

ASSOCIATION of GOVERNMENT ACCOUNTANTS

THE WASHINGTON CONNECTION

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

WASHINGTON CHAPTER LUNCHEON MEETING

**THURSDAY
OCTOBER 7, 1993**

Touchdown Club
2000 L Street, N.W.
(Near Farragut West Metro Stop)

Social: 11:30 (Cash Bar)
Luncheon: 12:00 NOON
Cost: \$16.00 (Members)
\$18.00 (Non-Members)

- Reservations Urged
- Call (703) 758-4080 by October 5, 1993
- Non-Members are welcome
- No-Shows are expected to pay

Clint Bradley
Carole St. Armand

November 16, 1993 Luncheon Meeting - National Press Club, 529 14th St, NW, Washington, DC - 11:30 a.m.

LUNCHEON SPEAKER

"Re-engineering the Enterprise"



Mr. William Goins

Mr. Goins is President of Xerox Corporation's Integrated Systems Operations (ISO) based in McLean, Virginia. ISO is a developer and provider of document processing solutions, systems integration, and business support services to other Divisions in Xerox. ISO also delivers standard products, services, and special systems to the United States Government and select commercial customers.

Mr. Goins joined Xerox in 1979 after 14 years with IBM. Prior to his ISO assignment, he was Vice President and Region General Manager of USMG Western Operations for Xerox. Recently Mr Goins had the opportunity to assist Vice President Gore and the National Performance Review in their 6-month study to "reinvent Government".

Mr. Roger Carolus, Member of the Project Advisory Council to the Committee of Sponsoring Organizations (COSO) of the Treadway Commission, will speak at this meeting jointly sponsored by AGA and IIA. He will discuss the causes of low management awareness of the year-old Treadway Commission Report, draw a parallel with the FMFIA and offer views on whether the Treadway Report applies to government. He will also offer his views on whether our traditional thinking and behavior as auditors and accountants is the best way to change management's views on the unappealing topic of internal controls.

The President's Message

In last month's newsletter I announced three primary goals I established for the Chapter. I would like to take this opportunity to restate the goals and summarize the Business Plan we have developed to achieve the goals.

Goal 1: To increase the Washington Chapter's role as a strong advocate for excellence in government financial management.

Today, there is more emphasis on strong financial management in the federal government than ever. The administration's goal of reinventing government demands greater programmatic and fiscal responsibility from federal managers, and in particular, federal financial managers. The CFO Act and other legislation focuses increased attention on federal agency financial operations. As a group of professional accountants, the AGA must provide leadership by advocating sound policies and practices. To achieve this goal, I plan to establish an Accounting Issues Committee that will produce five articles on accounting issues this year, provide our membership with a better understanding of Congressional financial management concerns, arrange for speakers at our seminars who will address practical "how-to" lessons learned regarding accounting solutions, and personally contact each CFO to enlist their support of and involvement with the AGA.

Goal 2: To expand the Washington Chapter's professional development activities.

I have long recognized the importance of continuing the educational process as a means of maintaining high standards of performance. Through the Education Committee, we are sponsoring periodic workshops and seminars designed to enhance the knowledge and skills of our members. The Education Committee has scheduled 6 full day seminars at a cost of \$125 for members and \$135 for nonmembers.

Goal 3: To expand the Washington Chapter's enrollment by maintaining current membership and aggressively recruiting a diverse group of new members.

Membership is the life-blood of all organizations. The size of our membership will help determine the professional impact we make on the finance community. The Membership Committee established the objective of attracting new members and maintaining the active interest of current members. In addition, I have challenged each Executive Council member to sponsor at least 5 new members during the current membership year. We will actively recruit new members and seek to reactivate former members. An inherent feature of our aim to expand the Chapter's enrollment involves our Community Outreach Program. Our efforts in small business education and volunteers in taxpayer assistance have received much praise. We plan to continue those efforts and become involved in community activities such as Career Awareness Week and scholarship programs to help us attract entry level financial personnel as members. We also want to establish a Student Mentorship program to pair successful middle and senior level members with entry level members to aid them with career planning and network building.

The Business Plan provides an organized way for us to accomplish the goals we have set. A more complete itemization of the activities in the Business Plan is found on page 4. I encourage you to become familiar with the Plan and seek out opportunities for your own involvement in implementing it.

Larry Wilson, President

MEMBERSHIP
By Evelyn A. Brown
Membership Director

We are off to a good start this membership year, but we have our work cut out for us. The suspended membership listing shows that 138 members have not paid their dues to renew their memberships. We are making contact by letter and telephone with each person on the list to encourage renewal.

Membership applications are available and will be mailed to you upon request to support your recruiting efforts. Please call me or stop by the registration table at the monthly luncheon meetings to pick up applications. In addition, for your convenience we have also printed a copy of the membership application on page 7 of this newsletter. Please feel free to photocopy it and pass it on to friends.

We are quite fortunate to have acquired additional new members to the Washington Chapter roles since our last report. I would like to extend a special welcome to Bonnie Cohen who is Chief Financial Officer at the Department of the Interior.

We would also like to welcome the following additional new members:

<u>Name and Agency</u>	<u>Sponsor</u>
William H. Bailey, Jr. Labor	
Charles E. Countee, Office of Bus. and Economic Development	
Douglas K. Day, Commerce	Joan M. Bozzonetti
Thomas J. Fitzpatrick, III, GSA	Carol Hutchinson
Rayness R. Mayne, DCAA	Evelyn Brown
Cynthia de Perio Simpson, Agriculture	
Paul M. Weinberger, Labor	William Reise

The status of our membership growth and retention for the period May 31, 1993 through July 31, 1993 is as follows:

Membership as of May 31, 1993	1,066
Change during June and July 1993:	
New Members	34
Transfers In	6
Deceased or Resigned	-13
Suspended	<u>-138</u>
Membership as of July 31, 1993	955

If you need additional information, please do not hesitate to contact me at (202) 366-0269 or Judith Parsons at (202) 874-4781.

CHAPTER EXECUTIVE COUNCIL
HIGHLIGHTS OF AUGUST 11, 1993 MEETING
By Alan Strelser, Secretary

Membership: President Wilson distributed copies of a list received from the National AGA office of Chapter members who have not paid their current year dues. He asked all Council members to review the list, contact people they know, and provide pertinent information to Evelyn Brown, Membership Director. He also asked Ms. Brown to arrange for the Membership Committee to place extra effort into retaining the maximum number of members.

Chapter Treasury: The Chapter checking account balance as of July 31, 1993 is \$39,637.63. Given that the account is not interest bearing and that NOW checking accounts at Riggs National Bank currently pay 2.05% interest, a motion was passed authorizing the Treasurer to open a NOW account. Another motion was passed directing the purchase of at least \$10,000 in Treasury bills from checking account funds. The amounts purchased are to reflect the Treasurer's determination from time to time of a reasonable amount to retain in checking to support Chapter operations.

Budget and Finance: The educational events are expected to bring in revenue to help finance other costs of the Chapter. The budget projects six educational events with 100 attendees at each paying a \$125 fee. The Council agreed to hold luncheon meeting charges at the current level.

Audit: Larry Wilson will discuss with Past President Mark Page the status of work by the Audit Committee Mark had formed and then arrange for the future steps that might be taken regarding audit of the financial records.

Education: Mitch Laine, Education Committee Chair, asked each Council member to set a goal of sending at least two people from their organizations to each of the six educational events the Chapter plans to hold. An October 20 event, jointly sponsored with the DC Institute of CPA's Government Accounting and Audit Committee, will focus on "The Road to Better Financial Reporting". A November 15 event will address "Financial Management Systems, OMB Circulars A-127 and A-130."

**Association of Government Accountants
Washington Chapter
Business Plan**

Goal 1: To increase the Washington Chapter's role as a strong advocate for excellence in government financial management.

As a group of professional accountants, the AGA must provide leadership by advocating sound policies and practices. To achieve this goal we will:

- Establish an active Accounting Issues Committee that will produce five articles on accounting issues this year for publication in "The Washington Connection",
- Provide our membership with a better understanding of Congressional financial management concerns and issues by inviting Congressional leaders and staff to attend our activities as observers and guest speakers for our luncheons,
- Arrange to have speakers at our seminars who will address practical "how-to" lessons learned regarding accounting solutions,
- Offer professional development seminars and activities which provide significant benefit to members at a reasonable cost, and
- Contact each CFO and key staff to enlist their support of the AGA, including membership for themselves and their staffs.

Goal 2: To expand the Washington Chapter's professional development activities.

Through the Education Committee, we will sponsor periodic workshops and seminars designed to enhance the knowledge and skills of our members. The primary objectives of these events are to:

- Meet the CPE needs of AGA members and the Washington, DC metropolitan area financial management community,
- Foster awareness and understanding of key accounting, auditing, and financial management issues, and
- Provide a forum for sharing innovative, successful strategies for carrying out financial management, accounting, and auditing functions.

To meet these objectives, the Education Committee has scheduled 6 full day seminars at a cost of \$125 for members and \$135 for nonmembers. This fee covers the cost of meals, set up, room rent, advertising, postage, and incidental costs.

Goal 3: To expand the Washington Chapter's enrollment by maintaining current membership and aggressively recruiting a diverse group of new members.

To meet this objective, we will:

- Review the registration rosters from Chapter events to identify nonmembers attending as potential membership leads and followup with them,
- Recognize new members and guests from the podium at monthly Chapter meetings,
- Personally contact all new members to welcome them to the Chapter, encourage their attendance at monthly luncheon meetings and their volunteering to work on committees,
- Develop letters to be used in recruiting and reactivating former members,
- Maintain tabulation of recruitment accomplishments of Executive Council members,
- Prepare newsletter articles regarding membership each month, and
- Conduct a Community Outreach Program involving small business education, volunteers in taxpayer assistance, and such community activities as Career Awareness Week and scholarship programs. In addition, we will establish a Student Mentorship program to pair successful middle and senior level members with entry level members to aid them with career planning and network building.

Our Chapter has earned 3,296 points in the Chapter Recognition Program through the month of August 1993.

The Road to Better Financial Reporting

J.W. MARRIOTT HOTEL
1331 PENNSYLVANIA AVENUE NW
WASHINGTON, DC

WEDNESDAY
OCTOBER 20, 1993

REGISTRATION FEE
\$125 AGA OR DCICPA MEMBER
\$150 ALL OTHERS

METRO STOP: METRO CENTER
ON THE RED, BLUE, AND ORANGE LINES,
TAKE THE 13TH STREET EXIT.

TO REGISTER
CONTACT DENNIS JACKSON AT
202/376-5415,
OR AGA AT 703/758-4080

Recommended 8 hours of CPE

This workshop is designed for accountants, auditors, financial managers and others interested in improving the process of preparing and auditing federal financial statements.

After experiencing two rounds of audited agency financial statements under the Chief Financial Officers Act of 1990, OMB has requested tighter time frames, required more detailed performance measurement data, and refined its guidance for the form and content of agency financial statements. For those agencies that have issued financial statements, the process has already helped focus needed attention on improving systems and strengthening internal controls. The next objective is to present relevant and verified decision support information to be used by senior management and Congress.

Program

7:30 am	Registration	11:15 am	Best Practices in Financial Reporting John Hill, Director, Audit Support and Analysis, General Accounting Office
8:30 am	Opening Remarks Larry Wilson, President, AGA Washington Chapter Doris Chew, Chair, Government Accounting and Auditing Committee, DCICPA	12:00 pm	Luncheon Address Woody Jackson, Chief, Financial Standards and Reporting Branch, Office of Management and Budget
8:45 am	Keynote Address Dennis Fischer, Chief Financial Officer, General Services Administration	1:45 pm	Challenges in Preparing Financial Reports Ellie Clark, Comptroller, Federal Housing Administration Joe Donlon, Acting Controller, Internal Revenue Service Mitch Laine, Director, Accounting and Financial Management Division, Department of Education Moderated by Pat Wensel, Financial Auditor, Farm Credit Administration
9:15 am	Changing "Form and Content" Ron Longo, Office of Federal Financial Management, Office of Management and Budget	3:15 pm	Lessons Learned in Auditing Financial Statements Greg Holloway, Associate Director, Civil Audits, General Accounting Office Moderated by John Hummel, Partner, KPMG Peat Marwick
10:15 am	Overcoming Barriers and Impediments for Audited Financial Reporting Dennis Duquette, Assistant Inspector General, Accounting and Financial Management Audits, Department of Health and Human Services Jean Morgan, Director, Departmental Accounting and Analysis Division, Department of Energy Moderated by Stu Graff, Director, Financial Reporting and Technical Issues Staff, Department of Education	5:00 pm	Program concludes

SUMMARY OF LUNCHEON SPEECH

By Alan Strelser, Secretary

The speaker at our September 9 luncheon meeting was Mr. Francis X. Cavanaugh, Executive Director of the Federal Retirement Thrift Investment Board. Before his current assignment he spent 32 years as an economist with the Treasury Department, eventually becoming the senior career official responsible for advising Secretaries of the Treasury on Federal debt management policy. His topic was "Do We Know Why We Hate the Deficit?"

Mr. Cavanaugh said that most of us hate the deficit for one or more of the following five reasons:

First, Federal budget deficits add to the Federal debt and thus to the economic burden on future generations,

Second, Treasury borrowing to finance the deficits competes in the credit markets for a limited pool of available savings and thus puts upward pressure on market interest rates and "crowds out" private borrowing for worthwhile investments,

Third, the interest on the Federal debt is becoming the most costly item in the Federal budget and is thus sharply reducing the amount of tax dollars left for important Government spending programs,

Fourth, interest on the Federal debt is regressive; it is paid to wealthy investors from taxes collected from people of just average income, and

Fifth, we are becoming too dependent upon foreigners to finance our budget deficits.

These reasons were widely used during enactment of the recent deficit reduction legislation. They are not valid. Mr. Cavanaugh succinctly refuted each of them with logic and wit. He holds that the real reason we should hate the deficit is that politicians should not be able to increase Government spending without increasing taxes. We need that accountability to ensure that the spending is justified--that is, that the taxpayers are willing to pay for it--and that there is a discipline over Washington's reallocation of economic resources. Mr. Cavanaugh says that's good Government and good economics. Most of us are convinced that Mr. Cavanaugh is right.

If you would like a copy of the full text of Mr. Cavanaugh's remarks, please call me at (202) 720-1179.

ROUNDUP OF WASHINGTON CHAPTER AGA EVENTS SUPPORTING THE 1993-94 BUSINESS PLAN

Luncheon Meetings:

10/7/93 **Bill Goins**, President, Xerox Corp. Integrated Systems Operations; Touchdown Club

11/16/93 **Roger Carolus**, COSO Project Advisory Council; (Joint AGA/IIA); National Press Club

12/2/93 **The Honorable Mike Espy**, Secretary of Agriculture; Touchdown Club

1/6/94 Inspector General Forum: **The Honorable Susan Gaffney**, Inspector General, Department of Housing and Urban Development; **Charles Gillam**, Acting Inspector General, U.S. Department of Agriculture; Touchdown Club

2/3/94 **The Honorable William Jefferson**, Congressman, Louisiana; Touchdown Club

3/3/94 **Nancy Gordon**, Deputy Director, Congressional Budget Office; Touchdown Club

4/7/94 **Jeffrey Steinhoff**, National President, Association of Government Accountants; Touchdown Club

5/4/94 Past Presidents/Annual Awards Meeting; Touchdown Club

Educational Events:

10/20/93 The Road to Better Financial Reporting; Washington Chapter AGA and the DC Institute of CPA's, co-sponsors; J.W. Marriott Hotel

11/15/93 Financial Management Systems--OMB Circulars A-127 and A-130; Location to be announced

1/10/94 Cash and Credit Management, "Where are We Now?"; Location to be announced

2/14/94 Appropriations Law and Budgeting; Location to be announced

4/26/94 Strategic Planning for Financial and Program Managers, "Partnership"; Location to be announced

MEMBERSHIP APPLICATION

(Please type or print)

NAME: Mr. _____ Ms. _____
LAST NAME FIRST NAME INITIAL

BUSINESS: NAME OF AGENCY, UNIVERSITY OR FIRM _____

ADDRESS _____

CITY STATE ZIP PHONE () _____

RESIDENCE: ADDRESS _____

CITY STATE ZIP PHONE () _____

PREFERRED MAILING ADDRESS: Business _____ Residence _____

EMPLOYER: Federal State County City Private Academia

FIELD: Accounting Auditing Budgeting Systems Other _____

EDUCATION: College _____ Degree _____

ACCREDITATIONS AND CERTIFICATES: CPA _____ State _____
CIA _____ State _____ YEARS OF ACCOUNTING/AUDITING
CMA _____ State _____ RELATED
CISA _____ State _____ EXPERIENCE
Other _____ State _____

SPONSOR (if applicable): NAME _____ AGA MEMBERSHIP NUMBER _____

APPLICANT'S SIGNATURE _____ DATE _____

PAYMENT

NATIONAL DUES:
 Full Member \$55 \$ _____
 Associate Member \$28 \$ _____
 Special Associate \$14 \$ _____
*Chapter Dues \$ _____
Chapter Name _____ TOTAL \$ _____

Payment enclosed
 Invoice employer:
EMPLOYER NAME _____
ADDRESS _____
CITY STATE ZIP _____
() TELEPHONE _____

Please send your completed application and check for full year's National and Chapter dues payable to Association of Government Accountants, 2200 Mt. Vernon Ave., Alexandria, VA 22301. An adjustment for a prorated amount will be shown on the next year's invoice (April 1 of the following year) for those joining after April. The Washington Chapter dues are Full Members (career professionals), \$7.50; Associate Members (practicing professionals with fewer than 6 years financial management experience), \$5.00; and Special Associate Members (full-time students and those in their first year of employment), \$5.00--in addition to the National dues shown on the application form. Your application will be acknowledged and processed promptly when received.

**AGA WASHINGTON CHAPTER
CHAPTER EXECUTIVE COUNCIL
FOR 1993/1994**

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<p><i>Association of Government Accountants</i></p>	<p>THE WASHINGTON CONNECTION</p>
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