.00 (AGA and IIA
Members)
\$22.00 (Non-Members)

- Reservations Urged
- Call (703) 758-4080 by
November 12, 1993
- Non-Members are welcome
- No-Shows are expected to pay

LUNCHEON SPEAKER

Mr. Roger Carolus, a member of the Project Advisory Council to the Committee of the Sponsoring Organizations (COSO) of the Treadway Commission, will speak on:

"The COSO Internal Control-Integrated Framework, Next Steps"

Mr. Carolus will discuss the status of COSO's Report and its future direction. He will offer his views on whether our traditional thinking and behavior as accountants and auditors is the best way to advance management's views on the unappealing topic of internal control. He will also draw a parallel with the FMFIA and offer thoughts on whether the COSO report applies to government.

Mr. Carolus began his career in public accounting. After service at GAO he moved into internal audit in the private sector, rising to positions of General Auditor for Honeywell Corporation and Norwest Corporation. He then served as Deputy General Auditor for Nations Bank from where he retired as a Senior Vice President.

Mr. Carolus teaches audit concepts at Clemson University. He is a Certified Internal Auditor, Certified Public Accountant, and Chartered Bank Auditor and has been an active member of the respective organizations. He chaired the committee that developed the IIA's "Standards for the Professional Practice of Internal Auditing" and was the recipient of the IIA's two highest awards--the Bradford Cadmus Award and the Outstanding Service Award.

November 15, 1993 Educational Event - Crystal Gateway Marriott, Arlington, VA

The Washington Chapter is sponsoring a one-day seminar entitled, "Practical Solutions to Meeting Systems Requirements." This seminar, a reality check on the revisions to OMB Circulars A-127 and A-130, will address Federal policies, standards, and responsibilities; financial management systems requirements; the linkage of financial management systems with A-130; use of off-the-shelf software; and cross servicing and private servicing. It will feature insight from central guidance agency speakers as well as lessons learned from operating agency speakers. AFFIRM, whose membership includes the Federal IRM community, is providing us the opportunity to reach its membership for invitation to the seminar along with Federal financial managers.

See page 5 for agenda details and registration information.

The President's Message

The Washington Chapter of the AGA exists to serve its members. One of the Chapter's more important service areas is its Education Program. I am exceptionally proud of the outstanding quality of our first educational event this year--the National Performance Review and Performance Measures seminar--which we co-sponsored, on September 14, with the George Washington University Chapter of Beta Alpha Psi, the Academic Accounting honorary Society.



Larry Wilson, President

The event attracted over 200 attendees from the Federal Government and the private sector, as well as from the academic community. The seminar was especially valuable for the student attendees; it gave them a unique insight into Federal financial management. Hopefully, that insight will stimulate them to consider the challenging Federal career opportunities that will exist as we go about creating a financial management environment that works better and costs less.

The seminar was timely; the Government Performance and Results Act of 1993 was signed by the President only six weeks earlier, and the NPR Report was released only seven days before the seminar. The seminar was well organized and every speaker contributed to the success of the event; we are indebted to them all. Phil Lader, Deputy Director of OMB, was exceptionally eloquent and convincing in describing the true purpose and meaning of the NPR. Most importantly, the seminar was developed to meet our members' needs; it provided our membership, in a concise and authoritative manner, with the most up-to-date, current information we all need in our respective roles of implementation of the NPR recommendations and the new legislation.

Space does not permit me to acknowledge the many people and organizations to whom we are indebted for the seminar. Let me instead just thank Peter Ben Ezra, the seminar chairperson, and everyone who worked with him in developing and presenting the seminar. The seminar was taped for nation-wide distribution. Copies will be made available to other AGA chapters through National free of charge.

By the time you read this, we will have had our second educational event, "The Road to Better Financial Reporting," on October 20. I am confident that it and the remaining four educational events planned for this year will match the quality and success of the first event. They will--with your continuing support. Active involvement and support for the Education Program by as many members of our Chapter as possible is a prerequisite for success.

SUMMARY OF LUNCHEON REMARKS

By Alan Strelser, Secretary

Mr. Bill Goins, President, Integrated Systems Operations, Xerox Corporation, was our October 7 luncheon speaker at the Touchdown Club. He spoke on "Reengineering the Enterprise", based on his experiences at Xerox. During his 14 years at Xerox, Mr. Goins has been, and continues to be, actively involved in developing and applying quality improvement approaches while performing in several important management positions. The approaches aim at providing better services to customers while, whenever possible, lowering enterprise costs. He has found that quality improvement efforts work when properly understood and applied.

In 1989, Xerox won the prestigious Malcomb Baldrige Award. Since then, Xerox has continued to work on quality improvement; it generously shares its experiences with other organizations. As a result, Mr. Goins and Xerox were asked to assist Vice President Gore and the National Performance Review in the six-month study to reinvent government by sharing their insights and experiences and contributing staff to the study.

Mr. Goins' remarks were organized around the following key elements of the corporation's change model for increased productivity:

- Develop a Vision and a Mission
- Reorganize to fit the Mission - Reengineer to develop the needed infrastructure
- Develop common Goals, Objectives, and measurable Targets
- Create an organization based on the skills needed to satisfy the Mission, rather than to satisfy individuals
- Identify and provide training needs such as Problem Solving and Management by Fact
- Benchmark to see how well you are doing
- Conduct Work Process Improvement for business processes
- Empower properly skilled employees to achieve defined objectives and targets with an awareness of their accountability and the measures that will be applied to determine success

- Demonstrate Role Model Leadership at all levels of management

Mr. Goins provided a handout at the luncheon entitled, "Managing for Results, The Xerox Planning and Management System." Please call me at (202) 720-1179 if you would like a copy.

CHAPTER NEEDS

The following are three opportunities to help your fellow AGA members:

- To provide information or otherwise assist the Professional Services Committee with preparing a financial systems document (see the summary of the Chapter Executive Council meeting on page 6), please call Nancy Fleetwood at (202) 273-2160.
- Anyone willing to serve as Entertainment Subcommittee Chairperson please call Frank Derville, Member Services Director, at (202) 233-3008.
- If you have Federal job vacancy information that would be of interest to AGA members, please call Frank Derville at (202) 233-3008.

NEXT LUNCHEON MEETING**DECEMBER 2, 1993****Luncheon Speaker:****The Honorable
Mike Espy****Secretary of Agriculture****Touchdown Club
2000 L Street, NW
Washington, DC****Social 11:30 a.m.
Luncheon 12:00 Noon**

CASH MANAGEMENT

The National Park Service and NationsBank, in conjunction with the Financial Management Service, began on April 1 piloting a credit card collection system at multiple remote park locations. Pilot locations include Canyonlands National Park and Timpanogos Cave, UT; Isle Royale, MI; Haleakala National Park, HI; Shenandoah National Park, Colonial National Historic Park, and National Park Service Accounting Operations, VA; and the Office of Public Inquiries, Washington, DC.

What began as a casual conversation between FMS and the Park Service on emerging technologies, evolved quickly into a credit card collection pilot utilizing state-of-the-art technology and FMS' Plastic Card Collection Network (PCCN) to collect a variety of visitor fees at national parks. Using a combination of techniques allows Park Rangers to capture and authorize credit card transactions at remote parks where telephone lines and power are not readily available.

The Park Service is unique in several of its applications and situations and is therefore being deliberate in expanding the pilot. One major factor in the program is the requirement that multiple types of collections be captured. The Park Service collects entrance fees, monies for campground rentals and special use permits, and tours and transportation fees at parks, as well as all normal administrative types of collections. A large portion of the funds collected are available to the Park Service for continued operations, so it is critical that the types of funds collected are identified. In conjunction with NationsBank and the processor, National Data Corp., the Park Service has incorporated over 20 product codes into the system to assist in identifying the source of the funds. The Park Service monitors those codes to ensure that they meet the needs of the Service and its visitors.

The second factor has been the location of the collection sites. The majority of Park Service funds are collected at remote sites with varying weather conditions, site facilities, and staffing limitations. The goal of the Park Service is to enhance the visitor's experience and facilitate access to the parks. The visitor's overall experience is paramount and a major reason why the Park Service continues to research innovative approaches to improve customer service at remote locations. Future innovations include standalone point-of-sale terminals that will be unattended and allow the visitor to choose the services he or she wishes to purchase.

The projected annual volume for the pilot is slightly over a million dollars, or approximately 53,000 transactions.

For more information, call Gary Garner, Cash Management Policy and Planning Division, on (202) 874-6751.

(Excerpted from "The Financial Connection", Treasury/FMS, Summer 1993)

COMMUNITY OUTREACH

By Jeff Williams

The Washington Chapter is participating again this year in two community assistance programs that have been very successful in past years.

Project Harvest is an annual food drive sponsored by the YMCA. It supports a program that includes providing hot meals to many needy individuals during the Thanksgiving holiday season. We are asking AGA members to participate in this cause by bringing nonperishable food items or monetary donations to the November 16 Chapter luncheon. This is your chance to help make a difference in the Washington, DC community. For additional information, please call Jeff Williams, on (703) 305-1498.

The **Volunteer Income Tax Assistance (VITA)** program is an IRS-sponsored program that involves volunteers in the preparation of tax returns for low income, elderly, disabled, and non English speaking taxpayers. IRS provides instruction and training materials free of charge for training the volunteer income tax preparers. AGA members are asked for their support of this program by participating as volunteer tax preparers. The four-day training necessary for new tax preparers will be provided at an IRS office at 12th and H Streets, NW, Washington, DC. on the following four Saturdays:

November 27	December 11
December 4	December 18

Each session will run from 9:00 a.m. to 5:00 p.m. A refresher course for former tax preparers will be held on Saturday, January 8, 1994. VITA will operate from January 15 through April 15.

For additional information or to volunteer and register for training, call John Emery, at (202) 720-0990.

Our Chapter has earned 5,059 points in the Chapter Recognition Program through the month of September 1993.

PRACTICAL SOLUTIONS TO MEETING FINANCIAL SYSTEM REQUIREMENTS

A REALITY CHECK ON THE REVISIONS TO A-127 & A-130

Crystal Gateway Marriott
1700 Jefferson Davis Hwy
Arlington, Virginia
(703) 930-3230

MONDAY
NOVEMBER 15, 1993

Registration Fee:
\$125 - AGA Members
\$135 - All Others

By METRO: Crystal City Stop
On the Blue or Yellow Lines

Recommended 8 hrs of CPE

Bring completed SF-182 or check payable to "AGA, Washington Chapter" to the Symposium

The symposium is designed to benefit both financial and IRM officials as well as program managers and budgetary officials involved in financial systems development initiatives.

The revisions in OMB Circulars A-127 and A-130 greatly improve financial systems guidance. This educational event reports on the newest developments, the role of a Federal CFO in Federal financial systems, and practical agency solutions to meeting financial system requirements including:

- Cooperative ventures between the financial and IRM communities
- How work processes are being re-examined
- Departmental attempts to standardize financial data
- Lessons learned implementing "off-the-shelf" software

Phone Registration:
Washington AGA Voice Mail
(703) 758-4080

FAX Registration:
Jack Carson (703) 246-0656

Registration by Mail:
AGA, Washington Chapter
P.O. Box 44166
Washington, DC 20026-4166

7:30-8:30	REGISTRATION
8:30	<i>INTRODUCTION</i> Larry Wilson , President, D.C. AGA Chapter
8:45	<i>PERSPECTIVE OF A FEDERAL CFO</i> G. Edward DeSeve , CFO, HUD
9:30	<i>POLICIES, STANDARDS, & REQUIREMENTS OF A-127, REVISED</i> Schuyler Leshner , Chief, Federal Financial Systems, OFFM, OMB
10:30	<i>MANAGEMENT OF FEDERAL INFORMATION RESOURCES (A-130) & IMPACT ON FINANCIAL SYSTEMS</i> Steve Holden , Sr Policy Analyst, OIRA, OMB
11:15	<i>A-127 AND GAO SYSTEMS REVIEWS</i> Janett P. Smith , Asst. Director, AIMD, GAO
12:00	Lunch
1:00	<i>IMPROVING FINANCIAL MANAGEMENT SYSTEMS</i> Jack Carson , Director, Financial Programs, OGDEN Government Services
1:10	<i>COOPERATIVE FINANCIAL SYSTEMS & IRM PLANNING</i> MODERATOR: James Williams , Dir., Finance Staff, DOJ PANEL: HUD, Treasury
2:00	<i>IMPROVEMENTS IN AGENCY WORK PROCESSES</i> MODERATOR: Larry Eisenhart , DCFO, State Department PANEL: Education, State, NSF
3:10	<i>STANDARDIZED FINANCIAL DATA</i> MODERATOR: William Patriarca , Dir., Financial Accounting & Systems, FMS, Treasury PANEL: HHS, Transportation, USDA
4:00	<i>IMPROVEMENTS THROUGH USE OF "OFF-THE-SHELF" SOFTWARE</i> MODERATOR: Robyn Seaton , Policy Analyst, OFFM, OMB PANEL: Labor, Interior, USDA's Food & Nutrition Service

**CHAPTER EXECUTIVE COUNCIL
SUMMARY OF SEPTEMBER 29, 1993 MEETING
By Alan Strelser, Secretary**

Attendees: Marcus Page, Alan Strelser, Judy Fuerstenberg, Pat Dews, Mitchell Laine, Bob Clark, Frank Derville, Rod Adolphi, Peter Ben Ezra, Warren Cottingham, Bob Buchanan. President Larry Wilson and President-Elect Pat Wensel were both away.

Budget and Finance: Warren Cottingham discussed the Washington DC Chapter's tax status. AGA National sent a survey to all Chapters to determine if the chapters are interested in applying for sales tax exemption under the exemption granted to National. Our chapter is currently exempt from city income and personal property taxes, but not from sales tax. If a chapter files and receives exemption under National's exemption, the chapter must agree to abide by National's by-laws.

The Chapter Executive Council decided to pursue both approaches; we will take advantage of the opportunity to use National's umbrella exemption, and we will file for our own exemption in the event there is any delay in extending the umbrella exemption.

The Council had previously raised the question as to whether the amount in our checking account will affect our tax status. Warren Cottingham researched the issue and found that the amount of money in the checking account does not affect the income tax exemption; our income tax exemption will remain valid as long as our investment income does not exceed 33 1/3% of our gross income. Our income tax exemption is based on our being an educational organization.

Chapter Treasury: Judy Fuerstenberg reported that the Chapter checking account balance as of September 27, 1993 is \$25,143.78. The account is a NOW interest bearing business checking account, and the balance reflects expenditure of \$10,006 in August for purchase of a T-Bill. The Money Market Account, currently yielding 2.07%, is at \$15,873.05.

Professional Services: The committee is planning to publish a paper regarding implementation of financial systems. It will address the planning process, acquisition, development, meeting external requirements, and related topics and will recognize agencies that have been successful in this area.

Education: Nearly 200 people attended the National Performance Review seminar. The seminar was video taped; sets will be offered for sale to cover costs.

MEMBERSHIP

By Evelyn A. Brown, Membership Director

The membership year is quickly moving as we approach the half year mark. We are working together as an organization to develop new ideas and approaches to assist in the recruitment of new members and for the continued retention of long standing members. In keeping with our dedication to revitalizing interest in the organization, I recently obtained copies of a new brochure from the national office. The brochure, titled "Join The Leaders," defines the purpose, objectives, and activities of the Association of Government Accountants. It also contains a revised membership application form. It is a useful reference tool for providing information to prospective members and for reacquainting current members with the organization. Copies of the new brochure will be available at the monthly luncheon meetings.

One of the duties of this committee is the pleasure of welcoming new members. We welcome the following individuals, our most recent new members of the Washington, DC Chapter of the AGA:

<u>Name and Agency</u>	<u>Sponsor</u>
Anthony E. Belliotti, OPM	Ruth Ahrens
Karen J. Holmcrans, OGDEN Government Services	Larry Wilson
Angel Gonzalez-Malazechevarria, The World Bank	James Wesberry
Bridgette S. Ratliff, Treasury-OIG	Mary Yarborough
Eric H. Rodney, Farm Credit Administration	Pat Wensel

The status of membership growth and retention from May 31, 1993 through August 31, 1993 is as follows:

Membership as of May 31, 1993	1,066
Change during June through August 1993:	
New Members	40
Transfers In	5
Deceased or Resigned	-13
Suspended	-137
Membership as of August 31, 1993	976

Thank you for your continuing support of the AGA. Working together we can achieve our goals in the expansion of the Washington DC Chapter membership roster. If you would like to receive information regarding membership or if you would like to obtain membership applications, please call me at (202) 366-0269 or Judith Parsons at (202) 874-4781.

FINANCIAL INFORMATION CLASSIFICATION

The CFO Council Operations Group (COG), Financial Systems Committee is developing a framework for a financial information classification structure.

The framework begins with the Federal financial systems vision described in the 1993 CFO Status Report and 5-Year Plan. That vision portrays a Central Financial Information System producing Consolidated Financial Statements and performing Asset/Liability Reporting and Budget Execution Analysis, as well as providing Government-wide Policy Decision Support. The strategy necessary to make the vision a reality requires integrated Government-wide and agency financial systems with standardized electronic data exchanges. Financial management must reflect how the Federal government seeks to manage its activities, and must support these activities through integrated functionality and technology.

Under this concept OMB would define the information requirements essential for monitoring budgetary integrity, effective operating performance, and stewardship over government resources. It would maintain a government-wide data dictionary, and coordinate the definition of acceptable parameters for collection of government-wide data. Program agencies would be operational data

stewards of their own data. Agency systems would support carrying out the mission of the agency; agencies would maintain agency-wide data dictionaries conforming to government-wide policy requirements and provide timely, complete, accurate and consistent financial information on resources and operations. Treasury would collect central agency required data from agencies and be the operational data steward for that. It would validate compliance with reporting requirements and reasonableness of data within defined parameters and provide data to OMB.

The financial information structure to accommodate this would include the following classifications:

- Common Account - for collecting, categorizing, tracking and reporting on the status of financial resources,
- Personnel Information - for collecting financially related data needed to understand financial information,
- Financial Management Performance - for collecting financial information related to program performance, and
- Other - for collecting information to understand financial activity of the Federal government, e.g., inventory data.

The COG is currently determining additional classifications necessary for the structure, identifying duplication and inefficiencies in financial data required for central agency reporting.

The Chapter's September 14 seminar, "The National Performance Review and Performance Measures," featured NPR representatives discussing carrying out the NPR recommendations. It included panelists and other speakers from central guidance agencies, the auditing community, operating agencies, professional organizations, academia, and consulting firms. High quality, professionally produced video tapes of the program are available at cost. Please use the order form below.

ASSOCIATION OF GOVERNMENT ACCOUNTANTS
WASHINGTON CHAPTER

NATIONAL PERFORMANCE REVIEW AND PERFORMANCE MEASURES
EDUCATIONAL EVENT - SEPTEMBER 14, 1993

Video Tape containing the presentations at the educational event.

Attendees: \$100.00 per tape x _____ = \$ _____

Non-attendees: \$125.00 per tape x _____ = \$ _____

Please make your checks or purchase orders payable to:

Washington Chapter of the Association of Government Accountants
Post Office Box 423
Washington, DC 20044-0423

For additional information, contact Peter Ben Ezra at (202) 720-1174.

**AGA WASHINGTON CHAPTER
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FOR 1993/1994**

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