

The Washington Connection

Association of Government Accountants, Washington, DC Chapter

In This Issue...

President's Message	2
Federal Executive Profile: A Discussion with Bruce Carnes	3
AGA Relief Effort	4
Professional Development Conference	4
AGA to Co-Sponsor Government Performance Summit	5
Guide for Auditors to Assess Computer Security	5
AGA Board/CEC Meeting Minutes	6
JFMIP 31st Conference	7
Beliefs about the Benefits of off-the-Shelf Software	8
Nominations for AGA Awards	9
Upcoming Chapter Social Events	9
e-GOVERNMENT—What Is It and Where Did It Come From?	10
New Chapter Members	11
Inside the Black Box	12
GAO Financial Audit Guide	14

Update of JFMIP Activities

March 7, 2002 Luncheon Meeting



Karen Cleary Alderman

The speaker at our March luncheon is Karen Cleary Alderman. She is the Executive Director of the Joint Financial Management Improvement Program (JFMIP), an interagency organization sponsored by the General Accounting Office, Department of Treasury, the Office of Management and Budget, the Office of Personnel Management, and the General Services

Administration. Her responsibilities include developing and directing interagency projects to improve financial management in the federal government, issuing government-wide financial system requirements, testing and qualifying financial system software for federal use, and maintaining an ongoing knowledge base to communicate with all stakeholders.

Prior to joining the JFMIP in 1998, Ms. Alderman served as the Director for Performance Measures and Results and Travel Reengineering at the Department of Defense where she was

continued on page 13

Luncheon Logistics

Monthly Luncheon Meeting

Thursday March 7, 2002

Grand Hyatt Hotel

1000 H Street, NW (At Metro Center – 11th Street Exit)

11:30 – 12:00 Social

12:00 – 1:10 Luncheon Meeting (1CPE)

Cost: Members \$20.00
 Non-members \$35.00

For reservations, please call the AGA Washington, DC Chapter voice mail line at 703.758.4080 and select option 1. If you prefer, you can register by email to mkubaki@hq.nasa.gov or you can register at our homepage: www.agadc.org. Please forward your name, agency/company, and telephone number.

President's Message



Janet McBride, President

Well, I'm back on the job after my brief hiatus. Many thanks to Wendy Comes for holding down the fort in my absence.

Last month's conference got great reviews. Many thanks to everyone who worked so diligently to make that conference happen. If you missed the February event, plan to attend our next education event on May 20-21, 2002, which will feature the most current information on accounting, auditing, and other current issues.

Our program for March will feature Karen Cleary Alderman, Executive Director of the Joint Financial Management Improvement Program (JFMIP). Karen will be briefing us on recent accomplishments and priority projects for JFMIP. It's a session you won't want to miss. Register now!

If you're looking for family fun, don't forget about our excursion to the National Zoo. I saw those cute little pandas last year. They're a little bigger this year but just as cute and playful. If you haven't had a chance to see this duo yet, be good to yourself and join us at the zoo. See Phyllis Hunter or Karl Boettcher for the details.

Looking ahead to April, remember that our monthly program will be a dinner meeting on April 23rd. This special meeting will include the presentation of chapter awards and recognition of membership longevity. Doug Gandy will be happy to answer any questions you may have about the awards and eligibility.

Happy St. Patrick's Day!! •



Grant Thornton is proud to serve America's business...



Join us in serving our government clients. Grant Thornton is a Global Seven accounting firm and one of the largest and most respected accounting and consulting firms in the world - serving both public and private sector clients. Grant Thornton is a firm that values you as an individual and offers exciting challenges and opportunities. We are aggressively expanding our Global Government Group, and have immediate opportunities for professionals who have expertise in the following areas:

- Outsourcing, Privatization and A-76 (competitive sourcing)
- Cost Management (ABC/ABM)
- Accounting Support Services
- Accounting/ Financial Package Implementation
- Budget Execution and Funds Control
- Performance Measurement Systems
- Business Process Reengineering

If you are interested in joining the Grant Thornton team, please send a resume to dcmcareers@gt.com, or fax to (703)847-7429.

Grant Thornton 
Accountants and Management Consultants

© 2002 Grant Thornton LLP. Grant Thornton LLP is an Equal Opportunity Employer

Federal Executive Profile: A Discussion with Bruce Carnes

Director, Office of Management, Budget and Evaluation/CFO, Department of Energy



Bruce Carnes

The Washington Connection (TWC):

Your road to the current CFO position is unusual. You began your career as a university English literature professor and then

entered federal service. Could you take a minute and outline how your academic background prepared you for a career in government service?

Carnes: My Ph.D. program gave me two basic skills that have served me well for over a quarter of a century: how to think critically and how to communicate. Critical thinking requires one to collect the appropriate data, organize it, identify options, and select the best option. Communication—oral and written—is the lifeblood of any organization. If one masters these two skills, technical competence can easily be acquired.

TWC: Over your 25-year career in the federal government, you've served in the Department of Education, in the National Endowment for the Humanities, in the White House Office of National Drug Control Policy, in the Department of Defense's Defense Finance and Accounting Service (DFAS), and now in the Department of Energy. This experience has given you a bird's-eye view of the entire Executive Branch of government. What general conclusions can you draw from this experience?

Carnes: Federal employees at every level are competent, dedicated, and hardworking. In fact when I first joined the federal workforce, I found we all worked extraordinarily long hours. I understand that some federal organizations are more successful than others. I believe the reasons for success lie in two factors: clarity of mission,

and the ethics and culture of an organization. For example, employees of the Defense Finance and Accounting Service have a very strong clarity of mission coupled with a strong culture. My two daughters were Army officers. When I worked at DFAS, every day I'd look at their pictures knowing that the actions of my organization materially affected their lives. Believe me, it was a strong personal motivation to get the job done right the first time.

TWC: You're now the Chief Financial Officer and Director of the Office of Management, Budget, and Evaluation within the Department of Energy, and have the opportunity to apply the lessons learned to improve the effectiveness of DOE. What changes are you making?

Carnes: I'm developing a Planning, Analysis, and Evaluation (PA&E) function that we're integrating into the entire budgeting, acquisition, and accounting process of the Department, and I'm providing the field with more autonomy. The essence of the PA&E function is to link DOE's legislative mission, and our President's and Secretary's agenda to a finite plan. The plan contains goals, a strategy for achieving the goals, resources required, organizational responsibilities, etc. The planning process doesn't just look at the current year or the current year plus one, our plan has a five-year horizon. We've developed new budget guidelines to ensure consistency with the five-year plan. We've established a new PA&E function that analyzes budgets and acquisition plans to ensure that they are consistent with the overall goals and missions of DOE. We prioritize budget requests

according to a number of factors. Every acquisition request goes through a formal review. For example, if an acquisition has a separate design and construction phase, we review a set of milestones to ensure that the design is essentially complete before approving the construction phase. Coupled with the establishment of a formal PA&E process we're providing the laboratories and other DOE field offices with more autonomy. We want to empower those in the field to make appropriate decisions without being micro-managed by headquarters. The PA&E function provides the framework for headquarters and the field so that field officials understand their operating parameters.

TWC: I want to thank you for taking time from your busy day, and would like to know if you have any advice for our readers?

Carnes: Always be prepared for any opportunity. Keep your head up so that you see an opportunity when it arises. You never know from where it may come. Some people prepare by getting the right education, continually taking courses to improve their skill levels, but they miss opportunities because they don't see them coming. I believe that those who succeed have an intellectual boldness that keeps them prepared and allows them to see and act on emerging opportunities. •

Move to Digital Government Sparks State Privacy Concerns

While all 50 states made significant progress during 2001 in integrating information technology into government services, that progress is raising new questions about how states are protecting individuals' private information, according to a new survey from the Progress and Freedom Foundation (PFF) and the Center For Digital Government. "Without a doubt, a major theme will revolve around how we deal with the privacy challenges presented by digital technologies, especially as they are put to use to enhance homeland security," PFF President Jeffrey Eisenach wrote in the forward to the 2001 Digital State Survey. The survey, released in early January, named Illinois and Kansas state governments' as the top users of digital technology. •

To read further, visit www.govexec.com/dailyfed/0102/010302td1.htm

AGA Relief Effort Raises More Than \$12,000

AGA has raised \$12,036.17 as of January 15, 2002 for the AGA Relief Effort. All proceeds will be divided evenly among the families of the three AGA members who were killed in the Pentagon attack on Sept. 11. The fund-raising for this effort will span the rest of our program year. Send your donation to the AGA Relief Effort, AGA National Office, 2208 Mount Vernon Avenue, Alexandria, VA 22301-1314. Checks should be made payable to the AGA Relief Effort. AGA National has also established a secure location on the AGA website where credit card donations will be accepted. Go to the AGA homepage at [and click on the patriotic ribbons to make an online donation](#). Thank you again for your support of the AGA Relief Effort. •

e-Gov Outpaces e-Commerce in New Survey

By Joshua Dean, Government Executive

More than one-half of surveyed adults with access to the Internet visited federal, state or local government websites in 2001, according to a report released earlier this month. One-third of those surveyed had visited federal websites. Conducted by the Center for e-Service at the Robert H. Smith School of Business at the University of Maryland and Rockbridge Associates Inc., a Great Falls, Virginia, market research firm, the 2001 National Technology Readiness Survey gauged the responses of 500 adults with access to the Internet last November. Twenty-one percent of adults online not only visited, but also conducted some type of transaction with local, state or federal governments, slightly higher than the percentage of adults who conducted transactions with private businesses online. •

Read more at <http://www.govexec.com/dailyfed/0102/010902j1.htm>.

Regional Professional Development Conference: March 26, 2002—March 27, 2002

AGA's Virginia Peninsula Chapter and the American Society of Military Comptrollers (ASMC), Hampton Roads Chapter, are sponsoring a two-day Professional Development Conference at the Chesapeake Conference Center in Chesapeake, VA. The theme for this conference is "Advancing Government Accountability: Time, Vision and Technology." Congresswoman Jo Ann Davis, First District of Virginia, and AGA National President-Elect William J. Anderson, Jr., CGFM, have tentatively agreed to be the keynote speakers. This PDC will provide 16 CPE hours and will include speakers from various federal agencies discussing a variety of timely topics including: the changing role of the U.S. Coast Guard since Sept. 11, 2001, protecting yourself against computer viruses and personal financial management tips. The early registration deadline, which entitles each attendee to a discount, ends on March 1, 2002.

Contact Dave Schmitt at 757.552.8124 or Helen Brooks, ASMC, at 757.523.6861 with questions. •

Save Money, Register for PDC Online Today

Save \$25 off the registration fee for the 51st Annual Professional Development Conference & Exposition by registering online at <http://www.agacfm.org/pdc/index.htm>. This premier educational event of the year, titled "Transforming the Government Enterprise," is set for July 7-10, 2002 at the Hyatt Regency in Atlanta, Georgia. •

Recruit New AGA Members and Win

AGA's Member-Get-A-Member Campaign is in full swing and we've got quarterly drawings for terrific prizes lined up, including an overnight duffel bag, a \$100 Hertz rental car voucher or even two round trip airline tickets to anywhere in the U.S. Every time you recruit a new member, the odds increase that you could win big. Don't let your colleagues be left unaware of all that AGA can do for them. Help a friend or business associate improve their professional skills and benefit through increased access to the latest technical information and new business contacts. Become eligible by making sure new members you recruit return their completed applications no later than April 30, 2002. Remember to print your name on the Sponsor's Line section of the application to receive sponsor credit. •

Questions? Call 800.AGA.7211



Luncheon Meetings

The schedule for the rest of this year's luncheon meetings is:

March 7, 2002

April 23, 2002 (Awards Dinner)

May 2, 2002

Ron Longo, our Programs Director, is in the process of lining up an outstanding group of speakers. Speakers for the remainder of the program year include:

Kay Cole James

OPM

Karen Alderman

JFMIP

Richard Norment

AGA National President

AGA to Co-Sponsor Government Performance Summit

AGA is a co-sponsor of the 2002 Government Performance Summit—Innovations in Improving Federal Management Under the President's Management Agenda. The summit will present best practices from leading agencies and will cover the implementation of the President's five Management Goals: Aligning Performance to Budgets, Human Capital Management, Citizen Centered e-Government Financial Management Improvement and Competitive Sourcing. The summit is set for March 25-27, 2002 at the Kellogg Conference Center, Gallaudet University in Washington, D.C. Mention your AGA membership at the time of registration and receive a 15% discount. •

Register by fax at 703.519.6271, by phone at 703.519.6270, or online at www.performanceweb.org

Guide Helps Auditors Assess Computer Security Efforts

By Joshua Dean, Government Executive

Federal inspectors general, state auditors and information technology executives have a new weapon in the fight against computer hackers. A new guide from GAO and the National State Auditors Association (NSAA) describes how to create or enhance an information security-auditing program. Security professionals have long relied on independent penetration tests and ethical, or "white hat," hacking to test the effectiveness of an agency's security measures. Until now, very little has been done to measure the effectiveness of computer security initiatives. "Computer security has...become much more important as all levels of government utilize information security measures to avoid data tampering, fraud, disruptions in critical operations and inappropriate disclosure of sensitive information," wrote Comptroller General David M. Walker and NSAA President Ronald Jones, who is also Alabama's chief auditor, in the introduction to the guide, "Management Planning Guide for Systems Security Auditing." •

Read more at www.govexec.com/dailyfed/0102/010702j1.htm

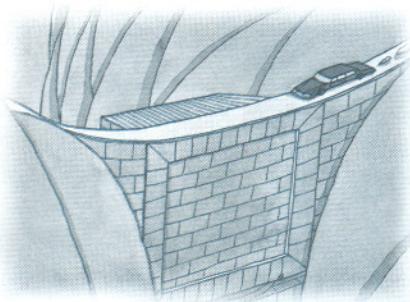
E-mail Mailing List

Would you like to receive e-mail reminders of our monthly meetings and conferences? If so, please go to www.agadc.org to sign up for our mailing list in the Member Services section of the website. •



GSA Raises Mileage Reimbursement Rate

By Katy Saldarini



The General Services Administration will increase the federal mileage reimbursement rate for travel by car two cents bringing the rate to 36.5 cents per mile in 2002.

GSA sets the mileage reimbursement rate for federal employees. By law (41 CFR Part 301-10), the government-wide rate cannot exceed the IRS's rate. In November, the IRS adopted a new standard mileage reimbursement rate of 36.5 cents per mile for 2002.

GSA's decision to mirror the IRS rate was made on January 8, 2002. The rate became effective for travel on or after January 21, 2002. •

Full story: www.govexec.com/dailyfed/0102/010902k1.htm

Newsletter Comments or Suggestions?

Do you have any comments or suggestions regarding the newsletter? Do you have an article you'd like to see in print? The deadline for submitting articles to appear in the April, 2002 issue is March 4, 2001. Please send your comments and contributions to the newsletter editor, Diane Wright at diane.wright@ams.com. •



November 27, 2001 AGA Board/CEC Meeting Minutes

The meeting was called to order at 12:10 at 1990 K Street, NW, Washington, DC 20006, with the following officers and directors participating: Janet McBride, Sue Lazich, David Fitz, Meghan Schindler, Robert Buchanan, Pat Clark, Simcha Kuritzky, Mike Noble and John Webb.

Education

Karen Holmcrans is resigning from her position as Director of Education. Cis Kuennen, with Oracle Corporation, will take her place for the remainder of the term.

The Technology Enabling Financial Management Conference scheduled for November 19 and 20, 2001 at the Grand Hyatt in Washington, DC has been cancelled. The conference will be rescheduled for February 2002. Specific dates have not yet been decided on. The Accounting and Auditing Update education event on May 20, 2002 may be extended a day. All are encouraged to attend these events.

Membership

Current chapter membership equals 1,614, exceeding our base growth goal. We welcome this year's 62 new members.

Luncheon Programs

The speaker for the December 6 luncheon meeting will be Gaston Gianni, FDIC Inspector General. He will be discussing the role of the Inspectors General in promoting the President's Management Agenda.

Dr. Bruce Carnes, Chief Financial Officer, Department of Energy, will be speaking at the January 10 meeting.

On February 5, Sue Irving with GAO will discuss budget expectations for 2003. The speaker for the April 23 evening meeting has not yet been determined. Suggestions are welcome.

Treasurer's Report

We did not have any nonmembers attend the last luncheon meeting. The chapter pays for 85 seats at each monthly luncheon meeting regardless of registration figures.

We have begun tapping into the money market fund to finance chapter events. The next revenue producing event for the DC chapter is the Accounting and Auditing Update scheduled for May.

Chapter Points

We are still focused on reaching our chapter goal of All Star status for the year. As of the second quarter, we have achieved over 50% of the goal, at 7,883 points. The biggest performance challenge is monthly program participation.

Other News

Janet McBride will soon begin a 6-month detail with OMB.

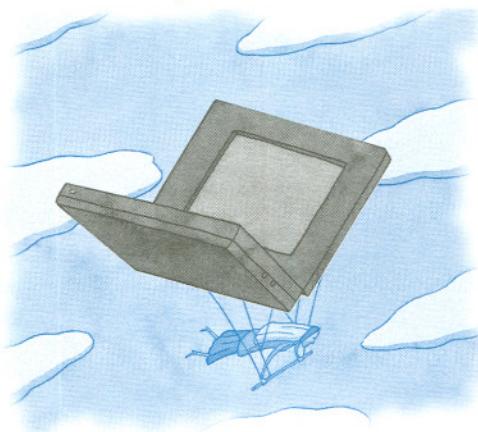
Meghan Schindler, Naval Audit Service, has joined the Board and will serve as the Assistant Treasurer/Secretary for the remainder of this program year. •

GSA Answers Questions About New Frequent Flier Mile Policy

By Tanya Ballard, Govexec.com

The General Services Administration has issued a travel advisory explaining the new frequent flier mile benefit awarded to federal employees in the fiscal 2002 Defense Authorization Bill signed by President Bush. The advisory provides guidance on the long-awaited benefit, which gives civil service, military and Foreign Service employees the authority to use frequent flier miles obtained on government travel for personal use. Prior to the law's passage, federal employees were not allowed to use their frequent flier miles because the 1994 Federal Acquisition Streamlining Act (Public Law 103-355) prohibited them from accepting promotional items they received while traveling at government expense. •

To read further, visit www.govexec.com/dailyfed/0102/010302t1.htm



The Joint Financial Management Improvement Program's (JFMIP) 31st Annual Conference on March 12, 2002

Getting to Green: The President's Management Agenda

The Conference will be held at the Hilton Washington and Towers in Washington, DC. The theme of this year's Conference is "Getting to Green: The President's Management Agenda."

The Conference Program includes:

Keynote Speakers

- Kay Coles James, Director, Office of Personnel Management (OPM)
- David Walker, Comptroller General of the U.S.

Highlight Address

- Mark Everson, Controller, Office of Federal Financial Management, Office of Management and Budget (OMB)

Award Presentations

- Donald L. Scantlebury Memorial Awards for Distinguished Leadership in Financial Management

Morning Panel Sessions

Expanded Electronic Government

- Mark Forman, Associate Director for IT and E-Government, OMB
- John Moseley, Program Executive, Human Resources Data Network, OPM
- Michael Sade, Director, Acquisition Management, Department of Commerce

Competitive Sourcing

- Angela Styles, Administrator, Office of Federal Procurement Policy, OMB
- Deidre Lee, Director, Defense Procurement, Department of Defense
- Merv Forney, President, Business Process Management, ACS Government Services

Improved Financial Performance

- Jeff Steinhoff, Managing Director, Financial Management & Assurance, General Accounting Office (GAO)
- Don Hammond, Fiscal Assistant Secretary, Department of the Treasury
- Mark Carney, Deputy CFO, Department of Education
- Dov Zakheim, CFO, Department of Defense

Afternoon Panel Sessions

Strategic Management of Human Capital

- Christopher Mihm, Director, Strategic Issues, GAO
- Angela Antonelli, CFO, Department of Housing and Urban Development
- Sandi Payne, Director, Strategic Planning, OPM
- Myra Shiplett, Director, Human Resources, National Academy of Public Administration

Budget and Performance Integration

- Justine Rodriguez, Deputy Associate Director of Economic Policy, OMB
- Donna McLean, Chief Financial Officer, Department of Transportation
- Paul Posner, Managing Director, Federal Budget and Intergovernmental Relations, GAO

Improving Asset Management

- Debra Watson, Branch Chief for Policy and Process, Resources Analysis Division, National Aeronautics and Space Administration
- Joseph Kull, Deputy Controller, OMB
- Lorraine Lewis, Inspector General, Department of Education
- Joseph Loddo, Chief Financial Officer, Small Business Administration
- J. Martin Mills, Acting Assistant Commissioner, Debt Management Services, Financial Management Service, Department of the Treasury

The Conference registration fee is \$150 and qualifies for 7 hours of CPE.

To register or find out more information go to www.jfmip.gov. If you have any questions about the program, please contact JFMIP at 202.219.0526. •

Six Commonly Held Beliefs about the Benefits of Commercial-off-the-Shelf Software

By Bob Freeman



This is the third in a series of articles in which the author examines six commonly held beliefs about the benefits of Commercial-off-the-Shelf-Software. In the first article, published in the January issue of Washington Connection, the author identified the six beliefs. In subsequent issues, the author will examine each belief with the objective of removing the myths surrounding modern, web-based COTS systems, and providing financial managers with a more informed understanding of the value of these systems.

In this article, the author will examine Commonly Held Belief Number 2:

Modern COTS systems are easier and less costly to maintain because the software provider enhances the system as technology and requirements change.

In conducting cost-benefit analyses to acquire a COTS package, many agencies believe that acquiring a package will reduce long-term operating costs. Their basis for this belief is the fact that maintenance of baseline COTS packages is solely a vendors' responsibility. As legislation, business models, or technology changes, the costs to incorporate these changes into the baseline are born by software vendors and not by the government. Necessary software changes are included in future releases. By keeping current with the latest software releases, an agency

keeps current with the latest regulations, business rules, and technology.

While this is true, there are additional costs that an agency must be prepared to accept. These costs fall into two general categories: fixed costs that are independent of a COTS implementation, and costs that vary with a specific COTS implementation. Let's examine the cost components within each of these categories.

The identification of fixed costs is usually straightforward and should occur during the initial software acquisition process. Upon acquiring a COTS package, an agency will purchase maintenance from the software vendor. Generally, maintenance programs provide fixes for software discrepancies, some level of functional and technical advice on operating the COTS system, and new releases. As a general rule, the price for routine maintenance is about 18% of the price of the COTS product. Vendors may offer discounts as part of the contract negotiations. In addition, some vendors require an agency to repay the purchase price of the COTS package in order to receive a new major release. Prices for all of these costs can be negotiated as part of the initial contract with the COTS vendor, and included in that contract.

Variable upgrade costs are much more difficult to estimate prior to signing a contract with a software vendor because an upgrade must be integrated into an existing operating environment and must not disrupt ongoing financial management operations. Thus, an agency should treat any upgrade effort as a systems implementation project. This includes developing detailed implementation plans, conducting requirements analyses, revising procedures, changing existing software, and thoroughly testing the new release prior to production. An agency must determine how the changes in the latest release will affect its operational environment and act

accordingly. This includes determining if interfaces between the COTS package and other agency systems will be affected, if procedures or reports need to change, or if any agency-unique customizations to the package need to be reengineered.

There are two factors that drive up the costs of upgrading to a new release: the complexity of the release and the size and complexity of an agency. Let's examine how each one affects the resources necessary to upgrade to a new release.

A minor release generally provides additional functionality in only one business area (e.g., accounts receivable), and incorporates technical software changes that improve the overall operation of the system. On the other hand, a major release may affect every business area or the entire technical environment. In the first instance, an agency can conduct a set of limited analyses to determine the cost and timing for implementing a minor release. However, upgrading to a major release requires substantial analyses to determine the time and resources needed to successfully implement the new release.

Small agencies can gauge variable upgrade costs more easily than large agencies because they have fewer interfaces to develop and thus can utilize the baseline functionality with no modifications or enhancements to the COTS product.

On the other hand, large agencies have a complex set of analyses to complete in order to accurately estimate the costs associated with upgrading to a new release as well as several interfaces that need to be analyzed and revised as necessary. Procedures are complex and must be

continued on next page

Software Beliefs

continued from previous page

carefully analyzed to determine how to incorporate the features of the release into the agency's operating procedures. Most importantly, however, large agencies may have complex agency-unique customized software that works in conjunction with the baseline product. These customizations must be carefully analyzed to determine how they should be altered to work with the new release. From planning to final operation it often takes a large agency over a year to migrate to a new release and involves the information technology organization and every user of the system.

There is an additional set of costs that an agency must bear in order to fully utilize a COTS package. Technical and functional analysts in an agency must have a detailed understanding of the COTS package, which should have been developed during the initial package implementation process. In addition, as the product improves, these analysts must keep current with the technical and functional changes made to the package.

As this article indicates, vendor-provided maintenance should never be an afterthought when acquiring and implementing a COTS package. Over the system life cycle, these maintenance costs always exceed the cost to initially acquire and implement the system. If an agency when acquiring and implementing a COTS package fails to proactively address long-term vendor-supplied maintenance, then it may find that it is unable to ever take advantage of the vendor's release program. If this occurs, an agency in the long run has a custom system and it alone is responsible for keeping the system current with new regulations and technology advances. •

Call for Nominations for AGA National Awards

By Doug Gandy

The Washington, DC Chapter is soliciting nominations for the National Awards to be presented at the Annual Professional Development Conference and Exposition in July.

The awards include:

Einhorn-Gary Award
Robert W. King Memorial Award
Frank Greathouse Award
Achievement of the Year Award
Special Achievement Award
Education & Training Award
Chapter Service Award
Community Service Award
Research Achievement Award
Cornelius E. Tierney/Ernst & Young Research Award

Details on each award, categories, criteria, and nomination procedures can be found on the AGA National Web site www.agacgm.org.

Nominations should be submitted by 3/4/2002.

Mail nominations to:
AGA Washington, DC Chapter
ATTN: Awards Committee
P.O. Box 423
Washington, DC 20044-0423

You can fax nominations to: Doug Gandy at 703.883.4151 or e-mail to Gandyd@FCA.Gov.

After reviewing the nominations, the Awards Committee will make recommendations to the Washington, DC Chapter's Executive Council and forward approved nominations to AGA National. •



Upcoming Chapter Social Events

In response to our membership survey, Membership and Early Careers are scheduling the following events for the coming 2001 - 2002 membership year

March 10, 2002

Visit National Zoo

April 2002

Attend Baltimore Orioles Game

May 2002

Golf Tournament

Additional event information will be provided as the activity draws near and more information becomes available. Some of the activities may be subject to change due to our partnership with the ASMC and the AGA - NOVA, PG and Baltimore chapters. Please check your newsletter, website or agency liaison for the latest event update. Due to advance notification requirements and space limitations, most activities will have a response cut off date. If you are interested in an activity please let us know as soon as possible. Send your electronic responses or direct any questions to phunter@gt.com 703.847.7651 or karl.boettcher@fms.treas.gov 202.874.3611. •

e-GOVERNMENT—What Is It and Where Did It Come From?

This article defines “e-Government” and provides some background on how it continues to evolve.

By Beth Serepca

What Is e-Government?

What is e-government? It is the use of (Internet-based and other) technologies to enhance the access to and delivery of government service to benefit citizens, business partners, and employees.ⁱ E-government has become widely accepted, but is seen as continuing to grow, with great value to citizens. It is government on demand.

A top priority of government has always been to serve its citizens, and this remains at the core of its existence. Today, leading government agencies are changing both public perception and reality by recognizing the customer/citizen as their top priority when undertaking service enhancements initiatives.

The citizens themselves, based on lessons they have learned, are driving governments' increasing focus on customer service and the skills they have developed through interactions with services offered in other areas, such as online financial services and travel programs. These experiences are accelerating the demands and expectations that citizens place on public sector agencies.ⁱⁱ

Citizens want the same 24/7 from government that they already have with services offered by private industry. Citizens expect government to work the way private industry works. Fortunately, many government agencies, and the Federal government as a whole, are responding to these demands and enhancing the way they

interact with their customers through the use of e-government.

For example, FirstGov.gov was developed to promote a single electronic portal for Federal information and services. FirstGov.gov was intended to link the government's more than 20,000 web sites and many millions of web pages. It was intended to provide citizens with broad access to Federal information and services in an organized and efficient manner. The unique value of FirstGov.gov is that it specifically aims to canvas all publicly accessible Federal government web sites. By doing this it can offer more comprehensive and definitive results for government-oriented queries than can a commercial search engine.ⁱⁱⁱ

continued on next page

Increase Your Advancement Potential

Earn your MBA!

MBA Concentrations:

General Management
Management Technology
Organization and Human Resource Development
Information Security
Contracts and Procurement Management



Graduate Certificates Available:

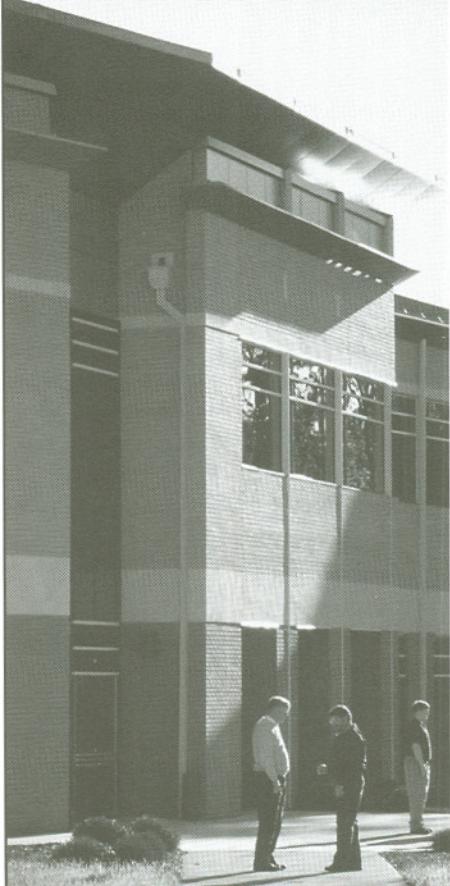
Information Security
Contracts and Procurement Management



MARY WASHINGTON COLLEGE

JAMES MONROE
C E N T E R

For Graduate and Professional Studies



Great location 45 miles south of D.C. near Fredericksburg, Virginia I 95 (Exit 133)
540.654.1618 • 800.468.5614 • admit@mwc.edu • www.jmc.mwc.edu

Welcome New Chapter Members

By Robert Buchanan

Our chapter has 1,642 members as of January 21, 2002. Please help us extend a warm welcome to our newest government financial management colleagues, the following 14 new members who have joined AGA and our chapter since our last newsletter.

Members	Sponsors	Employers
Theresa M. Agnellos		Defense Finance and Accounting Service
Leslie D. Albin		General Accounting Office
Robert M. Capozzi	Catherine A. Nelson, CGFM	Logistics Management Institute
Ratana P. Dong., CPA	Cheryl D. Taylor	Soza & Company, Ltd.
Wendy Marie Duncan		PricewaterhouseCoopers
Lisa Kazor, CPA		Savantage Financial Services, Inc.
Michael F. Lampley, CGFM, CPA		ITFC
Melissa S. McDaniel	Michael J. Maloney, CGFM	Social Security Administration
Jason S. Miller, CPA		KPMG
Meg Mills	Jeffrey C. Steinhoff	General Accounting Office
Marlon D. Perry		Ernst & Young
Tracy N. Robinson, CPA		General Services Administration
Vida Shega		Grant Thornton
Erika A. Steininger		Kearney

What is e-Government

continued from previous page

Safeguarding Security and Privacy Concerns

The public is concerned about security of the transactions conducted on Web-sites. These concerns are often well founded. For example, the General Accounting Office found that First-Gov.gov, the Federal government's portal, has no comprehensive security plan, and has not been accredited for operational use.^{iv}

Continuing efforts are being made by the government to protect Internet transactions. The use of encryption and digital signatures is being applied to better assure the integrity of such transactions. The Internet infrastructure must also be safeguarded.

Another concern is privacy. The General Accounting Office found that 23 of 70 agencies had disclosed personal information gathered from their websites to third parties, mostly other agencies.^v It is paramount that citizens trust government and the online services. The personal information must be secure and kept private. Currently, most agencies have their privacy policy posted online. Technology is the

key for ensuring the privacy and security of the transactions and needs to be constantly updated. •

Federal acts and mandates driving e-government:

- Implementation of Clinger Cohen
- Government Performance Results Act
- National Partnership for Reinventing Government
- Electronic signature in Global and National Commerce Act of 2000
- Government Paperwork Elimination Act of 1998

ⁱ Deloitte & Touche, "At the Dawn of e-Government," December 21, 2000.

ⁱⁱ Deloitte & Touche, "At the Dawn of e-Government," December 21, 2000. p.1.

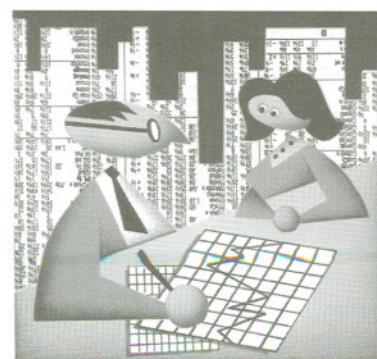
ⁱⁱⁱ McClure, David L., "Electronic Government Opportunities and Challenges facing the First-Gov Web Gateway," GAO -01-87T, October 2, 2000. p.4.

^{iv} ibid.

^v Relyea, Harold C., "CRS Report for Congress on Electronic Government: A Conceptual Overview," Updated February 7, 2001.

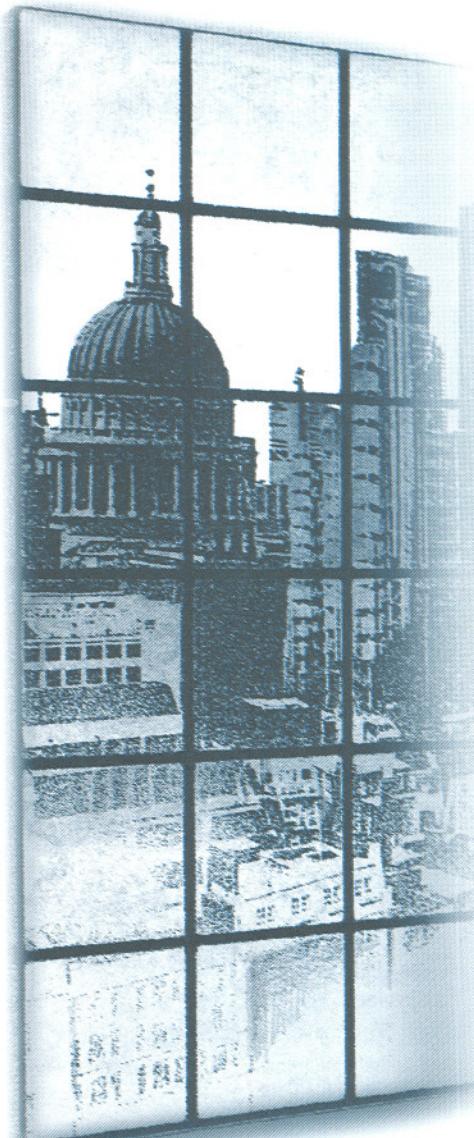
Exclusive Government Financial Management Career Fair

The Second Annual AGA Career Fair will be held in conjunction with the Professional Development Conference & Exposition from 9 a.m. to 4 p.m. on Monday, July 8, 2002 at the Hyatt Regency Atlanta, Georgia. Various government financial managers, including those in senior and management positions, are expected to attend. Last year's successful career fair included such companies/agencies as Deloitte & Touche LLP, KPMG, United States Mint and representatives from several Offices of the Inspector General. If your company or agency is interested in attending or participating virtually in the AGA Career Fair, call Angela Perrie at 800.299.7494, ext.359. •



Inside the Black Box: In with the New...In with the Old

By Simcha Kuritzky, CGFM, CPA



New Requirement

Treasury has been working with OMB to use FACTS II to capture more of the Program and Finance Schedule data. One of the most recent changes to support this is the addition of a new field, Year of Budget Authority. This field is only used for no-year funds, and has the value "NEW" or "BAL." "NEW" indicates the authority used was new to the current year, and "BAL" indicates it was from a previous year.

Budget Years

Generally the Treasury Symbol indicates the year of authority. The first part of the Symbol is the agency code,

followed by a single-digit year indicator (e.g., "2" would mean FY2002), followed by the fund group. However, multi-year funds have two digits separated by a slash (e.g., "2/3" means the fund begins in 2002 and expires at the end of 2003), while no-year funds either have an "X" or don't have a year indicator at all (for receipt and other special types of funds). OMB years ago directed agencies to track downward spending adjustments by the year of the original obligation authority—a reduction of spending against a prior year's obligation is reported on line 3 or 4 of the SF-133 Report on Budget Execution, while other obligation transactions are reported on line 8. The new Treasury requirement is only for cash transactions, and it is reported only when this is a liquidation of a prior-year payable, issuance of an advance, or an upward adjustment to the spending document. Neither non-cash transactions nor downward adjustments use this field.

Tracking Budget Year

The two most obvious approaches to record the necessary information is to track the year of authority on either a transaction or a budget basis. To track by transaction, each document would have a year of authority associated with it (this is the year the appropriation was received from Congress). When a schedule is confirmed, the system has to check the year of authority, and if it is the current year, flag those transactions so they can be reported as "NEW" to FACTS II, otherwise flag them as "BAL". Upward modifications to this document in subsequent years would use the same year of authority, as long as the agency was using authority carried over from the original appropriation. If, however, the no-year fund got a new appropriation, then any upward modifications to existing orders that year which spend from the new appropriation would have to be entered on a new document, one that has the new year of authority. This would provide the minimal information required by Treas-

sury. However, with this option, the funding controls are only applied against the Symbol as a whole, and not the year of authority, so it would be difficult to ensure that documents were entered with the correct year of authority.

Splitting up the Fund

Tracking by budget requires setting up a new budget each year the fund receives a new appropriation from Congress. The old budget would hold the carryover from old appropriations, and the new budget would hold the new appropriation, identified by the year of authority. If an agency does not receive any new appropriations in their no-year funds in a particular year, then that year they would only have carryover budgets.

Every document would be assigned to one of these budgets. Any disbursements from the new budget would be flagged as "NEW", and any disbursements from the carryover budget, or a budget with a year of authority prior to the current year, would be flagged as "BAL." When the year is closed, the remaining authority from the new budget would be carried over into the carryover budget. This method makes the year of authority explicit, and allows the system's normal funding controls to prevent the agency from spending new authority while reporting it as old, or visa-versa.

Conclusion

The new Treasury data requirements for FACTS II mean that agencies must be able to identify the year of authority for spending against no-year funds. If an agency wants to ensure that they don't report more disbursed against the carryover budget than was carried over, or against the new appropriation than was appropriated, they would have to explicitly recognize the year of authority in their budget structure. •

Comments, suggestions, and critiques are welcome. Send them to Simcha.Kuritzky@ams.com, and not to the AGA.

Update of JFMIP Activities

continued from page 1

responsible for DoD implementation of the Government Performance and Results Act and spearheaded the DoD Travel Reengineering initiatives. Ms. Alderman has served in the Senior Executive Service since 1983 and has over 20 years experience in financial management, research, policy evaluation, economics, planning, programming, budgeting, and manpower and personnel management. She served as the Department of Defense Director of Plans and Resources, Director of Productivity and Civilian Requirements and as Acting Deputy Assistant Secretary of Defense for Civilian Personnel Policy.

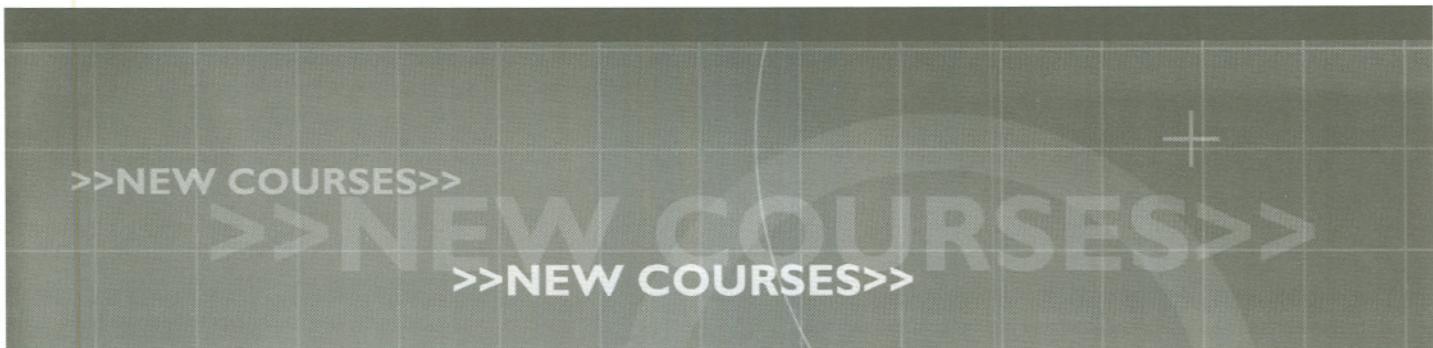
Prior to joining DoD, Ms. Alderman was a research associate at George Washington University's Center for Manpower Policy Studies, served on the staffs of the Presidential Commission on Military Compensation and

the Defense Resources Management Study and served as a consultant to the government and industry on work force and manpower issues. Ms. Alderman co-authored books on the military as an employer, veterans issues, and women's labor force and child care issues and has published articles on financial management, performance measurement, productivity and process improvement. Ms. Alderman, a Certified Government Financial Manager (CGFM), earned a Bachelor of Arts in political science from Rosemont College and a Masters of Arts in Public Affairs from George Washington University. She is active in professional associations including the American Society of Military Comptrollers and the Association of Government Accountants. Ms. Alderman resides in Virginia with her husband Kim and her four children: Sean, Chris, Mike and Meg. •



'Glass Ceiling' Cracking?

FedWeek has reported that women now fill about a quarter of GS-15 and senior executive service positions, representing faster progress toward cracking the "glass ceiling" that had put women within view of the top federal career jobs but unable to get into them, the Merit Systems Protection Board has said. MSPB noted that a decade ago it projected that it would take until 2017 for women to hold a third of such positions but that, so far, the rate of growth of the percentage of women in such jobs is faster than what MSPB had projected. •



Register
Today!

Facing new financial management challenges?

Get the cutting-edge skills and information you need to succeed with these new courses

- Performance-Based Budgeting
- IT Security: Confronting the Challenge
- Financial Statement Analysis for Managerial Decision Making
- Appropriations Law for Business Operations in Government

The
mind
at work


MANAGEMENT CONCEPTS

www.managementconcepts.com • 703.790.9595 • Fax 703.790.1371

GAO Financial Audit Guide Now Available

Financial Audit Guide: Auditing the Statement of Budgetary Resources: GAO-02-126G, December, 2001. •

To view this guide, go to www.gao.gov/cgi-bin/getrpt?gao-02-126g

CGFM News Federal Agencies to Pay for Certifications

President Bush on December 28th signed the National Defense Authorization Act, which includes a provision to permit government agencies to "use appropriated funds or funds otherwise available to the agency to pay for expenses for employees to obtain professional credentials, including expenses for ...professional certification and examinations to obtain such credentials." For federal sector employees, this is a first step in obtaining funding for professional certification. CGFM Examinations and courses can now be paid for by the agencies that allocate some of their funding toward developing a more professional, experienced and knowledgeable staff. •

Job Announcements

Job type	Series	Agency	Announcement No.	Close Date	Contact
Auditor	GS-0511-05/7	Dept. of Education	WA122684CG	6/21/02	478.757.300?
Budget Analyst	GS-0560-07/07	Navy	PSC-01-03	03/22/02	850.452.3786
Financial Analyst	GS0501-07/07	Navy	OIG-02-086	03/22/02	850.452.3786
Staff Accountant	GS-0510-07/	Commerce	ASF-01-01	04/29/02	202.482.3060
Auditor	GS0511-07/12	AID	GAO-400-FMA-2002-1	06/30/02	202.712.4189
Staff Accountant	GS-0510-09/	Commerce	PSC-01-079	04/29/02	202.482.3060
Staff Accountant	GS-0510-11/	Commerce	PSC-01-005	04/29/02	202.482.3060
Corporate Opportunity: Systems Accountant		AMS, Fairfax, VA	MBAY-4YDNEW	03/31/02	ams.com/career

If your organization would like to list job announcements in the newsletter, please send announcement information to diane.wright@ams.com.

Free Online Programs Available on September 11 Issues

AGA, along with e-learning strategic partner SmartPros, has made arrangements for all AGA members to have access to two FMN Programs related to the Sept. 11 tragedy. FMN is the continuing professional education series available on video and online. Speakers explain a variety of issues related to the attacks. •

Normally available only by subscription, these programs can be seen in their entirety at www.fmnonline.com/aga/demo_index.cfm

CPE Opportunities



SmartPros provides specialized online courses, approved for CGFM CPE hours, through their subscription programs FMN Online, CPA Report/Government and SmartPros Advantage, which can be found in the AGA Academy online at www.agacgfm.org/academy/home.cfm

In need of CPE? Have you visited AGA's online professional development center? Act now and take advantage of great courses, affordable prices and desktop convenience. Visit www.agacgfm.org/ceonline/index.htm

How complex is your IT project?



If you're considering a project that's likely to keep you up nights, there's something you should know:

Us.

At AMS, we routinely manage projects of daunting complexity. Such as the implementation and integration of financial management, procurement, and acquisition systems.

Not to mention enterprise strategy and integrated end-to-end solutions.

We've been doing projects like these for more than 30 years. For virtually every agency in the federal government. So if you're about to undertake a major IT engagement, call us.

Because you can be sure of one thing.
You'll be in good hands.

ams[®]
Industrial
strength ITSM

ams.com

Chapter Officers, Directors and National Representatives

Officers

President, Janet McBride, CGFM
JFMIP 202.219.0534
Email: janet.mcbride@gsa.gov

President-Elect, Wendy Comes, CGFM
FASAB 202.512.7357
Email: comesw.fasab@gao.gov

Past President, Michael W. Noble, CGFM
Treasury/IRS 202.622.8216
Email: mike.noble@irs.gov

Secretary, David Fitz
KPMG Consulting, LLC 703.615.9026
Email: dfitz@kpmg.com

Treasurer, Sue Lazich
Software Performance Systems Inc.
202.628.4523
Email: slazich@gospa.com

Directors

Administration, Patricia Clark
Department of Labor 202.693.6808
Email: clark.patricia@dol.gov

Awards, Douglas Gandy
Farm Credit Administration 703.883.4317
Email: gandyd@fca.gov

Budget/Agency Liason, John Webb
Department of Commerce, PTO
703.305.9357
Email: john.webb@uspto.gov

CGFM Coordinator, Wendy Comes, CGFM
FASAB 202.512.7357
Email: comesw.fasab@gao.gov

Community Service, Keith Fowler
Treasue/IRS 202.633.7604
Email: keith.fowler@irs.gov

Education, Cis Kuennen
703.430.4535
Email: cisakuennen@aol.com

Early Career Members, Karl Boettcher
Treasury/FMS 202.874.3611
Email: karl.boettcher@fms.treas.gov

Meetings, Melajo Kubacki
NASA, 202.358.1052
Email: mkubacki@hq.nasa.gov

Member Services, Phyllis Hunter
Grant Thornton, 703.847.7651
Email: phunter@gt.com

Membership, Robert L. Buchanan, Jr., CGFM
Anteon Corp. 703.246.0298
Email: rbuchanan@anteon.com

Programs, Ron Longo, CPA
KPMG LLP, LLC 202.533.4014
Email: rlongo@kpmg.com

Publications, Simcha L. Kuritzky, CGFM
American Management Systems
703.227.5796
Email: simcha.kuritzky@ams.com

Newsletter Editor, Diane Wright
American Management Systems
703.227.7325
Email: diane.wright@ams.com

Newsletter Assistant Editor, Kathy Caldine
American Management Systems
703.227.6227
Email: kathy.caldine@ams.com

Newsletter Art Director, Greg Cunningham
American Management Systems
703.227.6513
Email: greg.cunningham@ams.com

Webmaster, Steve A. Johnson
KPMG
Consulting, LLC 703. 747.5494
Email: stevejohnson@kpmg.com

National Representatives

Senior Vice President, Paul Bognaski, CGFM
Department of Housing and Urban Development 202.708.4932 x3143
Email: paul_w._bognaski@hud.gov

Capital Region Vice President, Stu Sklamm, CGFM
HHFS, 301.443.5260
Email: ssklamm@hrsa.gov

Capital Region Vice President.Elect, Jack Hufnagle
General Accounting Office, 202.512.9470
Email: hufnaglej@gao.gov



P.O. Box 423

Washington, D.C. 20044-0423

TIN 521102567

703.758.4080



PRESORTED
FIRST-CLASS
U.S. POSTAGE
PAID
FAIRFAX VA
PERMIT NO 6241