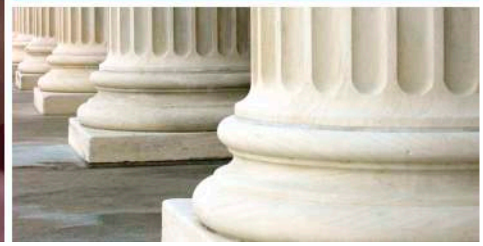
The Washington Connection

ASSOCIATION OF GOVERNMENT ACCOUNTANTS
WASHINGTON DC CHAPTER

FEBRUARY 2005 ISSUE



In this issue . . .

AGA
WASHINGTON DC, CHAPTER

February Guest Luncheon Speaker, George Stalcup, Director of the Strategic Issues Team for the Government Accountability Office

The DC Chapter's February installment in the luncheon speaker series will feature George Stalcup, Director of the Strategic Issues Team for the Government Accountability Office (GAO). Mr. Stalcup oversees reviews of management issues across government, including a variety of human capital areas, as well as GAO's High-Risk Program including the bi-annual update to the GAO High-Risk list. GAO's audits and evaluations identify federal programs and operations that, in some cases, are high risk due to their greater vulnerabilities to fraud, waste, abuse, and mismanagement. Increasingly, GAO also is identifying high-risk areas to focus on the need for broad-based transformations to address major economy, efficiency, or effectiveness challenges. Since 1990, GAO has periodically reported on government operations that it has designated as high risk. We are very pleased to have Mr. Stalcup as our guest to speak about GAO's recent update to the High Risk List.

Be sure to join us in this month's additional Chapter Events:

Director's and Officer's Meeting - Tuesday, February 8 (see page 11 for details)

Ski Trip to Liberty - Friday, February 11 (see page 5 for details)

Volunteer Income Tax Assistance - (VITA) (see page 6 and 22 for details)

February Luncheon

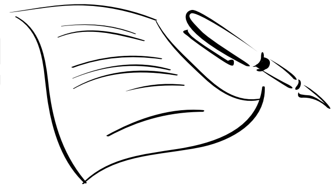
Financial Management In Transition Luncheon Series
George Stalcup, Director of the Strategic Issues
Team for the Government Accountability Office

Thursday, February 10 - Luncheon - 11:30am - 1:30pm
Members: $22.00, Non-Members: $27.00
Register online at https://secure.serve.com/AGADC/lform2.php

George Washington University Marvin Center
800 21st Street, NW (corner of H Street)

(one block from the Foggy Bottom blue/orange line Metro)

President's Message



by Karen Alderman, President

Ms. Karen Alderman, President

Dear Chapter Members,

As February arrives, we are plowing through the year (literally). In keeping with the theme "Financial Management in Transition," more major transitions are occurring throughout the world of government financial management. Recently it was announced that the President intends to nominate Linda Combs as head of the Office of Federal Financial Management. She has served 3 U.S. Presidents in various oversight and executive level management positions at the Departments of Education, Veterans Affairs, and Treasury, and the Environmental Protection Agency, and is currently the Chief Financial Officer at the Department of Transportation. Ms. Combs also has spent a number of years in the private sector. The entire Federal community looks forward to her confirmation to this important Office of Management and Budget (OMB) position of such a seasoned leader within the Federal financial management community.

The Federal community is absorbing recent OMB guidance. This includes major initiatives with the update of Circular A-123, "Management's Responsibility for Internal Control," which, among other things, strengthens the requirements for conducting management's assessment of internal control over financial reporting. Also, the revision to Circular A-127, "Financial Management Systems," realigns Joint Financial Management Improvement Program (JFMIP) activities under OMB; and the new Circular A-136, "Financial Reporting Requirements," establishes a central point of reference for all Federal financial reporting guidance for Executive Branch departments, agencies, and entities required to submit audited financial statements, interim financial statements, and Performance and Accountability Reports. Another recent addition was the public launch of the website for financial metrics – the Metric Tracking System (MTS). This website provides Federal financial managers, taxpayers, and others with information on Federal agencies' financial operations and performance using key financial management indicators.

Upcoming events include Comptroller General David Walker's address to the National Press Club on February 9, 2005 on "The Fiscal Crisis: Implications for Federal Managers." The President's FY 2006 Budget Submission will go to the Hill shortly, which will promise greater financial management challenges due to tight budgets. The debate about the ability to financial outyear commitments is being engaged, at this time primarily through the debate on Social Security.

Another development discussed by Representative Marsha Blackburn at our November luncheon is the work of House Government Reform Subcommittee on Government Efficiency and Financial Management to introduce a comprehensive financial management bill that would replace and streamline current law. This effort is being led by Rep. Todd Platts, R-Pa, Chairman of the Subcommittee.

Also, hot off the (electronic) press is the Government Accountability Office's biennial report of the "High Risk" areas. This report always focuses energy and action.

On that note I would like to update our Chapter's progress against goals: providing quality professional education through our luncheon meetings and two-day professional development conference, engaging the next generation though an active early career program, and giving back to the community.

***Professional Development.** In this era of continual change the workforce serving the Federal Government will have to continuously refresh their competencies to be effective and competitive. There is a wealth of opportunities coming up to gain broad insight into major government challenges and earn quality CPEs to build and maintain professional certifications. On February 10, the DC Chapter's luncheon speaker series will feature George Stalcup, Director of GAO's Strategic Issues Team. Mr. Stalcup oversees reviews of management issues across government, including a variety of human capital areas, as well as GAO's High-Risk Program, including the biannual update to the GAO High-Risk list. We are very pleased to have Mr. Stalcup as our guest to speak about GAO's recent update to the High Risk List. The report is available at: www.gao.gov.*

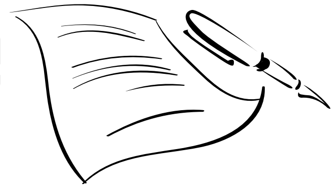
On March 10, the JFMIP Principals will host the final conference at the Hilton Washington Hotel and Towers at 1919 Connecticut Ave, NW. Featured speakers include Clay Johnson III, OMB, Deputy Director for Management, David Walker, Comptroller General of the United States, and Dan G. Blair, Deputy Director, Office of Personnel Management. The cost is only $150 per participant for 7 hours of CPE—a bargain. Also, it is a sentimental closure for JFMIP—the 34th annual JFMIP conference.

AGA DC Chapter's 4th Annual Conference (co-hosted by Greater Washington Society of CPAs is May 3 and 4, 2005 at the George Washington University's Cafritz Conference Center. The theme for this year's conference is "Financial Management in Transition." Featured speakers include Jeff Steinhoff and Kay Daly from GAO, Pat McGinnis from the Council on Excellence in Government, David Zavada from OMB, and Jim Taylor from Department of Commerce. This 15 CPE program is available to AGA and GWSCPA members for $300 if you register before April 15. Others are also welcome at a slightly higher price. It is a bargain. For more information visit www.agadc.org.

continued on page 3

President's Message

by Karen Alderman, President



continued from page 2

Early Careers. *Our focus is on preparing the next generation of Federal financial managers and the price is right—free! The DC Chapter will sponsor one final Brown Bag Lunch for early career members to discuss financial management careers in the Federal Government. This is the last of a three-part series where our Chapter is focused on promoting the career potential of the Federal financial management profession. Please join us on February 15 at 1990 K Street, NW, Suite 430, from 11:30 a.m. to 1:00 p.m. to meet other early career members and to hear about perspectives on Federal financial management careers. Please contact Donna Tebeau at 202-219-0550 to register for this session.*

Certified Government Financial Manager (CGFM) certification is an important credential that will enable early career professionals to better compete in the Federal Government market. Our chapter is underwriting a training program to help prepare early career members to take the exam. Enrollment continues at a brisk pace for the Chapter's upcoming CGFM training for early career members at no cost to the participants. As of January 25, 31 people were enrolled-- including 11 new AGA members—from the DC, Northern Virginia, and Montgomery County chapters. With a total class capacity of 40, early career members are urged to act quickly to enroll! As a reminder, here are the enrollment criteria:

- *Must be a member of the DC, Northern VA or Montgomery County Chapter;*
- *Must have less than 5 years professional experience;*
- *Must have supervisor's endorsement; and*
- *Must commit to taking the CGFM exams within one year of training.*

The training will be held on March 15-17 and 22-24 at Treasury Agency Services, 1990 K Street, NW, Suite 300. Virginia Robinson will conduct the training. We are most appreciative of the support of Bob Evans and Karl Boettcher for making training space available. To enroll, contact Ken Bresnahan at ken.bresnahan@gt.com. The chapter extends its heartfelt appreciation to Grant Thornton's Ken Bresnahan, Chair of the DC Chapter CFFM effort and the architect of this initiative.

Community Service*. The Washington, DC Chapter of the AGA collected $230 for the American Red Cross Tsunami Relief and Recovery Efforts, which was matched by AGA National making the total contribution of $460. The money will provide the tsunami survivors with nutritious food, basic supplies such as tents and hygiene items, basic healthcare, and the support that they will need to cope with the unbelievable trauma they have experienced. Again we would like to thank the members of the DC Chapter for their generosity. In February/March, our Chapter will support "Dress for Success"- a program designed to help low income women enter the work force by donating one new or nearly new interview suit. Also we are organizing efforts to support the Volunteer Income Tax Assistance (VITA) program this year. See the AGADC website for more details. Thank you again to Tonya Allen-Shaw and Lloyd Farmer for being so effective in helping all of our members to give back to our community.*

Awards and Recognition. *Many government and private sector people serving the Federal Government's financial management community make valuable and lasting contributions to government accountability and financial performance. Often they are unsung heroes, whose dedication and hard work is taken for granted and accepted as "just part of the job." Part of the AGA DC Chapter's responsibility, as well as our pleasure, is to recognize those individuals who have contributed to the public service, in particular to government financial management and accountability, and also to the work of the chapter.*

Our congratulations go to DC Chapter members Sam Mok, who was selected for the Distinguished Federal Leadership Award, and John Webster who was selected for the Elmer Staats award. These honors will be conferred at the 2005 National Leadership Conference. Our awards committee is now considering the nominations for several national award nominations and Chapter awards, which will be announced in a future issue of the Chapter newsletter, The Washington Connection. The awards dinner and reception will be held on Thursday, April 21 at the Pier 7 Restaurant on the DC Waterfront. This dinner is always a memorable event as we celebrate and recognize our award winners and honor our long-time members and past chapter presidents. Please mark your calendars for this event, which will be a very special evening for all.

One other note, Pat Clark Duncan, who ably serves the chapter in tallying the chapter points, indicated that as of January, our chapter had accumulated 12,800 points. An impressive number, but we are 6th (not number 1) in Chapter rankings.
I put out the challenge to being the best Chapter in the nation. That means passing the New York Capital chapter, which as of January had accumulated 23,550 points.

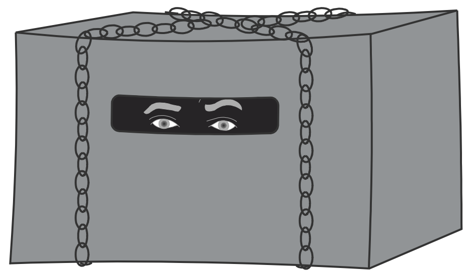
Sincerely,

Karen Cleary Alderman

Karen Cleary Alderman
Chapter President

Inside the Black Box

by Simcha Kuritzky, CGFM CPA



A Graphic Comparison of Proprietary and Budgetary Accounts—Part 1

Affect on Financial Statements

The mapping of the Standard General Ledger (SGL) accounts to the financial statement lines assumes that proprietary account balances agree with their corresponding budgetary accounts balances. This is especially true for the Statement of Financing. Treasury FMS has noted that there are still several agencies who haven't managed to keep these balances synchronized. This month, I decided to try to show the general relationship of different types of accounts graphically. The domain of each account (the size of the balance) goes horizontally, and the different accounts to be compared go vertically.

Spending

<table>
<tr><td colspan="4">Budgetary spending (total obligations) - activity</td><td colspan="3"></td></tr>
<tr><td colspan="2">Obligations (48xx)</td><td colspan="2">Expenditures (49xx)</td><td colspan="3"></td></tr>
<tr><td>Unpaid (48x1)</td><td>Paid (48x2)</td><td colspan="2">Paid and unpaid (has no relevance)</td><td colspan="3"></td></tr>
<tr><td colspan="2"></td><td colspan="2">Capital used (5700) if appropriated</td><td colspan="3">Unfunded expenses, gains, and losses</td></tr>
<tr><td></td><td>Advances & PP (14xx)</td><td>Funded expense (6100 thru 6500, 6900)</td><td>Purchases (8802)</td><td>Deprecia-tion (6720)</td><td>Disposal (7110, 7210)</td><td>Other unfunded expense</td></tr>
<tr><td colspan="3"></td><td colspan="3">Fixed Asset activity</td><td>Unfunded liability/receiv.</td></tr>
</table>

Total obligations are made up of obligations (undelivered orders, the 4800 series of SGL accounts) and expenditures (delivered orders, the 4900 series), both paid and unpaid. The paid obligation activity (4802, 4832, 4872, and 4882) should match the activity in advances (1410) and prepayments (1450). Expenditure activity should be matched by funded expenses and purchases of assets, while total expenses includes an unfunded portion that has no budgetary equivalent. If the fund is appropriated, then the expenditure activity should also match the balance of 5700 Expended Appropriations, while each unfunded expense has its own set of unfunded liability and asset accounts (too many to list here). The change in fixed asset balances equals purchases and unfunded activity (such as depreciation and gain or loss on disposal).

Equity (post-close)

<table>
<tr><td colspan="3">Appropriated Capital (3100)</td><td colspan="2">Cumulative Results (3310)</td></tr>
<tr><td>Available (4510-4620, 4700)</td><td>Unavailable (4450, 4630, 4650)</td><td>Undelivered Orders (4801-2)</td><td>Unfunded and fixed assets</td><td>Unfunded liabilities</td></tr>
</table>

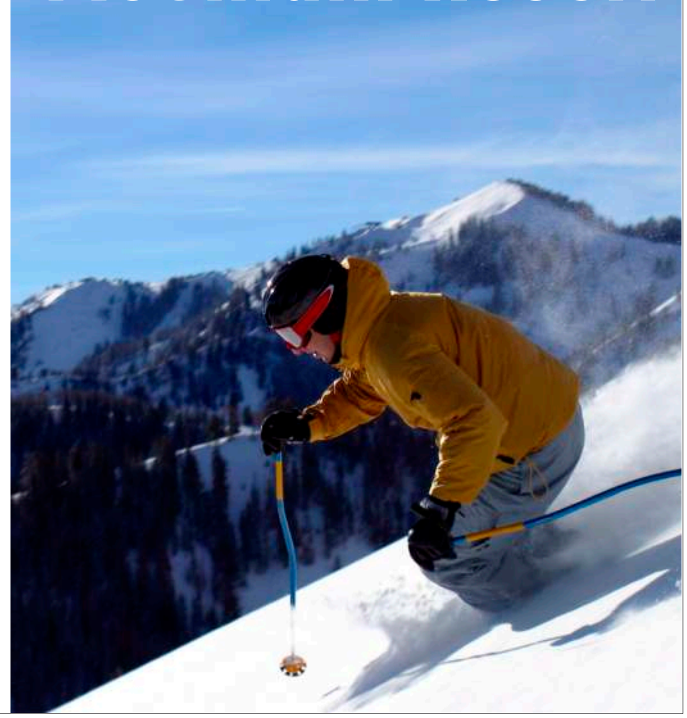
In an appropriated fund, the amount of capital (the 310x series of accounts which close to 3100 at year end) should equal all unexpended budget authority, whether it is currently available for obligation, unavailable, or obligated. When funding is expended, account 3107 is posted which changes the level of appropriated capital. Also, account 5700 and the expense account are posted, which both close to 3310 resulting in a net zero amount. If a fixed asset is purchased, then 5700 is posted but the expense is not, resulting in a credit to 3310. If an unfunded expense is posted, then 5700 is not so there is a net posting to 3310. The offset to an unfunded expense is generally an unfunded liability, but it could also include unfunded receivables or allowance for doubtful accounts.

Next Month...

I will do a similar comparison for asset and liability accounts.

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

Ski Trip to Liberty Mountain Resort



Membership Services is sponsoring a day ski trip to Liberty Mountain Resort on Friday, February 11, 2005. This will be in partnership with the Northern Virginia, Montgomery/PG, and Baltimore Chapters. We will meet at the Clock Tower circle entrance area at 10:00 a.m. Liberty is conveniently located just one hour (60 miles) from the DC area. Take 495 to 270 North to Frederick. Then take Route 15 North to Emmitsburg; exit on South Seton Avenue. Left onto Route 140 west, which becomes Route 16. Follow Route 16 to 116E; right on 116E for 3 miles.

Complete ski packages (equipment, lessons, and lift tickets) are available for AGA members at discounted group prices:

- **$47.00 Learn to Ski/Snowboard - limited mountain** ·
- **$58.00 Intermediate and advanced - all mountain** ·
- **$31.00 lift ticket only – all mountain**

Lunch is available at the lodge cafeteria. There will be an après ski gathering at McKee's Tavern. For those wishing to stay overnight, the Liberty Hotel also offers slope side lodging. The date of this activity may be subject to change due to weather conditions. Alternate date is Friday, February 18. Please check the AGA DC website for any last minute changes.

If you are interested in attending this activity, or for more information, please contact *karl.boettcher@fms.treas.gov* 202.874.6131. Additional information can also be obtained from Liberty Mountain at 717.642.8282 or *www.skiliberty.com.*

We would like to thank our corporate sponsor "Savantage Solutions"

Tour of the Washington National Cathedral

Membership Services is sponsoring a tour of the National Cathedral on Sunday, March 13. We will meet at the West-end entrance (Wisconsin Avenue and Woodley Road) no later than 1:45 p.m. for a 2:00 p.m. tour. The official interior tour will last about 45 minutes, which should allow ample time for visiting the Cathedral shops and gardens. There should be ample free parking on the streets (North, South, and Pilgrim) adjacent to the Cathedral. While there is no charge for the tour, a $3 donation is suggested.

If you are interested in this activity, please let us know as soon as possible. Send your electronic response or direct any questions to *karl.boettcher@fms.treas.gov* (202.874.6131).

Community Tax Aid, Inc. provides free tax preparation and representation assistance to low-income taxpayers in the Washington, DC metropolitan area. Our free tax preparation services make an important impact on lives of our clients. The average total annual income of our clients is $14,000; their refunds average 12% of their annual income. For clients with dependents who are eligible for the Earned Income Credit--a tax credit for working, low-income taxpayers; their refunds average 25%-a significant amount of money for clients whose income average $16,500 a year. During the tax season (January through April), CTA volunteers prepare tax returns at sites in DC, Northern Virginia, and Montgomery and Prince George's Counties in Maryland. This year we expect to serve over 4,000 clients, but we need volunteers to make that happen.

See page 22 for details.

Your Help is Needed!

S.O.S
SEND ONE SUIT WEEK™

Dress for Success is sending an urgent S.O.S. to women nationwide: donate one new or nearly new interview suit during the week of March 6-12th and help a low-income woman enter the workforce.

A donation of just one suit can empower a woman struggling in a low-income situation to start a new life of self-sufficiency and success. S.O.S. - Send One Suit - Week coincides with Women's History Month and features promotions to raise awareness and funds for Dress for Success affiliates in the U.S. and abroad.

dressbarn, one of America's premier specialty retailers of women's career and casual fashions is the national drop-off site and title sponsor for S.O.S Week. Women should bring their donation of a new or nearly new suit to one of **over 800 dressbarn stores during the week of March 6-12th**. To find a dressbarn store in your area, visit *click here* and enter your zip code on the homepage.

Curves, the first fitness and weight loss facility dedicated to providing affordable one-stop exercise and nutritional guidance to women, is also a national title sponsor of S.O.S. Week.

Women who bring their donation to dressbarn during S.O.S. Week will receive a special gift from dressbarn and **Curves**.

This is the 9th year for this call-to-action campaign, formerly known as "Clean Your Closet Week®." The new focus on "sending one suit" symbolizes the organization's need to collect only garments appropriate for job interviews. The suit donation represents just the first step towards self-sufficiency. Once a woman is employed, she receives ongoing career development from The Professional Women's Group, Dress for Success' national recognized employment retention program.

Curves dressbarn

AGA Washington Chapter Membership Services Events 2005

To provide our membership with a variety of social activities, Member Services is scheduling the following events for the coming membership year. We will again attempt to partner our activities with local AGA chapters and other professional organizations. Also, watch for our participation in additional partnership activities being planned by other regional AGA chapters and by our own Community Service and Early Careers.

2005	Event	Partnership
February 11	Skiing at Liberty in PA	NOVAGA/Montgomery/PG Chapters Baltimore Chapter
March	Tour of National Cathedral	NOVAGA/Montgomery/PG Chapters
April	Mt. Vernon Tour	NOVAGA/Montgomery/PG Chapters
May	Wolf Trap Event	NOVAGA/Montgomery/PG Chapters
May/June	Attend Baltimore Orioles or Northern Virginia Cannons Baseball Game	Baltimore Chapter NOVAGA/Montgomery/PG Chapters
June	Play in Golf Tournament	ASMC/KPMG NOVAGA/Montgomery/PG Chapters

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 GWSCPA, ASMC, and the AGA NOVAGA, Montgomery/PG, and Baltimore chapters. Please check our 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 responses or direct any questions to our chapter Member Services Director - Karl Boettcher- *karl.boettcher@fms.treas.gov* - 202.874.6131.

Northern Virginia "After Work Good - Time Events"

"After Work Good - Time and CPE Events"

It's time for a brand-new year of "After Work Good-Time and CPE Events." Join your colleagues and friends from 5:15 pm until 7:00 pm (registration 5:15 pm, meeting 6 pm) at the Alexandria Embassy Suites located directly across from the King Street Metro on the 3rd Thursday of each month (unless otherwise stated). Details in table at right.

February Dinner Meeting

Date: Thursday, February 17

Event: John Webster, retired CFO, Library of Congress - A Look at the CFO, Past, Present, and Future

Time: 5:15-6 pm – Registration & Hors d'oeuvres, Meeting 6-7 pm

Price: $15.00 *(Free to New and Prospective Members, must RSVP & let us know this is your first meeting by Monday, Feb. 14th)*

Email: Patricia.Remington@aaa.army.mil

Phone: 703.428.6512

Date	Type	Event
Thurs, Feb 17	Dinner Meeting	John Webster, retired CFO, Library of Congress - A Look at the CFO, Past, Present, and Future
Thurs, Mar 17	Educational	Ron Elving, Congressional Editor, National Public Radio - An Update on the Most Sensitive Topics on the Hill and in the White House.
Thurs, Apr 21	Dinner Meeting	Reporting and Auditing Internal Control - All-Day Training Event at the Hilton Old-Town in Alexandria, VA.
Thurs, May 19	Awards Dinner	Awards Banquet Embassy Suites

www.novaga.org

AGA NORTHERN VIRGINIA CHAPTER

Northern Virginia Chapter
of the Association of Government Accountants
PO Box 44079
Washington, DC 20026-4079
703.428.6512
www.novaga.org

Montgomery/Prince George's County Chapter Events

Montgomery/PG County ChapterEvents

Doreen Shute, President of the Montgomery/PG County Chapter, would like to invite you to join them for a fun and exciting program year, which includes a variety of speakers for their dinners, community activities, workshops and hopefully a corporate sponsored networking happy hour.

Visit the Montgomery/Prince Georges chapter's website at www.marylandaga.com Their dinner meetings are on Wednesdays in Rockville. Details in table at right.

February Dinner Meeting

Speaker: Steve Berkowitz, Senior Manager, Bearing Point,Inc

Dinner Selection: Pepper Corn Crusted Filet Mignon (For those observing Ash Wednesday, please let us know if you would like an alternative menu option.)

Reception: 6:00 - 6:30 p.m.

Dinner and Speaker: 6:30 - 8:30 p.m.

Location: Double Tree Inn (1750 Rockville Pike)

Date	Type	Event
Wed, Feb 9	Dinner Meeting	Steve Berkowitz, Senior Manager, Bearing Point
Wed, Mar 9	Dinner Meeting	'The Mission & Accomplishments of the President's Information Advisory Council' by Patricia Evans, Member of PITAC & CEO of Global Systems Consulting Corp.
Wed, Apr 20	Dinner Meeting	Larry Bedker, Director of Financial Management Services, PSC
Wed, May 18	Awards Dinner	AGA National President Bobby Derrick

AGA®
MONTGOMERY/
PRINCE GEORGE'S
COUNTY CHAPTER

Andrew Lewis
Montgomery/Prince George's County Chapter
KPMG LLP
2001 M Street, NW
Washington, DC 20036
202.533.4886
www.marylandaga.com

2005 Luncheon Speaker Series

The theme of this year's series is "Federal Financial Management in Transition," appropriate given the election and inevitable change in key leadership positions throughout the Federal government. The series kicked off on September 9, when Andrew Maner, Chief Financial Officer of the Department of Homeland Security, discussed lessons learned and best practices used by the Department during its first full year of operation. Throughout the year, distinguished speakers from the public and private sectors, as well as Capitol Hill, will provide their insight on a variety of financial management issues.

The luncheons will be held between 11:30 a.m. and 1:30 p.m. at the Marvin Center at George Washington University, 21st St. and H Street (one block from the Foggy Bottom blue/orange line Metro).

Thursday, February 10, 2005	Thursday, April 21st 2005 (Awards Dinner)
Thursday, March 17, 2005	Thursday, May 12, 2005

A special event is planned for April, when we will hold our awards dinner. In addition, the chapter will hold education events and conferences. Watch the *Washington Connection* for more details! We hope that you all plan to join us.

January Luncheon Notes: *Summarized by Simcha Kuritzky*

FY 2004 Accelerated Governmentwide Reporting - The Ups and Downs

Don Hammond, Fiscal Assistant Secretary, Department of the Treasury, accompanied by David Rebich, Financial and Budget Reports Directorate, was our guest speaker at the January 13 AGA DC Chapter luncheon. He offered the following observations.

The federal financial community reached a milestone this fall: agency reporting was moved to November 15 and governmentwide to December 15. Reporting is the ultimate output from all our various activities. The ability to report on a timely basis highlights accomplishments and illuminates remaining challenges. However, we have yet to gain credibility with the public. The accelerated deadline also frees up personnel for other work in December and January.

Next areas of focus are usefulness, consistency of data in different reports, and accuracy with regards to financial activity and condition.

- Usefulness: How do we know what the public wants, how do we tell them what they need to know, how do they find it. This should be in the MD&A (Management Disclosure & Analysis) letter.
- Relationship of the different data, such as finding discrepancies between the budgetary and proprietary information (e.g., Statement of Financing). Acceleration has highlighted the areas of differences.
- Accuracy of condition. SSA and trust fund liabilities are in the news, but hard to find in our financial reports. These are disclosed, but does the average user know how to find the disclosure? In the United Kingdom, they are trying to consolidate reports from all government entities, including counties, townships, and universities.
- Reconciling cash: In 1998, the standard was differences had to be reconciled within 6 months. Now it is down to 3 months. Auditors measure the unreconciled amount as of the end of the year. Moving funds to a clearing account is not reconciliation.

There will be an advisory committee on acceleration that will deal with such issues as reconciling budgetary and proprietary reports. Prior-year adjustments in budgetary reports are represented in a completely different manner than in financial reports. Budget results were released October 18, 2004, but the *Financial Report* that was released on December 15, 2004 used different budget results.

We can use estimates, but they have to be justified and consistently applied, especially between agencies on an intra-governmental agreement.

Closing package (GFRS) process: 2004 was successfully implemented and laid the groundwork for future improvements. There was good cooperation between different accounting and IT groups and the contractor. We focused on data collection since it became obvious that producing the *Financial Report* would not be done through GFRS this year. Most agencies entered data on time in GFRS and ATBs in FACTS. The *Financial Report* was produced on time by transferring the data to Excel using templates (which will be done in GFRS in the future); notes were text in Word. Challenges encountered include learning curve, inadequate guidance on notes, reconciling trading partner balances, and differences between auditor opinions on agency financial statements and their data in GFRS. The agenda for 2005 includes revising system edits, providing training, performance measure letters to agencies (especially adjustments made by FMS), increasing traceability for audit, and transferring current balances to prior-year balances.

Community Service Plan 2005 Washington DC Chapter

February	Volunteer Income Tax Assistance (VITA)
February/March	Dress for Success Suit Drive
April	Christmas In April
May	Used Eyeglass Collection for Lions Club ***
June	Used Cell Phone collection for HopeLine sponsored by Verizon Wireless ***
	*** Ongoing Community Service Projects to conclude in May and June.

2005 Meeting Schedule of the DC Chapter's Directors and Officers

All members are invited to participate. For January Meeting Minutes see this issue, page 12. Meetings are held at noon at JFMIP, 1990 K St., 4th floor, on the following Tuesdays:

Tuesday, February 8, 2005	Tuesday, April 5, 2005
Tuesday, March 8, 2005	Tuesday, May 10, 2005

AGA - Washington Chapter, Executive Board Minutes - January 11, 2005

- Sixteen Board members participated.
- President Karen Alderman opened the meeting with congratulations to the Board and the Chapter for a successful program year so far, and a pledge for continued success.
- Treasurer Ann Davis reiterated that the Chapter is in a strong financial position and will be able to continue supporting all of the Chapters goals.
- Awards Director Judy Ochs announced that all nominations for AGA National and Washington Chapter Awards have been completed.
- The Annual Awards Dinner was announced for Thursday, April 21, 2005. The dinner will be held at the Pier Seven Restaurant and will beginning with a social reception at 6:00 p.m.
- Education Director Susan Johnson presented additional details for the Spring Education Conference to be held at the George Washington University Cafritz Center on May 3 and 4, 2005. The draft agenda is being finalized.
- Program Director Scott Bell announced the February Luncheon topic will be the GAO High Risk List and issues for the new administration. The March topic will be *Federal Financial Management Program in Transition*. Several speakers are being considered.
- There are at least 23 confirmed attendees for the Certified Government Financial Manager (CGFM) training being held for Early Career members in March.
- Community Service Director Tonya Allen-Shaw announced that the Baby Shower for Saint Ann's will be postponed until May to make room for Tsunami Relief. Other Community Service efforts scheduled include Volunteers in Tax Assistance (VITA) in February, Dress For Success Clothing Drive in March, and continuing the eyeglasses and cell phone collection throughout the year.
- President Karen Alderman closed the meeting with a reminder that it's not too early to begin the Board Transition for President-elect Lisa Casais. Transition meetings need to be scheduled for Lisa, and new Board members recruited.
- Member Services Director Karl Boettcher announced the Ski Trip will be on Friday, February 11 at Ski Liberty and a National Cathedral Tour is being scheduled for a Sunday in March.

The next Director's Meeting will be held at JFMIP on Febraury 8, 2005.

If you would like more information concerning items discussed at the Board meeting, please contact Dan Christovich at dchristovich@comdt.uscg.mil or 202.267.0443.

EARLY CAREERS

AGA Washington Chapter, <u>Early Careers "Brown Bag" Lunch Series</u>
JFMIP Board Room, 1990 K Street (20th and K)
Washington, DC

Cost: Free, bring your own lunch.
Time: 11:30-1:00
Dates: February 15, 2005

The AGA Washington Chapter will host brown bag lunch sessions for Early Career Members to learn about career growth opportunities in government. Early Career Members are those chapter members with less than five years of experience in the government accounting/accountability field. Each session will feature a speaker that will present perspectives on careers in governmental accounting and accountability, as well as a time for questions and answers.

Please contact Donna Tebeau at *donna.tebeau@gsa.gov* or 202.219.0526 to register for these sessions.

Attention Government Employers!

Special from AGA National

ADVANTAGE
Organization Member Program
Exclusively for Government Accountability Agencies

AGA's NEW Group Membership Can Lead to Significant Cost Savings on Your Staff's Training and Development! You decide what level of support your employees receive through this program. At the highest level of support, Platinum, the organization fee is the number of employees in your group times the $90 full government rate. Or, if you decide upon a sharing approach to membership, at the Gold level, the organization fee is the number of employees in your group times $45. At this level, the employees share the cost of membership by paying the remaining $45 each for the full government rate of $90. At the Silver level, the organization fee is the number of employees in your group times $30.

And the employees share the cost of membership by paying the remaining $60 each for the full government rate of $90.

View details in the flyer on AGA's Web site at
http://www.agacgfm.org/membership/downloads/AGAGroupMembership04.pdf

Training for Certified Government Financial (CGFM) Manager Examinations

Enrollment has been brisk in response to Chapter President Karen Alderman's recent announcement of an exciting training opportunity for members in the early stages of their careers. On March 15-17 and 22-24, 2005, the DC Chapter will sponsor a comprehensive training program that helps prepare participants to successfully complete the Certified Government Financial Manager (CGFM) examinations. In the 2 weeks since the announcement of the program, over 20 early career members have enrolled. Many have joined the DC Chapter to become eligible for the training.

This program, offered AT NO COST to qualified enrollees, will address three key components that align with the CGFM: the governmental environment, government accounting, financial reporting and budgeting, and government financial management and control. Our instructor will be Virginia Robinson, one of the preeminent educators of prospective CGFMs throughout the United States.

This program provides a wonderful opportunity for our members in the early stage of their careers to dramatically increase their knowledge of government financial management, and prepare to acquire a critically important professional certification that will enhance their value to their organizations and promote their long term career aspirations.

The training will be held at the facilities of Treasury Agency Services, which is the 3rd floor of 1990 K Street NW, Washington DC. We are most appreciative of the support of Bob Evans and Karl Boettcher in making training space available.

Here's a quick synopsis of the program:

Who: members of the AGA from DC, Northern Virginia and Montgomery County Chapters with up to 5 years of professional experience

What: CGFM training

When: March 15-17 and 22-24, 2005

Where: Treasury Agency Services, 1990 K Street NW, Suite 300, Washington, DC

How: Applicants should submit a brief letter expressing interest in the program that includes a statement attesting to their eligibility as early career members, contact information, and a commitment to take the CGFM examinations within 1 year of course completion. A statement from the applicant's supervisor approving the training should also be provided. Enrollment of qualified applicants will be on a first-come-first served basis for up to 40 people. Application materials should be sent to Ken Bresnahan at Grant Thornton LLP, 333 John Carlyle St, Suite 500, Alexandria, VA 22314 or by e-mail at *ken.bresnahan@gt.com*. The application period will remain open until all available positions are filled.

Make plans now to join AGA for the
Third Annual National Leadership Conference

Improving Government Performance: Financial Managers Take Center Stage

February 7 - 8, 2005, in Washington, DC

Sound financial management is more important than ever. Governments are grappling with a growing list of homeland security issues - how to keep our cities and our nation safe, and how to pay for it. In this environment, financial managers will take center stage, confronting these challenges and the difficulties of balancing the many competing demands on taxpayers' money. At the same time, governments are focusing more intently on performance to ensure that every dollar is spent wisely, and can be accounted for later. These developments are bringing financial managers into the spotlight.

The National Leadership Conference will bring together the top leaders in federal, state and local government financial management, all of whom are struggling to make ends meet while providing an unprecedented level of services to the citizens they serve. This conference is a must for top government leaders-chief financial officers, inspectors general, state auditors, state comptrollers, state treasurers, city auditors, city finance directors and those who work with these top leaders to keep our governments fiscally sound.

Don't miss this chance to network with your peers and share solutions to common challenges. We look forward to seeing you.

Conference Registration Fees

Your conference registration includes entrance to all education sessions and the Exhibit Hall, 2 continental breakfasts, 4 refreshment breaks, 2 luncheons, a registration tote bag and the ability to earn up to 14 CPE hours.

AGA Member	Fax/Mail	Online
Early Rate (By 01/14/05)	$500	$475
Standard Rate (After 01/14/05)	$600	$575
Non-Member	**Fax/Mail**	**Online**
Early Rate (By 01/14/05)	$675	$650
Standard Rate (After 01/14/05)	$775	$750

Register online with a credit card,(*https://members.agacgfm.org/source/security/member-logon.cfm?origin=meetings*) or download a printable registration form (*http://www.agacgfm.org/conferences/downloads/nlc05_reg.pdf*) and send a fax to 703.548.9367, or mail to: AGA Conference Registration, 2208 Mt. Vernon Avenue, Alexandria, VA 22301.

Email Reminders?

Would you like to receive email reminders of our monthly meetings and conferences? If so, please go to *http://www.agadc.org* to sign up for our mailing list in the Member Services section of the website.

The IIA's 2005 Government Auditing Conference

February 22-23

Government practitioners and leading consultants will share, discuss, and debate the hottest issues and concerns for government auditors at The IIA's 2005 Government Auditing Conference, February 22-23, in Washington, D.C.

This must-attend event, themed "Changing World: Issues, Challenges, and Practices," is designed for government auditors at all levels throughout the United States and Canada. The program will feature an impressive lineup of toplevel professionals including:

David Walker, Comptroller General of the United States

Carmen LaPointe-Young, CIA, Auditor General, World Bank and past IIA chairman

David A. Richards, CIA, president, The Institute of Internal Auditors

Phyllis Fong, Inspector General, Department of Agriculture

Glenn Fine, Inspector General, Department of Justice

Johnnie Frazier, Inspector General, Department of Commerce

The IIA's 2005 Government Auditing Conference Registration fees are US $495 for IIA members and US $550 for nonmembers.

A total of 14 CPE hours are offered.

Special rates of US $139 plus tax for single or double occupancy are available at the Sheraton Crystal City Hotel 1800 Jefferson Davis Highway, Arlington, VA.

To book your rooms, contact the hotel by January 21, by telephoning 1.703.486.1111.

To register online, visit "Conferences" at *www.theiia.org*.
For further details, contact Belinda Finn at tel: 1.202.254.4178 or e-mail: *Belinda@finn.com*.

AGA National Offers CPEs, Take Journal Quizzes Online

Looking for a convenient way to earn CPE hours? Visit *www.agacgfm.org/cpeonline* to find eight Journal CPE Online quizzes, which are each worth 3 CPE hours. Read the Journal of Government Financial Management and take the corresponding quizzes. It's easy to earn a total of 24 CPE hours at your own convenience.

Key Reasons Why the Breakdown of Internal Controls Contribute to Fraud
March 2, 2-5:30 pm EST
Audio Conference – 2 CPEs

This audio conference will describe how specific "soft control" failures contribute to internal controls not working as intended. It will also focus on how "strong controls" can sometimes leave the door open to fraudulent activities. Included will be specific case examples and suggestions that all accountability professionals can use to reduce future frauds. John Hall, a private consultant and nationally known speaker, and David Hancox, CGFM, a state audit director and nationally known speaker and author, will join forces to describe their experiences in examining and lecturing on internal controls and fraud for many years. Sponsored by AGA, NASACT & the National Association of Local Government Auditors. For $249 per telephone line, your chapter, agency or firm can provide 2 CPE hours to as many people as can fit in a room.

http://www.agacgfm.org/education/audioconferences/conference_listings.aspx for listing & registration

Federal Financial Management Conference

Championing Excellence in Financial Management

Sponsored by: Principals of the JFMIP
March 10, 2005, in Washington, DC

Keynote Speakers

- Clay Johnson III, Deputy Director for Management, Office of Management and Budget
- David M. Walker, Comptroller General of the United States
- Dan G. Blair, Deputy Director, Office of Personnel Management

Plenary Session Speakers

- Elizabeth Robinson, Deputy Director, Congressional Budget Office
- Donald V. Hammond, Fiscal Assistant Secretary, Department of the Treasury

Concurrent sessions on Addressing the Challenges Facing the Audit Community, CFOs: A Place at the Table, Excellence in Financial Performance, Attracting and Retaining a Quality Financial Workforce, Strengthening Internal Controls, and Choosing a Financial Service Center of Excellence

7 hours of continuing professional education credit
Cost: $150 per participant
Location: Hilton Washington and Towers, 1919 Connecticut Avenue NW, Washington, DC
For more info and to register online, go to www.jfmip.gov
Register Today!

Exposure Draft: Proposed Statement on Auditing Standards

On December 31, 2004, the AICPA published an exposure draft, approved by the Auditing Standards Board (ASB), of a proposed Statement on Auditing Standards (SAS) entitled *Audit Documentation*.

This exposure draft introduces a proposed Statement on Auditing Standards (SAS) that will replace SAS No. 96, *Working Papers*. This proposed SAS establishes standards and provides guidance to an auditor on audit documentation for audits of historical information.

Issues surrounding audit documentation continue to be discussed due to events affecting the profession that post-date the development and issuance of SAS 96. Specifically, some State regulators and government auditors seek more uniformity in the preparation, filing and retention of audit workpapers of non-issuers. The Auditing Standards Board believes this Exposure Draft is responsive to the issues that have been raised in the US nonissuer community and will improve audit practice.

The proposed SAS —

1. Uses an “experienced auditor” as a reference point. The proposed SAS requires the auditor to consider, when preparing audit documentation, the needs of an experienced auditor having no previous connection with the audit to understand the procedures performed, the evidence obtained and specific conclusions reached. An experienced auditor, for the purposes of this standard, is defined as an individual who possesses the competencies and skills that would have enabled him or her to perform the audit and has a reasonable understanding of audit processes and of auditing and reporting issues relevant to the industry in which the entity operates.

2. Lists factors that the auditor should consider in determining the nature and extent of the audit documentation to be prepared for a particular audit area or auditing procedure.

3. Requires the auditor, in documenting the nature, timing and extent of audit procedures performed, to record (a) who performed the audit work and the date of such work and (b) who reviewed specific audit documentation and the date of such review.

4. Guides the auditor when making further changes to audit documentation after delivery of the auditor's report. It provides guidance on the auditor’s response to information that becomes known in the period after the auditor’s report. When new procedures are performed after this date, the auditor should document the change, when and by whom the changes were made and the effect of the changes on the auditor’s previous conclusions.

5. Proposes that the auditor assemble the audit documentation to form the final engagement file within 60 days following the delivery of the auditor’s report to the entity. After this date, the proposed SAS requires the auditor not to delete or discard existing audit documentation, and to appropriately document any subsequent additions or changes.

6. Provides guidance on documentation that should be retained and requires the auditor to document audit evidence that is identified as being contradictory or inconsistent with the final conclusions, and how the auditor addressed the contradiction or inconsistency.

7. Specifies a minimum file retention period that is ordinarily not expected to be shorter than five years from the date of the auditor’s report, recognizing that State statutes or other regulatory requirements may specify a longer retention period.

In addition to the proposed audit documentation SAS, the exposure draft includes proposed amendments to SAS No. 1, *Codification of Auditing Standards and Procedures* (AICPA, *Professional Standards*, vol. 1, AU sec. 530.01 and .05, “Dating of the Independent Auditor’s Report.” The proposed amendment requires that the auditor’s report not be dated earlier than the date on which the auditor has obtained sufficient competent audit evidence to support the opinion on the financial statements.

This exposure draft has a **90-day comment period** that ends on **March 31, 2005**.

Comments or suggestions on any aspect of this exposure draft will be appreciated. To facilitate the ASB's consideration of responses, comments should refer to specific paragraphs and include supporting reasons for each suggestion or comment.

Written comments on the exposure draft will become part of the public record of the AICPA and will be available for public inspection at the offices of the AICPA after January 31, 2005, for one year. Responses should be sent to Sherry Boothe, Audit and Attest Standards, AICPA, 1211 Avenue of the Americas, New York, NY 10036-8775 in time to be received by March 31 2005. Responses may also be sent by electronic mail to *sboothe@aicpa.org*.

For a copy of the exposure draft, email *hufnaglej@gao.gov* or *alice.arielly@aaa.army.mil*.

Radio Frequency Identification What does it mean for auditors?

Beth Serepca, Office of Inspector General, Nuclear Regulatory Commission
Bob Moody, Department of the Interior

What is RFID?

Are radio frequency identification tags the newest wave of the future? Radio Frequency Identification (RFID) is a method of remotely storing and retrieving data using devices called RFID tags. RFID is a wireless technology that includes passive, semi-passive and active tags:

- Active RFID systems can store large amounts of information using a power source within the tags.
- Passive RFID tags do not use a separate external power source. They obtain operating power from the tag reader.
- Semi-passive RFID uses an internal power source to monitor environmental conditions, but requires radio frequency energy transferred from the reader to power a tag response (similar to passive tags).

The tags are a small object that can be attached to or incorporated into a product much like the standard barcode tags on products in the supermarket. The difference is that while it takes a laser to scan a standard barcode and read its universal product code, an RFID tag stores its identifying code on a tiny microchip and transmits it wirelessly to a reader device. This allows more tags to be scanned at once from further away, and it allows individual items-not just types of items-to be assigned unique identifying codes.

An RFID system may consist of several components: tags, tag readers, tag programming stations, circulation readers, sorting equipment, and tag inventory wands. The purpose of a system is to enable data to be transmitted by a portable device called a tag, which is read by an RFID reader and processed according to the needs of a particular application. The data transmitted may provide identification or location information, or specifics about the product tagged, such as price, color, and date of purchase. RFID quickly gained attention because of its ability to track moving objects.

In a typical RFID system, individual objects are equipped with a small, inexpensive tag which contains a transponder having a digital memory chip with a unique electronic product code. The interrogator, an antenna packaged with a transceiver and decoder, emits a signal activating the tag so it can read and write data to it. When an RFID tag passes through the electromagnetic zone, it detects the reader's activation signal. The reader decodes the data encoded in the tag's integrated circuit (silicon chip) and the data is passed to the host computer for processing.

Standards Established

In December 2004, EPCglobal Inc. (a nonprofit organization chartered to drive standards for radio-frequency identification technology) reported that its 15-member board had approved the royalty-free EPCglobal UHF Generation 2 specification. This standard provides a platform on which products and future improvements can be built, and serves as the foundation for the continued build-out of the EPCglobal Network that combines RFID technology, the Internet, and electronic product codes to provide cost-efficient and accurate information throughout supply chains. Supply-chain benefits dependent on Gen 2 are global interoperability, international vendor support, multiple read and write capabilities that could potentially change the economic climate by delivering a quicker return on investment, and increased data-communication speeds at more than double the tags available today.

The read-rate for Gen 2 tags in the United States under a simulated environment is 1,500 per second, versus roughly 100 tags per second for tags available today. That rate, however, drops to between 500 and 600 tags per second in Europe because U.S. regulations allow for wider frequency bandwidth. A number of companies are developing product releases for 2005 now that the specifications have been approved.[1]

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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 March 2005 issue is February 20, 2004. Please send your comments and contributions to the newsletter editor, Karen Shaffer, at *kshaffer@lmi.org.*

Radio Frequency Identification What does it mean for auditors? continued from page 19

Current usage

The use of RFID can be separated into three frequency ranges:

- Low -frequency RFID tags are commonly used for animal identification, beer keg tracking, and automobile key-and-lock, anti-theft systems. Pets are embedded with small chips so that they may be returned to their owners if lost.

- High-frequency RFID tags are used in library book or bookstore tracking, pallet tracking, building access control, airline baggage tracking, and apparel item tracking. High-frequency tags are also widely used in identification badges, replacing earlier magnetic stripe cards. These badges need only be held within a certain distance of the reader to authenticate the holder.

- Ultra-high frequency RFID tags are commonly used commercially in pallet and container tracking, and truck and trailer tracking in shipping yards. Microwave RFID tags are used in long range access control for vehicles, an example being General Motors' OnStar system.

Some toll booths, such as California Fast Trak and Illinois' I-Pass system, use RFID tags for electronic toll collection. The tags are read as vehicles pass; the information is used to debit the toll from a prepaid account. The system helps to speed traffic through toll plazas.

RFID systems can be used just about anywhere, from clothing tags to missiles to pet tags to food -- anywhere that a unique identification system is needed. The tag can carry information as simple as a pet owners name and address or the cleaning instruction on a sweater to as complex as instructions on how to assemble a car. Some auto manufacturers use RFID systems to move cars through an assembly line. At each successive stage of production, the RFID tag tells the computers what the next step of automated assembly is.

One of the key differences between RFID and bar code technology is that RFID eliminates the need for the line-of-sight reading that bar coding depends on. Also, RFID scanning can be done at greater distances than bar code scanning. High frequency RFID systems offer transmission ranges of more than 90 feet, although wavelengths in the 2.4 GHz range are absorbed by water (the human body) and therefore have limitations. Sensors such as seismic sensors may be read using RFID transceivers, greatly simplifying remote data collection. Exxon Mobil uses RFID technology in its Speedpass payment system. Customers wave a small transponder in front of a sensor on a gas pump, debiting their account.

The advent of standard barcodes brought tremendous efficiency gains in the distribution and retail industries, and RFID devices now hold even greater promise. Wal-Mart and other industry leaders have begun to introduce RFID technology into their supply chains, the Food and Drug Administration has recommended their ubiquitous use on pharmaceuticals, and the Department of Defense plans to boost its use of the tags this year. The potential benefits to the economy and consumers are vast: RFID tags may facilitate dramatically reduced supply-chain costs, better inventory management, automated store checkout, reduced theft, more accurate and efficient product recall, improved counterfeit drug prevention, and a host of other benefits. Spending on RFID technology is expected to reach $4.2 billion by 2008. The costs of the tags are falling and the tags are expected to cost $0.05 in 2008, from the current cost of about $0.30. (Source: The Yankee Group)

According to Forester Research, retail firms plan to increase RFID use to 16 percent of products. The increase in consumer products is expected to be 15 percent; high-tech products 14 percent, industrial products 14 percent, wholesale 13 percent, other 12 percent, chemicals 9 percent, and government 6 percent.

Potential uses

RFID tags are often envisioned as a replacement for UPC or EAN bar-codes, having a number of important advantages over the older bar-code technology. RFID codes are long enough that every RFID tag may have a unique code, while UPC codes are limited to a single code for all instances of a particular product. The uniqueness of RFID tags means that a product may be individually tracked as it moves from location to location, finally ending up in the consumer's hands. This may help companies to combat theft and other forms of product loss. It has also been proposed to use RFID for point-of-sale store checkout to replace the cashier with an automatic system, with the option of erasing all RFID tags at checkout and paying by credit card or inserting money into a payment machine. This has to a limited extent already been implemented at some stores.

Controversy

Despite the tremendous potential benefits of RFID technology, privacy advocates worry it could lead to more detailed tracking of the products we buy, maybe even to the level of taking inventory of what is in our homes and what is on our person at any given time. Arguing that stores, corporations, and even libraries will use the technology to spy on people, RFID critics have threatened boycotts to derail the technology's adoption. In response, a number of companies have postponed item-level RFID programs and lawmakers in several states and the U.S. Congress have introduced legislation that, if passed, would curtail the use of RFID technology.

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Radio Frequency Identification What does it mean for auditors? continued from page 20

The use of RFID technology has engendered considerable controversy and even product boycotts. The four main privacy concerns regarding RFID are:

- The purchaser of an item will not necessarily be aware of the presence of the tag or be able to remove it;
- The tag can be read at a distance without the knowledge of the individual;
- If a tagged item is paid for by credit card or in conjunction with use of a loyalty card, then it would be possible to tie the unique ID of that item to the identity of the purchaser; and
- Tags create, or are proposed to create, globally unique serial numbers for all products, even though this creates privacy problems and is completely unnecessary for most applications.

Most concerns revolve around the fact that RFID tags affixed to products remain functional even after the products have been purchased and taken home, and thus can be used for surveillance, and other nefarious purposes unrelated to their supply chain inventory functions.

Driver's Licenses

The state of Virginia has considered putting RFID tags into drivers' licenses in order to make lookups faster for Police Officers and other government officials. The Virginia General Assembly also hopes that by including the tags fake identity documents would become much harder to obtain. The proposal was first introduced in the "Driver's License Modernization Act" of 2002, which lapsed without vote, but as of 2004 the concept is still under consideration by a committee.

The idea was supposedly prompted by the fact that several of the September 11 hijackers held fake Virginia drivers' licenses. However the American Civil Liberties Union has claimed that in addition to being a risk to privacy and liberty, the proposal in fact would not have hindered the hijackers, since all their false documents were valid, officially issued documents obtained for a false identity. That is, the current weakness in the system is not inspecting documents in the field, but verifying identities before issuing documents.

Under the proposal, no information would be stored on the tag other than a number corresponding to the holder's information in a database, only accessible by authorized personnel. Also, to deter identity thieves one would simply need to wrap ones driver's license in aluminium foil.

What auditors need to watch for with RFID implementation

- Hacking RFIDs is not a difficult thing to do. It would be particularly easy to steal a reader/writer in use at a store. This device could be used directly or used to duplicate the security system. Thieves could use modified RFIDs to make empty pallets look like full ones.
- Privacy violations are a significant concern. Because RFIDs can carry unique identifier numbers, a firm could track every individual who purchases an item containing an RFID.
- Inventory costing methods will change as more detailed tracking becomes available. This will affect financial statement reporting and auditing.
- Retail distributors currently spend billions of dollars to create and send out displays of their products. Typically third-party auditors check only about 5% of those to be sure they are actually displayed as agreed. With RFID readers installed in stores, this type of auditing can be conducted remotely.[2]
- Manufacturing materials tracking will allow auditing of productivity measures.
- Auditors will need to be involved in RFID implementation products to ensure security concerns are addressed.
- These are only a few of the ways RFID will impact auditors.

Conclusion

When barcodes and the Internet first appeared, they raised concerns among privacy advocates, but in the long run, both have proven to be extremely beneficial and acceptable to consumers. RDIF tags are a major technological advancement and are poised to stimulate growth. Retailers and government mandates are pushing RFID forward. It has the potential to transform business and the impact on auditors may be equally significant.

1- http://www.informationweek.com/story/showArticle.jhtml?articleID=55800518
2 -http://www.rfidjournal.com/article/articleview/814/1/1

Your Help is Needed!

Community Tax Aid, Inc. provides free tax preparation and representation assistance to low-income taxpayers in the Washington, DC metropolitan area. Our free tax preparation services make an important impact on lives of our clients. The average total annual income of our clients is $14,000; their refunds average 12% of their annual income. For clients with dependents who are eligible for the Earned Income Credit--a tax credit for working, low-income taxpayers; their refunds average 25%-a significant amount of money for clients whose income average $16,500 a year.

During the tax season (January through April), CTA volunteers prepare tax returns at sites in DC, Northern Virginia, and Montgomery and Prince George's Counties in Maryland. This year we expect to serve over 4,000 clients, but we need volunteers to make that happen.

Volunteers can help in several ways:

Tax Preparers: Interview customers and prepare their federal and state income tax returns. All volunteers wishing to provide free tax preparation are required to attend training and pass a certification test. Some of the training is available as an on-line option. Some CTA sites have paper preparation, and some have electronic preparation. Volunteers wishing to volunteer at these sites and do computer preparation will be required to attend an additional computer training class.

Translators: Provide translation assistance to clients who speak English as a second language.

Greeting, site administration and operations: Help make sure our clients feel welcome and that we are able to provide the highest quality assistance possible to our hardworking clients. CTA needs volunteers to greet and orient clients, to photocopy and assemble tax returns, and to provide administrative and operational support at our tax sites.

E-File Manager: Coordinate activities relating to e-filing at a particular tax site. Includes verifying that volunteers have gathered all needed documentation from clients, keeping track of paperwork, follow-up on tax returns with e-filing errors.

Volunteer Requirements

We ask that volunteers commit to volunteering at least five times during tax season. Volunteers at DC CASH affiliate sites (see site list below) usually volunteer every week during tax season, but some volunteers only commit to every other week.

To volunteer as a tax preparer you must attend a tax law training, and volunteers working at computerized sites should also attend a TaxWise training. Volunteers who will only serve as translators or greeters do not need to attend the tax law training sessions. Instead you will receive on-site training.

Additionally, all volunteer tax preparers must pass a tax law test. This test is available both in paper form and on-line.

Volunteer Locations

Community Tax Aid is overseeing several different volunteer income tax programs this year. One of the programs, DC CASH, has a special need for volunteers at two of its sites [see more information below] and we encourage volunteers to sign up for these sites if they are able to do so. The DC CASH program requires that you volunteer at least 6 times during the tax season (January 24th through April 15th). Exceptions can be made if you know that you will be unable to volunteer one or two specific weeks and we can find another volunteer to cover your position. Please e-mail me (*cvbritton_cta@hotmail.com*) if you are interested in the DC CASH programs.

If you are not able to volunteer with the DC CASH program, you can find more information about other CTA sites below, and you can register here:
http://web.volunteer2.com/Public/Signup/SignupDecide.aspx?OrganizationGUID=d6446c2c-2aca-42ee-876a-1155d0313044log.

DC CASH Coalition *(www.dccash.org)*

The DC CASH Coalition provides free tax assistance in neighborhoods with a high concentration (35-40%) of low-income families. In 2005, the Coalition will operate 6 tax assistance centers in Wards 5, 7 and 8. Like the other tax preparation programs, DC CASH offers free electronic tax preparation and filing services, all of our tax centers will connect families with programs and services that can improve their financial well being. If you are interested in volunteering at one of these sites, send email to *cvbritton_cta@hotmail.com* and provide the site name, the day of the week you are interested in volunteering, and which trainings you would like to attend.

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Your Help is Needed! continued from page 22

a. Site Names

National Center for Children and Families
Location: 603 50th Street NE
Metro: Capital Heights; Bus Lines: W4, U6
Site Dates and times: Jan. 24th-April 15th ; Mon. and Wed. 5pm-8:30pm, and Saturdays 10am-2pm (First and Second only)

Paradise Park
Location: 3594 Hayes St NE
Metro: Minnesota Ave; Bus Lines: W4, U6
Site dates and times: Jan. 24th- April 15th Mon. and Wed. 4-8pm and Saturdays 9am-1pm (1st and 3rd only)

b. Training Options

Select 2 training dates each for tax law and for TaxWise and we will try to assign you to your first choice. Below is a list of training dates and times, some of the locations are tentative, so we will inform you when they become finalized. The addresses for these locations are listed beneath the dates and times. Currently, our purpose is to get you signed up to a date and time, we apologize for the inconvenience. If this is your first year volunteering with a volunteer income tax program, you will need to take a Federal and State Tax Law Training date first before you can take a TaxWise training. As DC CASH sites open on January 24th, we would like to get you registered for the January 22nd training at American University Law School.

Federal & State Tax Law Trainings

Jan. 22, 9am-5pm AU Law [Federal & DC]
Jan. 29, 9:30am-5pm Georgetown University Law Center [Federal & MD, DC or VA]

TaxWise

Jan. 18 6pm 10pm Ernst & Young [DC CASH priority]
Jan. 19 6pm-10pm Ernst & Young Jan. 22 9am-1pm CDF [DC Cash priority]
Jan. 22 2pm-6pm CDF
Jan. 24 6:30pm-10pm Ernst & Young Jan. 25 6:30pm-10pm Ernst & Young Jan. 30 [tentative in Chinatown]
Jan. 31 6pm-10pm [priority for Arlington vols] Wesley Housing Community Center
Feb. 1 6pm-10pm [priority for Arlington vols] Wesley Housing Community Center

Locations:

American University Law School
4801 Massachusetts Avenue NW, Washington, DC 20016
Metro: 1 mile from Tenleytown (can walk or take a bus) Buses: various, see www.wmata.com

CDF (Children's Defense Fund)
25 E St NW, Washington D.C. 20001
Metro: Union Station, Bus Lines: D6 and 80

Ernst and Young Law Firm
1225 Connecticut Ave NW
Metro: Dupont South

Georgetown University Law Center
McDonough Hall, 600 New Jersey Ave. NW, Washington, DC.
Metro: Union Station

**Once you have e-mailed me a training and site location, before your scheduled training date, you will receive a detailed e-mail explaining logistical information about the training.

Community Tax Aid Sites (CTA) has sites in Maryland, Virginia, and Washington, DC. To sign up to volunteer at these sites, register at:
http://web.volunteer2.com/Public/Signup/SignupDecide.aspx?OrganizationGUID=d6446c2c-2aca-42ee-876a-1155d0313044log

Under the "My Profile" tab please fill out both the "contact info" and also the "additional info" accessed by clicking on the links located on the gray bar under the "My Profile" tab. Under the tab "My Activities" select the "specific interests" link from the gray bar and select the location where you would like to volunteer and the dates on which you would like to volunteer. Also in this section, please register for tax law training. If you are having trouble using the on-line registration, contact Chantelle Britton or me through e-mail at *cvbritton_cta@hotmail.com* or *ctavol@aol.com*, or by phone at 202.347.4811. CTA has a special need for volunteers in Hyattsville and New Carrollton, and at the Martin Luther King, Jr. Memorial Library site.

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Your Help is Needed! continued from page 23

MARYLAND

Gaithersburg Regional Library (Electronic preparation)
18330 Montgomery Village Avenue, 20879 (across from Lake Forest Mall)
Saturdays, 1:00-3:30. February 12 through April 9.
Ride-on Buses 55, 56 or 59
Interpreters needed: Spanish, Mandarin, Cantonese, Arabic, Farsi

Wheaton Regional Library (Paper preparation)
11701 Georgia Avenue, 20902 (at the corner of Arcola, near University Blvd.)
Sundays, 1:30-3:30 PM . February 13, 27; March 6, 23, 20; April 3, 10. *This site will not be open Feb. 20 or Mar. 27.*
Metro: 10-15 minute walk from the Wheaton Metro station / Buses: Ride-on 9, 33 / Metrobus: any Y bus except Y5.
Interpreters needed: Spanish, Mandarin, Cantonese, Vietnamese, Korean

Prince George's County (Electronic and paper preparation)
Temple Hills - Hillcrest Heights Branch Library/ 2398 Iverson Street, 20748 (near Iverson Mall)
Mondays, Feb. 7, 14 & 28, 6:00pm-7:30pm
Buses: H11, H12, P12 / Metro: From Naylor Road, take bus H1

Hyattsville- Hyattsville Branch Library (NEW LOCATION)
6530 Adelphi Road, 20782 (just north of East West Hwy)
Mondays, March 7, 14 & 21, 6:00-8:00pm
Bus: PG County "The Bus" Route 13 / Metrobus: 86, C4, F6, F8, R3, R4 / Metro: Green line to Prince George's Plaza, connect to C4 bus

New Carrollton - New Carrollton Branch Library
7414 Riverdale Road, 20784, basement meeting room (near I-95 and Annapolis Road)
Mondays, March 28 and April 4 & 11, 6:00pm-8:00pm
Bus: F4 Metro: 2.5 miles from New Carrollton- take F4 bus

VIRGINIA

Arlington- Wesley Housing Community Center (NEW LOCATION) (Electronic preparation)
106 N. Thomas Street, 22203 (just north of Rt. 50, one block west of Glebe Rd.)
Mondays, February 7 through April 11, 2005, 6:00-8:00 p.m. *Not open March 21*
Interpreters needed: Spanish
Metro: 10-15 walk from Ballston / Bus: Ride on 10B, 23C, 22A

Falls Church/Baileys Crossroads - Woodrow Wilson Library (Paper preparation)
6101 Knollwood Drive, 22041 (near Route 7 and Columbia Pike)
Dates and times to be determined
Interpreters needed: Spanish, Mandarin, Cantonese, Vietnamese, Arabic
Buses: 4A, 4C, 16C, 16E, 16J

Alexandria Department of Social Services (Electronic preparation)
2525 Mt. Vernon Avenue, 22301 (at Mt. Ida Avenue)
Saturdays, 9 am - 12 noon, dates to be announced, Wednesday evenings to be announced
Buses: 10A, B & E / Metro: 1.2 miles from Braddock Road . Take 10A or 10B.
Interpreters needed: Spanish, Amharic

DISTRICT OF COLUMBIA

Southeast Branch Library (Paper preparation)
403 7th Street, SE, 20003 (7th and D Streets at Pennsylvania Avenue, across from Eastern Market Metro)
Saturdays, 10:30 am - 1:00 pm . February 5th through April 9th. Not open March 12th
Metro: Eastern Market Station / Buses: 32, 34, 36, 50, 90, 92, 94 / Parking: some on-street
Interpreters needed: American Sign Language

Chinatown/Shaw at the Chinese Service Center (Electronic Preparation)
900 Massachusetts Ave, NW, 20001 (in the church office building on the south side of Massachusetts Ave. at 9th & K Sts.)
Sundays, 1 pm - 4 pm . February 6th through April 10th. Not open March 27
Buses: 42, 54, 66, 70, 71, 80, D1, D3, D6, G8, P6, S2, S4, X2 / Parking: on-street
Metro stops: Metro Center, Mt. Vernon Square, Gallery Place
Interpreters needed: Cantonese, Mandarin, Taiwanese

Adams Morgan / Columbia Heights at Neighbors Consejo (Paper preparation)
3118 16th Street, NW, 20010 (16th Street, just north of Irving)
Dates to be determined.
Buses: H2, H4, H8, L2, S2, S4, 42, 52, 54 / Metro: Columbia Heights.
(From Woodley Park take L2 bus, from Cleveland Park take H2 or H4 bus.)
Interpreters needed: Spanish and Portuguese

Martin Luther King, Jr. Memorial Library (Electronic and Paper preparation)
901 G Street, NW, 20001 (Northeast corner of 9th and G Streets, NW)
January 25th through April 14th. Tuesday through Thursday 4:30pm - 8:00 pm,
Saturday 10:00am - 4:30pm, Sunday 1:30pm - 4:00pm. Not open Easter Sunday, March 27.
Site may be open some Mondays and Fridays
Buses: 42, 54, 66, 68, 70, 71, 80, B6, D6, S2, S4, X2 / Metro: Gallery Place-Chinatown, Metro Center

Thank you for considering this very important cause! Your help is needed and if you need any assistance please feel free to contact me at 202.347.4811 or *cvbritton_cta@hotmail.com*.

At your service....

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