November 2002

The Washington Connection

Association of Government Accountants, Washington, DC Chapter

In This Issue...

AGA
WASHINGTON, DC
CHAPTER

Impact of the Early Close Process on Financial Statements November Luncheon Meeting


W. Todd Grams

The speaker for the November luncheon is W. Todd Grams, and he will be speaking about the impact of the early close process on the financial statements. W. Todd Grams was appointed Chief Financial Officer (CFO) of the Internal Revenue Service (IRS) on February 26, 2001. As the CFO, Mr. Grams is responsible for the custodial accounting of $2 trillion in taxpayer receipts and the IRS's $10 billion annual operating budget. He serves as the principle advisor to the IRS Commissioner on financial management, strategic planning, performance measurement, budget formulation, budget execution, and internal controls.

Immediately prior to joining the IRS, he served as the Department of Veterans Affairs (VA) Acting Assistant Secretary for Management. In this position, Mr. Grams was the Department's

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Luncheon Logistics

Monthly Luncheon Meeting and Mini-conference
Thursday November 14, 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)
1:30 – 3:30	Mini-conference (2CPE) "Excellent Management Discussion and Analysis" Led by: Harold Steinberg

Cost: See page 3 for Luncheon and Mini-conference cost

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 – Find Some Time for AGA DC

By Wendy Comes

Wendy Comes, President

Half our life is spent trying to find something to do with the time we have rushed through life trying to save.

—Will Rogers

Stop hunting! AGA-DC has plenty for you to do, and most of it requires only a little time. Whether it's service or participation in chapter events, we offer ample opportunities. As we approach the New Year – yes, it's hard to believe but we are approaching a new year – we will each consider how we hope to use our time in the coming year.

One of my goals as president this year was to engage more people in chapter operations. I have been thrilled to find that most people will say "yes" when asked to take on well-defined and manageable roles in the chapter.

This month, we will convene a Nominating Committee for officers and directors. The slate of officers and directors will be presented to you in the spring, and the new leaders will begin service on July 1, 2003. In addition to elected officers, there are a number of appointed positions and committee positions. Roles can be large or small depending on your ability to commit time. In addition, because we offer a myriad of functions, some of our volunteers get to do things totally different than their day-to-day work. Personally, I have found chapter service rewarding and fun.

Please consider what time and talents you might offer the chapter. Just as the federal government is considering its human capital needs – so must the chapter. Because leaders change on a two-year cycle, it is imperative that we bring new members into an active role. Each chapter volunteer must be prepared to not only succeed during his or her term but to lay a strong foundation for those who follow! My commitment to those who volunteer is that they will have someone to show them the ropes and someone to take the baton when it's time for transition.

As you consider whether to volunteer for next year's leadership positions, please remember the old saying "A minute now is better than a minute later." Even a minute of your time can help the chapter! We will work to find roles that fit each person's available time and talents.

Here are three quick things you can do immediately for the chapter:

1. Visit the AGA National website (www.agacgfm.org) and review your member listing. Many of the member listings are incomplete or outdated. The system can be accessed by clicking on "Members Only" and then logging in. Your member number will be needed to access your record and to create your own new password.

2. Visit the AGA DC website and sign up for our list serve. To register, go to www.agadc.org and look under member services. Select "Mailing List" and then "Subscribe." Some government agencies do not permit list serve messages to enter the e-mail system. If so, please consider whether you might register with your home e-mail account.

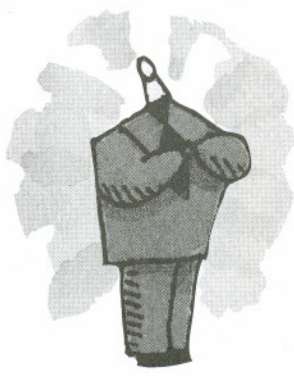
3. Review the calendar of activities and make plans to attend at least one event! (Reminder, we will be holding only one conference this year – May 7 and 8 at the Grand Hyatt. John Cherbini, our education director, and a top-notch crew from LMI are hard at work on the agenda. We hope to announce the speakers early next year.) •

Please contact me directly to discuss your service – large or small - to the chapter. I can be reached at 202.512.7357 or comesw@fasab.gov

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. •

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 January 2003 issue is November 21, 2002. Please send your comments and contributions to the newsletter editor, Diane Wright at diane.wright@ams.com. •

Luncheon Series and Mini-Conference Costs and Dates

The luncheon series now includes five luncheons and two mini-conferences

Costs for Members:

Luncheon Series with Mini-conferences	$123 (15 CPE)
Luncheon Series Only	$103 (7 CPE)
Luncheon Only	$22 (1 CPE)
Luncheon with a Mini-conference	$35 (2 CPE)

Costs for Non-members:

Luncheon Series with Mini-conferences	$185 (15 CPE)
Luncheon Series Only	$164 (7 CPE)
Luncheon Only	$35 (1 CPE)
Luncheon with a Mini-conference	$50 (2 CPE)

The following is the schedule for the remainder of this year's luncheon meetings and mini-conferences:

November 14, 2002
December 5, 2002#
January 16, 2003
February 6, 2003
March 5, 2003*
April 10, 2003#
May 6, 2003 *

*Dates when mini-conference sessions will be held.
Not part of the luncheon series

New Initiatives at the Office of Management and Budget (OMB)

Joe Kull, Deputy Controller of the Office of Management and Budget, opened the Washington DC Chapter's 2002-2003 luncheon series by discussing many new initiatives for Federal financial managers. He stressed that many of the initiatives have resulted from the meetings of the principals of the Joint Financial Management Improvement Program (JFMIP), Treasury Secretary Paul O'Neill, Director of OMB, Mitch Daniels, Comptroller General, David Walker, and Director of the Office of Personnel Management, Kay Cole James. The principals' meetings, begun at the suggestion of David Walker, are the first forum where the principals meet regularly to discuss financial management issues. The meetings serve as a means for the principals to candidly discuss their positions and to work as a force to promote "fast tracking" initiatives so that they have major impact.

Joe then spoke of many of the initiatives that are in planning stages, in process, and completed. He discussed the following topics:

Acceleration - This action is one of the key components of the change in financial management and is focused on accelerating the dates for financial reporting. Accountability reporting deadlines are being accelerated to drive information production, yielding increased availability of information necessary to support decision-making. That accelerated reporting will drive the need to better understand and improve business processes. The objective will be to focus less on the process that gets us to a point and more on analyzing why we are going to that point.

Acceleration of reporting also forces changes in several other areas. It will require that information not currently available, such as measurement information from third parties, be estimated. In such cases, and in other cases where information is not readily available, techniques for improved estimating must be established. Such techniques will help ensure standardization of reporting similar information and standardization of estimating methodologies. That standardization further will affect asset management, resulting in analysis of agency accounting for such items as loan portfolios, property, and inventory. Finally, this report acceleration will foster increased cooperation among financial, budget and audit teams, as they must work together to produce information in a timelier manner.

Acceleration also refers to the principals' determination to "fast track" many of the initiatives so that they have the biggest impact in the shortest time. For example, Joe talked of the principals' decision to make the Federal Accounting Standards Advisory Board (FASAB) more independent by changing the composition of the Board to include more private sector members. The action from decision to implementation took less than 12 months, a phenomenal accomplishment in the Federal environment.

Performance, and How to Evaluate It – In performance measurement, the objective is to improve performance measurement and reporting so that performance reports are more useful. Implementation of accurate and timely measurement systems, such as activity-based costing, or ABC, as a means to better measure and track costs, will continue to be encouraged. However, other innovative techniques should be explored, such as societal impact accounting, which is a budget-driven measure of the net marginal effect of performance on the way society operates. The bottom line is, the Federal Government exists to provide a service to the Nation – so, "Service, Not Statements" should be the focus of improvement efforts. That is, the performance report with its related outputs and outcomes should not be the goal – the goal should be to answer the whether the Nation is getting the service it wants in a timely, cost effective manner.

Rationalizing the Legislation – The principals are authorizing a "Super Circular" that will combine Form and Content, Federal Financial Managers Integrity Act, and other Federal policy into an omnibus, non-repetitive Federal financial policy guidance. This consolidated policy manual is expected to be issued within the next few months.

Focus on Controls/Weaknesses – The objective is to define how an accountability report should look with the end product being a concise, understandable, easy to use report. Most accountability reports are too large, have too much information, and are not focused enough for the information to be usable for readers. Another goal is to ensure that each agency will have only one list of material weaknesses that, as the agency continues to improve, will get shorter. Because it is expected that agencies will improve as their systems

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New Initiatives at the Office of Management and Budget (OMB)

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and processes improve, an agency that adds new material weaknesses to the original list would get an automatic red score on the Management Scorecard.

Risk Management – The goal is to decide how the Government's risk should be fully disclosed on its books. Areas to be addressed include such possible liabilities as Social Security and multi-year procurements (for example, a battleship that is authorized but for which financing is not available for 8-10 years).

Joe concluded his presentation by telling of the newest initiative, the approval by the Secretary of the Treasury and the Director of the Office and Management and Budget of a Government-wide Financial Management Advisory Committee Draft Charter that is intended to be effective for the 2002 audit. This charter provides for a committee that will review, analyze and make recommendations on significant activities and opportunities related to financial management and performance. The committee, which is expected to meet at least three times a year, will have responsibilities in the areas of the financial report to the US Government, internal control and compliance, Government financial performance, and Communication.•

TOPICS Newsletter is Going Electronic

AGA's National Executive Committee (NEC) voted in September to cease the printed version of AGA's Government Financial Management TOPICS newsletter with the March 2003 issue. As of April 2003, AGA members can access the online version of TOPICS. To ensure that you will continue to be notified when each new issue becomes available, please register your e-mail address at www.agacgfm.org/membership/form_address.htm.•

Call for Nominations – AGA's Federal Leadership Awards

Looking for Visionary Leaders, Innovative Managers, and Outstanding Contributors

Who do you know at the federal level who deserves special recognition?

Please help us acknowledge those financial professionals at the federal level who are leading the way. (You might even consider nominating yourself.)

AGA's National Awards Committee is now accepting nominations for the following Federal Leadership Awards:

- **The Distinguished Federal Leadership Award -** Recognizes elected or residentially-appointed federal officials who exemplify and promote excellence in government management and have demonstrated outstanding leadership in enhancing sound financial management legislation, regulations, practices, policies and systems.
- **The Elmer Staats Award -** Recognizes the cumulative achievements of federal professionals who, throughout their career, have served as a role model for others and who have consistently exhibited the highest personal and professional standards.
- **The Andy Barr Award -** Recognizes financial executives in the private sector who exemplify and promote excellence in government, outstanding leadership, high ethical standards, and innovative management techniques.

Nominations are due Friday, November 8, 2002, and the awards will be presented during our National Leadership Conference in Washington, DC. Please visit AGA's website at www.agacgfm.org/about/a_awards.htm for nomination forms, eligibility requirements and more details or contact Sebrina Bridgers at sbridgers@agacgfm.org or 800.242.7211, ext. 131. •

Washington DC Chapter AGA Highlights from the September Executive Council Meeting

The second meeting of the chapter year commenced at 12:00 noon on Monday, September 9, 2002 in the GAO Building, 441 G Street NW, Washington, DC. There were twelve attendees.

The following topics were discussed at the meeting:

- The board conveyed their appreciation and thanks to: Diane Wright, for working on getting our newsletter published at an extremely favorable cost, Gail Flister Vallieres, who worked diligently to prepare the chapter's Internal Revenue Service filings, and Ron Longo, for lining up some fantastic speakers for the current chapter year.
- Chapter president Wendy Comes asked all chapter leaders to review the Handbook For Officers And Directors and to communicate any changes to her.
- We are close to implementing on-line payment processing for luncheons, thanks to Harris Gofstein.
- Director of programs, Ron Longo, reported good progress in lining up first rate speakers for the monthly luncheon meetings.
- Certified Government Financial Manager (CGFM) coordinator, Phyllis Hunter, submitted the plan and goals for the chapter's CGFM to the national office.
- The board unanimously voted to make a $200 contribution to the Amyotrophic Lateral Sclerosis (ALS) Walk to D'Feet ALS.
- Member services director, Karl Boettcher, noted a full line up of events for the chapter year.
- Director of membership, Eleanor Long, reported that the DC chapter had 1,504 members as of August 2002. We have an aggressive goal for 1,844 members by chapter year-end.
- Director of administration, Pat Clark, informed us that the quarterly report was submitted on August 15.

The next Executive Council Meeting is scheduled for Tuesday, October 1, 2002.•

Inside the Black Box–Reporting Purchases

By Simcha Kuritzky, CGFM, CPA

New Accounts

To assist the consolidation of federal agencies' financial statements into one report, the Standard General Ledger (SGL) Board has added some new accounts to track asset activity. One of the problems with reconciling intragovernmental revenues and expenses is that revenue to the seller agency can be either an expense or a capital asset purchase to the buyer. This means that differences between intragovernmental revenues and expenses could be due either to reporting errors or to asset purchases. Since there is currently no account which captures asset purchases (with Trading Partner), Treasury has no way to figure out which is the source of the difference.

In order to assist reconciliations of expenses and revenues, Treasury has added to the FACTS trial balance footnote 24, which lists by department all equipment purchases from federal vendors. The current SGL only uses one account for each type of fixed asset (plus a separate account for that asset type's accumulated depreciation or amortization, if appropriate). This account is posted for purchases, sales, transfers in and out, usage, and market value adjustments. The SGL Board has decided to add new accounts to support footnote 24, and is considering adding new accounts to break down all asset activity. Rather than add subaccounts to the current asset account (such as 1751 Equipment Purchases which would close into 1750 Equipment at year end), or use a generic 1701 Purchases account which would somehow have to close into all of the different asset accounts at year end, the Board has chosen to add memo accounts that will be posted in addition to the current purchase posting. So an equipment acquisition with appropriated funds could now look like this:

dr. 1750 Equipment	cr. 1010 Fund Balance With Treasury
4801 Undelivered Orders B Unpaid	4902 Expended Authority - Paid
3107 Unexpended Appropriations - Used	5700 Expended Appropriations Used
8802 Purchase - Assets	8801 Asset Activity Summary

Account 8802 would retain the Trading Partner information required for footnote 24 and be closed into 8801 at the end of the year. Treasury will compare the balance of 8802 (assuming this account is added to the FACTS submission) for the buyer agency with the balance of 5100 Revenue from Goods Sold from the seller agency. This account can also be used to calculate the balance of the Statement of Financing line 15 (Resources that Finance the Acquisition of Assets). It would therefore be used when acquiring any asset that appears on this line, which are those whose account begins with 15, 17, or 18.

Prepayment Issue

The Statement of Financing doesn't list account 1450 Prepayments at all, despite the fact that it is an asset acquisition that accompanies an expenditure. If the seller credits 5200 Revenue from Services Provided or 5100 Revenue from Goods Sold, and the buyer does not expense the prepayment during the acquisition year, the balance of 1450 will cause a discrepancy when comparing the revenues of the seller agency with the expenses of the buyer agency. This can be avoided if the buyer agency only debits account 1450 Prepayments when the seller agency credits 2320 Deferred Credits (and both liquidate these balances in the same year, the buyer to 6100 Operating Expenses and the seller to 5200 Revenue from Services Provided). Under those conditions, the buyer should not post account 8802 when making a prepayment.

Conclusion

While asset balances are not eliminated in the consolidation process, Treasury is trying to get a complete picture of all interagency transactions, including asset sales and transfers. FACTS Footnote 24 was added a couple years ago, only two memo accounts are to be added for FY03, but perhaps half a dozen additional memo accounts may be added in FY04. •

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

Why Be a CGFM?

The Certified Government Financial Manager (CGFM) program spans the public, private and academic sectors in the United States. It recognizes the unique skills and experience that government financial management professionals possess. It identifies those who have knowledge in many function areas and know how to apply it in a government setting. More than 13,000 professionals have been designated CGFMs.

WHY CERTIFY?

Among government financial managers, the CGFM has become known and appreciated. It is a mark of distinction and offers you a wide range of important benefits. It:

- Demonstrates your understanding of all aspects of financial management in every level of government.
- Gets you plugged in to the latest information in the field and gives you access to large networks of people that will help you perform at your best.
- Makes a statement that you possess specialized skills and professional expertise.
- Shows your commitment to expanding your knowledge to handle increasing responsibilities.
- Differentiates between you and others in a field that has every kind of credential, but only one that was developed by, for and with government financial managers.

THE EXAM

The three CGFM examinations measure the wide range of knowledge and skills that a government financial management professional needs to succeed. The exams are administered year-round in a multiple-choice, computerized format on behalf of AGA by Prometric a division of Thomas Learning at their Sylvan Technology Centers. There are over 500 testing sites – many in the DC area.

You can check out the National AGA website for some sample questions. If you have problems with the sample questions, you can find a list of materials to brush up on your government financial manager skills at www.agacgfm.org/cgfm/cgfm_prepare.htm. In addition, AGA offers online courses that are available at your convenience, 24 hours a day, 7 days a week. Alternatively, Management Concepts provides review courses for each of the three exams in Washington, D.C.

There is a one-time application fee of $85 and a registration fee for each of the three exams of $109. •

Highest Civil Service Award No Longer Limited to SES

by Tanya N. Ballard, Government Executive

The next round of nominees for the Presidential Rank Award may include scientists, engineers and attorneys, not just executives, and the U.S. Office of Personnel Management (OPM) is gearing up for the change. OPM has published interim rules in the Federal Register adding senior career employees who are not executives to the pool of eligible award recipients, a change from previous rules, which limited the awards to the Senior Executive Service (SES). The Presidential Rank Award is the government's highest award for civil servants. Senior management officials at federal agencies nominate executives for the awards, while panels of private citizens choose the winners. The selections then go to the president for his approval.

Read more at www.govexec.com/dailyfed/0802/081402t2.htm.•

Survey Says Feds Could Improve E-Gov

by William Matthews, Federal Computer Week and National Journal's Technology Daily

A survey of 148 federal government websites revealed that most agencies still offer little more than the most basic elements of electronic government, Federal Computer Week has reported. A few federal websites were highlighted as examples of excellence: U.S. Patent and Trademark Office and the U.S. Departments of Health and Human Services, Education, the Treasury and Navy. In addition, FirstGov was cited for its "thoughtful and effective design and content." A key finding is that many government websites do a poor job of making information and services readily available to those who are least familiar with government agencies. The PricewaterhouseCoopers Endowment for the Business of Government, a nonprofit entity funded by the consulting firm, rated the content and online services of the sites and found that only 12.8 percent of federal agencies provide consumer focused e-commerce applications on the web, and 8.8 percent offered direct links to e-government services. Read more at www.fcw.com/fcw/articles/2002/0819/web-survey-08-22-02.asp and www.govexec.com/dailyfed/0802/082102td2.htm.•

Impact of the Early Close Process on Financial Statements

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Chief Financial Officer (CFO) and Senior Procurement Executive. He was responsible for oversight of the Department's $45 billion budget as well as VA's financial and procurement functions. From 1994 through 2000, Mr. Grams served as the VA's Deputy CFO and the CFO of the Veterans Health Administration (VHA).

Before joining the VA, Mr. Grams served in a variety of positions at the Office of Management and Budget from 1983 to 1994. Mr. Grams worked at the Department of Commerce from 1980 to 1983 as a budget analyst. He graduated from the University of Maryland with a Bachelor of Arts degree in Economics in 1980.

In 1997, Mr. Grams received the President's Rank Award for Meritorious Service. In 1998, CFO Publishing selected him as one of the nation's top corporate CFOs. In 1999, "CFO" magazine, a private sector publication, featured an article on his work at VHA, stating that, "Grams' reengineering work is one of the few real success stories of the CFO Act…" In 2000, he received the President's Rank Award for Distinguished Service.

Free CPE Now Available Online

In partnership with PricewaterhouseCoopers (PwC) and Netcertification, AGA is offering free, online continuing professional education (CPE) hours. By accessing a recent radio broadcast from the Business of Government Hour program, you can hear a four-part series "Conversations About Management," with top federal leaders. Go to www.agacgfm.org/academy/index.htm to earn free CPE hours. •

Job Announcements

Job Type	Series	Agency	Announcement No.	Close Date	Contact
Auditor	GS-0511-09/12	Agcy Intl Development	02-24	12/31/02	202.712.4189
Auditor	FS-0511-04/07	Agcy Intl Development	FS-02-01	12/31/02	202.712.4189
Sr. Bank Accountant	NB-0510-06/06	Treasury	DEU-WO-02-06 1	12/30/02	816.556.181

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

Visit to National Zoological Park

Member Services and Early Careers in partnership with the Northern Virginia and Montgomery/Prince Georges Chapters are sponsoring a "Tour of the Smithsonian's Zoological Park" on Sunday, November 3rd. We will meet at the visitor's center (Connecticut Avenue entrance) by 1:30 p.m. Animal buildings are open until 4:30 p.m. This will give us three hours to visit with the animals, break for refreshments and browse the gift and bookshops. There should be ample parking in parking lot "A" for a $5 fee. There is no charge for entrance to the Zoo. Wear comfortable clothes and walking shoes. If you are interested in this activity, please let us know. Send your electronic response or direct any questions to karl.boettcher@fms.treas.gov (202.874.3611) or meghan.schindler@navy.mil (202.433.6251). For more information, you also can contact the Zoo at (202.673.4800). •

Project Harvest and New Community Service Initiatives

This year we are kicking off a very active Community Service program. Once again the Washington DC Chapter will be participating in Project Harvest. At November's meeting we will collect non-perishable food items and monetary donations. Members are also invited to participate in person at the annual Project Harvest food drive at the Old Post Office on Tuesday, November 26th. If you are interested in representing the Washington Chapter at the food drive, please contact Cis Kuennen at 703.430.4535 for additional information.

This year we are sponsoring two new community service initiatives: Personal Act of Service and Cents for Service. In addition to participating whenever possible in the Chapter's planned community service activities, we are asking members to perform a personal act of community service. This could be anything such as taking part in activities like the March of Dimes or Boy Scouts annual food drive or volunteering to tutor a student or speak at a local school's career day. Each meeting we will provide paper and a collection box on the registration table for folks to anonymously note their acts of service. (Also acts of service can be sent to Cis Kuennen at cisakuennen@aol.com.) In the April Newsletter, to celebrate everyone's good deeds, I will provide a list of these special acts of service that our members have performed.

For our Cents for Service initiative, we are asking members who want to get rid of their pesky pennies to drop them in a bowl on the meeting registration table. At the end of the program year we will provide everyone a chance to vote on the community charity or service organization that this money will be donated to in behalf of the Washington Chapter.

Please watch the Newsletter for future Community Service updates. If anyone would like to assist with this year's Community Service program, please contact Cis Kuennen, Community Service Director, at 703.430.4535 or cisakuennen@aol.com. •

Welcome AGA New Members

During the month of September, we welcomed nine new members:

Members	Organization	Sponsors
Gail P. Arrow	U.S. Department of Agriculture	
Bruce W. Coffman	KPMG	
Alain Dubois, CPA	U.S. General Accounting Office	
Alvin P. Garner	Department of Labor	Diane A. Crawford, CGFM
Werner Lippuner	Ernst & Young LLP	
Patrick McHugh, CPA	Fish & Wildlife Service	
Michael Plutkis	U.S. Treasury	Mr. Donald S. McKay, CGFM
Paula B. Simms	Washington Airport Authority	
Robert A. Wilson	Veterans Affairs	

Resource for Helping Federal Managers Create Annual Accountability Reports

KPMG LLP, the professional services firm, has produced its second annual guide to help Federal agencies create annual accountability reports. The KPMG guide, titled "Accountability Reporting Trends & Techniques" (ART&T), surveys federal accountability reports and performance and accountability reports for the twelve months ended September 30, 2001 to identify the most widely used and best practices. Now in its second year, ART&T is intended to help agencies in the development of these Congressionally-mandated reports.

"Federal managers have been grappling with annual report content and format for some time," said John Hummel, partner and national industry director of KPMG's Federal practice. "What we did was evaluate agency reports, cull best practices, and deliver a formula that will drive a successful finished product." This will be increasingly valuable for federal managers for two reasons: one, agencies will be required for fiscal year 2002 to combine performance and accountability reports, and two, the due date for those combined reports will move up to February 1, a month earlier than last year's reports.

According to Hummel, in evaluating the 23 agency reports for fiscal year 2001, KPMG found the scope and content of Federal reports to vary considerably. "It's obvious that Federal managers are creating these reports independent of each other. Yet, it is also obvious that they worked long and hard on them. Our aim is to reduce the time it takes to prepare annual reports or at least reallocate the time to the production of a first-rate, quality report."

To succeed against the deadline, for those agencies assembling a report for the first time, Hummel says agency heads must identify a leader who can pull information across the agency. "While we've helped in providing a blueprint as to how to produce the report, this is not a project that can be put on the backburner," said Hummel. "The report represents a prime opportunity to showcase how well you are managing your programs and resources. It requires a high degree of planning and strategy. "

According to Hummel, KPMG's ART&T is modeled after the American Institute of Certified Public Accountants' (AICPA) popular and widely recognized Accounting Trends & Techniques, published for more than 50 years. That document surveys accounting and reporting practices in annual reports to shareholders across a wide variety of private sector industries. "Our approach provides Federal managers with a similar tool and information to aid in the preparation of their own accountability reports," adds Hummel.

The fiscal year 2002 report can be accessed at www.us.kpmg.com/federal. For additional information, please contact Marcie Odens Peck at 703.747.5862.•

The Ethical Bottom-line

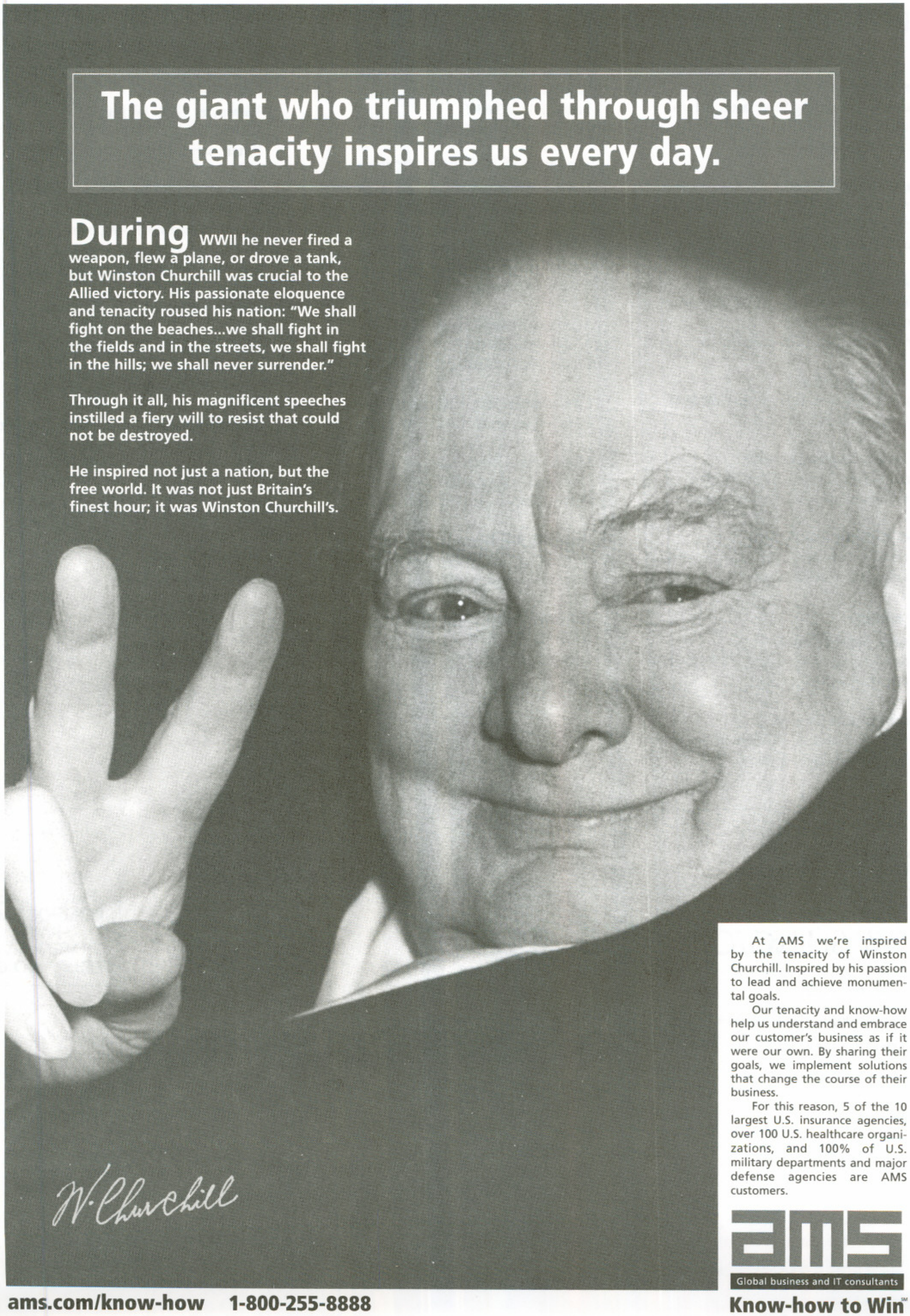
By Wendy Comes

A mentor once told me that the bottom-line in professional ethics is being willing to lose your job by doing the right thing. The reality is that most of us would find the loss of a job quite stressful. So, in selecting among potential employers, we should consider how an employer supports ethics in the work place. Finding out what resources would be available to help you recognize and resolve ethical dilemmas may help in deciding whether to take a certain position.

A recent article suggested ethics-related questions for job candidates to consider asking during an interview. However, the questions were not as relevant in a government environment. The following questions were drafted with a government employer in mind. Asking questions such as these during the interview will help you assess the work environment.

- Does this agency include objectives related to ethical behavior or integrity in its mission statement or core values? In addition to the government-wide code of ethics, has the agency set up a code of ethics specific to its employees?
- Does the agency offer ethics training to new employees? Is the training tailored to the type of work done in your office or is it general ethics training? Are follow-up courses offered or required periodically? How often are the courses refreshed with new material?
- Is there a source for confidential advice if I'm faced with a situation that challenges my personal integrity? Do you encourage your employees to seek counsel if they believe one of their superiors or peers is crossing the line ethically?
- Is there a mechanism to report violations?
- What types of ethical issues have you encountered during your career here? Did you feel you had the organization's support in enforcing standards of ethics?

Making direct inquiries regarding ethics may seem unnecessary since we expect others to share our values. However, as we've observed this past year, resting too comfortably on that expectation is unwise. Inquiring about an organization's commitment to ethics is prudent and should not be viewed as a negative during an interview.•


The giant who triumphed through sheer tenacity inspires us every day.
During WWII he never fired a weapon, flew a plane, or drove a tank, but Winston Churchill was crucial to the Allied victory. His passionate eloquence and tenacity roused his nation: "We shall fight on the beaches...we shall fight in the fields and in the streets, we shall fight in the hills; we shall never surrender."
Through it all, his magnificent speeches instilled a fiery will to resist that could not be destroyed.
He inspired not just a nation, but the free world. It was not just Britain's finest hour; it was Winston Churchill's.
W. Churchill
At AMS we're inspired by the tenacity of Winston Churchill. Inspired by his passion to lead and achieve monumental goals.
Our tenacity and know-how help us understand and embrace our customer's business as if it were our own. By sharing their goals, we implement solutions that change the course of their business.
For this reason, 5 of the 10 largest U.S. insurance agencies, over 100 U.S. healthcare organizations, and 100% of U.S. military departments and major defense agencies are AMS customers.
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