



The Sounder

Volume 13-05 November 2013

Photo "Cold Clear Morning in Seattle" courtesy of Ed Jose.

President (Pro Tem) Message

On November 4th, we received two-and-a-half hours of continuing education provided by Brian Willet of the Washington State Auditor's Office on the subject of MANAGING DATA. I think that presentation more than made up for the usual 1 hour presentation that was foregone during October due to the government shutdown. For me, Mr. Willet's presentation was particularly useful, not only from the purely professional point of view, but also because one of the items he touched on—a rule described as the

"One, Ten, One Hundred Rule"—proved very useful to me personally. For you unable to attend the presentation, the rule has to do with the multiplication of costs and effort as an error in production (whether an audit report, financial statement, physical product, or anything else an enterprise is making) escalates exponentially the longer it takes to catch and repair it. In my case, I made a Father-of-the-Bride speech on November 9, and twisted the rule to apply to the impact on married couples failing to acknowledge spouses with an appropriate and timely gift on St.

Continued, Page 4

Upcoming Event

Please join us at the Columbia Tower Club on Monday, December 16, 2013, for a presentation on Internal Controls related to Washington's Health Care Marketplace implementation under Obamacare (the Patient Protection and Affordable Care Act). Presented by Kimberley T. Green, MBA, Federal/State Compliance Manager, Washington Health Benefit Exchange.

Inside this issue:

2013-2014 Monthly Meetings	2
AGA Activities	3
11/4 Luncheon	5
Financials	6
Board Members	7

Please join us at our December luncheon.

When/Where

Monday, December 16, 2013 11:30 a.m. – 1:00 p.m.
 Columbia Tower Club, 701 Fifth Ave, 75th Floor. The presentation will be interesting and timely. Please bring a friend or colleague. Call for reservations will be coming soon.



AGA Seattle Chapter's Monthly Meeting Schedule for Program Year 2013-2014

Save the dates for our monthly education events for program year 2013-2014! Please join us at these luncheon and brown bag events and help us make this program year a success.

Monday, **December** 16, 2013 - Columbia Tower Club. Kimberley T. Green , Federal/State Compliance Manager, State Insurance Commissioner's Officer discussing the internal controls and other challenges in setting up and operating Washington's Health Benefit Exchange system under Obamacare (the Patient Protection and Affordable Care Act).

Monday, **January** 13, 2014 - GAO 28th Floor Training Room - Tina Polf, CPA, 2013 Tax Update

Wednesday, **February** xx, 2014 (TBD) - GAO 28th Floor Training Room, AGA Webinar or audio conference. Awaiting AGA schedule (August 2013).

Wednesday, **March** xx, 2014 (TBD) - GAO 28th Floor Training Room, Lelan Miller, AGA Regional President Vice President and Partner, Eide Bailly LLP, Boise, ID. Subject to be determined.

April 2014 - Government Auditing and Accounting Conference (GAAC), dates and locations TBD

Monday, **May** 19, 2014 - Columbia Tower Club (location confirmed), Emerald Award

PHOTOS WANTED

We try to decorate the first page of the *SOUNDER* with a local photo each month. If you have a picture to donate, please send it to Tim Dobler, DOBLER5@MSN.COM.

Looking for a reason to join the AGA?

Following are some the initiatives and training opportunities currently presented by the AGA National Office.

> AGA's Financial Management Standards Board (FMSB) Seeks Input on New Reporting Framework targeting executive and legislative decision-makers

> AGA's Virtual Government Case Challenge Competition Begins!

House Passes Spending Transparency Bill

> Video Replay: Why Your Leadership Should Produce a Citizen-Centric Report (CCR)

WEBINAR TRAINING

Dec. 4 Moving to Performance-Based Decision Making

Dec. 11: Taking the High Road: How to Succeed Ethically When Others

Bend the Rules

Jan 9: Federal Financial Systems Summit

Jan. 15: Fraud Detection: Using Technology for Auditing

President's Message, Continued from Page 1

Valentine's Day, birthdays, or the newly minted wedding anniversary, particularly (as Brian Willet pointed out) if attorneys get involved.

Our next general meeting is scheduled to be held at the Columbia Club on December 16th. Besides the planned presentation of a member of the Insurance Commissioner's staff to explain the internal controls used to develop and assure accuracy of Washington State's Health Benefit Exchange, we will also be asking our members to bring a toy for distribution to those less fortunate than ourselves, probably through the Toys For Tots campaign of the U.S. Marine Corps. I hope all of you will be able to attend the presentation on how a good system can be developed and to help make a child's Christmas just a little bit brighter. This will also be a great opportunity to invite a non-AGA member as a guest to sample our wares.

Sincerely, Tim Dobler

TIME FOR A CHANGE?

On July 1, 1975, The Federal Government Accountants Association changed its name to the Association of Government Accountants, to better reflect its membership consisting of accountants and auditors in all branches of government.

Now, consideration is being given to changing the organization's name to ASSOCIATION OF GOVERNMENT ACCOUNTABILITY. After 38 years, the membership of AGA has diversified from purely accountants and auditors to include professional analysts from various fields of study. As a team, the goal of the membership is more than to assure accounting records are proper. Now verifying accountability of entities includes financial stewardship, along with verification of efficiency and effectiveness. Watch this space for further developments.

November Presentation - MANAGING WITH DATA by Tim Dobler

On November 4th, Brian Willet, Washington State Auditor's Office, provided about 32 of us with 2.5 hours of CPE on the topic of MANAGING WITH DATA. The principal theme in the presentation was that process trumps management every time, and to find out what is really happening and what can be improved, statistical analysis is necessary.

During the course of the presentation, the participants were broken into three groups to demonstrate the futility of some types of incentive programs where the process left the participants helpless to improve productivity, but nonetheless held accountable for the results. Each group was given the same task, involving random selections. A leader from each group reported to management (Willet) the results of each of 4 runs. After the results of each run were tallied, Mr. Willet provided evaluations by praising and giving rewards to the highest performing team, while the others were subjected to various "motivation techniques" with the hope of causing production improvement.

As a member of one of the less productive teams, I will admit that the pressure was there to improve results, which couldn't be done by more effort. The reasonable conclusion was to use other means to play the system. Mr. Willet said this is a natural result of management trying to make improvements without understanding what improvements are possible.

One thing about Mr. Willet's presentation was his demonstration that these sets of circumstances are all around us. I recall the scandal not too long ago in the Atlanta School District where officials in some schools with low scores made improvements by changing the results of students' tests. Most recently, Microsoft abandoned a performance evaluation system known as Stacking which was blamed for reducing innovation, the exact opposite of what the plan was designed to do.

Upon completion of the group exercise in futility, Mr. Willet went into the underlying issues, quoting from the works of W. Edwards Deming and Peter Scholtes, both of whom have written books that are highly regarded resources in the field of productivity. The conclusions were that improvements are obtained when the process is improved. Trying to improve the people through various incentive systems when the system remains unchanged, is, in the words of Peter Scholtes, "meaningless twaddle".

Mr. Willet gave several examples of what works and what doesn't in trying to measure, improve, and recognize performance. He got his message across in part by using several examples and a cool machine called a quincunx board, which, besides being a terrific Scrabble word, was used to demonstrate probability curves under different sets of circumstances.

In closing Mr. Willet made a favorable comment about a current improvement plan known as LEAN. LEAN is directed toward system improvements. What I brought out of the session was that reviewing processes with an eye to statistical relevance is a worthwhile endeavor, much more so than trying out the latest fad in motivational techniques.

Seattle AGA Chapter Financial Statements as of October 2013

	7/1/13 to 6/30/2014 Budget	7/1/13 to 6/30/2014 Actual
INFLOWS		
Joint Conferences	\$3,800.00	
Chapter dues	\$250.00	\$208.15
Interest income	\$20.00	\$8.11
Other Income-Board dinner reimbursed for significant others	\$120.00	\$167.48
National Scholarships-Early Careers	\$135.00	
Luncheon Receipts	\$2,000.00	\$180.00
TOTAL INFLOWS	<u>\$6,325.00</u>	<u>\$563.74</u>
OUTFLOWS		
Board Dinner Costs	\$472.00	\$639.57
Speaker Gifts	\$125.00	
Emerald Award	\$65.00	
Membership for Webmaster	\$95.00	
Monthly lunch costs	\$3,200.00	\$752.07
Other Expenses (Non-profit report to Sec. WA State)	\$10.00	
Other Educational Events & Scholarships-Early Career	\$150.00	
Symposium Raffle Gift	\$65.00	
TOTAL OUTFLOWS	<u>\$4,182.00</u>	<u>\$1,391.64</u>
TOTAL CHANGE	\$2,143.00	-\$827.90

October 31, 2013 Balances**ASSETS - CASH**

Checking - .10% interest	\$6,119.04	City of Seattle Pre-paid Lunches	\$45.00
Savings - .10% interest	\$2,631.74		
6 month CD - .25% interest	\$1,281.74	TOTAL LIABILITIES	<u>\$45.00</u>
12 month CD - .35% interest	<u>\$3,322.64</u>	MEMBERS' EQUITY	<u>\$13,310.16</u>
Total Assets	<u>\$13,355.16</u>	Liabilities + Members' Equity	<u>\$13,355.16</u>

Cash Flow Report, October 31, 2013

Beginning Cash Balances	<u>\$14,103.98</u>
Cash Expended	
Lunch meals	\$752.07
Subtotal Cash Expended	<u>\$752.07 (\$752.07)</u>
Cash Deposits	
AGA Dues received	\$1.25
Interest income	\$2.00
Subtotal Cash Deposits	<u>\$3.25 \$3.25</u>
Net Cash Change	<u>(\$748.82)</u>
Ending Cash Balance	<u>\$13,355.16</u>



The Sounder

WE'RE ON THE WEB:

WWW.AGASEATTLE.ORG

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

The purpose of the Association and the Chapter is to be an international, professional organization dedicated to the advancement of government financial management. The Association shall serve its members by providing or sponsoring appropriate educational programs, encouraging professional development, influencing governmental financial management policies and practices, and serving as an advocate for the profession. The Association shall serve government officials and the public by sponsoring efforts to ensure full and fair accountability for all public monies, and by providing a variety of pro bono services throughout the United States and its territories that support that end.

AGA Seattle Chapter 2013-2014 Board Members

President (pro tem)

Tim Dobler (retired)
206-364-3499
Dobler5@msn.com

President-Elect

Ken Smith, Ph.D., U of WA
206-616-8698
kensmith@uw.edu

Research Chair

Vacant

CGFM Chair

Gabrielle Sivage, Altruist Mgt.
202-277-8250
gsivage@gmail.com

Treasurer, Meeting Coordinator, & Education Chair

Pat Bohan, U.S. GAO
206-287-4824
bohan@agaseattle.org

Secretary

Karyn Angulo, U.S. GAO
206-287-4868
angulo@agaseattle.org

Early Careers Chair

Jessica Gray, U.S. GAO
206-287-4894
grayj@gao.gov

Awards Chair

Vacant

Membership Chair

Mary Ann Hardy, U.S. GAO
206-654-5594
hardym@gao.gov

Community Service Chair

Sam Lord, HHS OIG
206-615-2257
Samuel.Lord@oig.hhs.gov

Newsletter Editor

Tim Dobler, Retired
206-364-3499
Dobler5@msn.com

This newsletter was produced by board member Tim Dobler with the assistance of Karyn Angulo. Thanks also to board members who contributed articles and other items for this issue and to our webmaster, Issa Ndiaye (VA OIG), for maintaining our chapter website. This month's photo "Cold Morning in Seattle" courtesy of Ed Jose.