

# FGAA



WASHINGTON CHAPTER  
NOVEMBER 1973

## NEWS BULLETIN

**LUNCHEON MEETING — THURSDAY, NOVEMBER 15, 11:30 AM**

Faculty Club—Cloyd Heck Marvin Center  
George Washington University  
21st and H Streets, N.W.

### *“What Accountants and Others Need to Know About the Budget”*

**Mr. Dale R. McOmber**  
*Assistant Director for Budget Review  
Office of Management and Budget*



Mr. McOmber began his Government service in 1951 with the Navy Department. He worked in various budget jobs with Navy until 1957 when he transferred to the Bureau of the Budget (now the Office of Management and Budget). In 1966 he was named Chief of the Budget Preparation Branch and in 1968 became Deputy Assistant Director for Budget Review. In 1973 he was appointed Assistant Director for Budget Review.

Mr. McOmber received a B.S. degree in Social Studies and a M.A. in History from Bowling Green State University, Ohio. He was a Political Science instructor at Bowling Green from 1947 to 1951.

In 1968 Mr. McOmber was awarded the Federal Government Accountants Association Outstanding Achievement Award; in 1970 the Director's Exceptional Service Award.

**MAKE YOUR RESERVATIONS BY 10 A.M. TUESDAY, NOVEMBER 13, TO ASSURE PLACEMENT**  
**Open Meeting — Non-Members Welcome**  
**Reservations Call 755-6310/5313 or (IDS) 138-56310**

**Washington Chapter Meeting Dates:**  
**Nov. 15—Dec. 13—Jan. 10—Feb. 14—Mar. 14—Apr. 11—May 9**



## President's Message

**Minority Business Training Course** — According to Perry Duncan, Director of Minority Business Training, the first training course for this year is scheduled to begin on Thursday November 29. Classes will be held each Monday and Thursday thereafter with a break from December 20th to January 7th for the holidays. Graduation will be on February 5th. The two hour classes will convene at 7 o'clock in Room 3438A of the Nassif Building (Department of Transportation) 7th and D Streets Southwest. Parking is available.

A goal of thirty students per class has been set for each class which is a threefold increase over last years graduates. This is a good opportunity for members of FGAA to assist the layman in understanding more about his profession.

If you are interested in working on any facet of this rewarding community project call Mr. Duncan at 426-1306.

**Chapter Program Luncheons** — Our program year is off and winging. In September we had one of our largest crowds ever and last month we had another good turnout despite a change from our normal meeting date and competition from other professional meetings on the same date.

This month our meeting will be held on the *third* Thursday, November 15, and the speaker will be Dale McOmber, Assistant Director for Budget Review, Office of Management and Budget. Among the guests at the November meeting will be Harry Levine, National President of FGAA; Maurice Pujol, Vice President of the Capital Region and members of the Budget Officers Conference. All subsequent meetings will be held on the *second* Thursday of each month.

I'd like to emphasize the importance of making reservations in advance. The number to call is 755-6310. If later you find you can't attend, please call the same number to cancel. The Chapter makes a commitment to G.W.U. based on the number of reservations and we must honor that commitment even if the actual attendance is lower. If, on the other hand, many people attend without reservations, G.W. may not be able to accommodate everyone and we certainly hate to turn anyone away. Your cooperation is sincerely appreciated.

**Audit Compendium** — Frank LaCava has compiled a compendium of the proceedings at our last auditing seminar. Members can obtain a valuable addition for their auditing library for only \$1.75. Non-members may obtain copies for \$2.00. See page 3 for more details.

**Proposed Legislation** — On October 12, President Nixon sent to Congress a detailed legislative proposal for restructuring the nation's financial system. The proposed bill would eliminate ceilings on the amount of interest banks and thrift institutions may pay savers; permit thrift institutions to make a broader array of loans and accept checking accounts as well as savings accounts; and give equal tax treatment to banks and savings institutions. A tax credit would be granted to keep funds flowing to the housing market. The Senate Banking Committee will hold hearings on the proposals November 6-8.

The Senate Committee on Government Operations reached a compromise on a bill to effect legislative budget control. The bill provides for (1) changing the fiscal year to begin October 1, (2) establishing a Congressional Office of the Budget (similar to OMB), (3) setting up budget committees in both Houses, (4) completing authorization bills before June 30, (5) setting a firm overall spending ceiling and flexible subceilings by August 1, and (6) including a provision in spending bills that would prevent them from going into effect until triggered by a ceiling enforcement bill to be enacted before October 1. "Backdoor spending" would be placed under the control of the Appropriations Committee. Similar legislation in the House would not change the fiscal year but contains an anti-impoundment provision which the President has threatened to veto.

## WASHINGTON CHAPTER Executive Committee 1973-1974

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#### News Bulletin

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#### Nominating Committee-National Awards

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#### Assistant Treasurer

Herron R. Adams, Federal Maritime Commission, 382-3415

## From The Director, Programs

JOSEPH J. DONLON, GAO



### "What Accountants and Others Need to Know About the Budget"

The Budget may not always be what it seems. Many accountants would agree that they should know more about the Budget than they presently do. Additional understanding of this area would undoubtedly benefit us all.

Is the Budget also a tool to help control the economy? Should emphasis be on outlays or on authority to obligate? Is the comprehensive budget really comprehensive?

At our November meeting Dale R. McOmber, Assistant Director for Budget Review, Office of Management and Budget, will discuss "What Accountants and Others Need to Know About the Budget". The discussion outline provided by Mr. McOmber includes several intriguing topics such as: the "thicket" of Congressional control; the "canyons" of expenditure limits; the "trackless wastes" of standard classifications; and the "rugged mountains" of evaluation.

We have invited the acting chairman of the Budget Officers Conference (and the budget staffs from all the Departments and Agencies represented by the Conference) to attend Mr. McOmber's presentation.

We feel a strong need to bring accountants and budgeteers together on a regular basis. Mr. McOmber's talk and participation by budgeteers at our meeting should help in achieving this end. Plan to join us for an interesting and informative meeting.

**December meeting** Our speaker for the December 13th meeting will be Mr. William W. Thybony, Acting Director, Office of Procurement Management, GSA. Mr. Thybony's topic will be the Commission on Government Procurement Report and its impact on financial management. We are also inviting the past and current president of the National Contract Management Association to our December meeting.

## AUDIT COMPENDIUM

The proceedings of the Fall Seminar on "Sophisticated Audit Techniques" is now at the printers. Published by the Washington Chapter, The Federal Government Accountants Association, the compendium contains the material on Performance-Operational Program-Management auditing.

Audit concepts, standards, planning, performance, monitoring and reporting, are concisely covered in these proceedings. These matters are fully illustrated by case materials drawn from successful audits performed in Federal, State and local government and in industry.

Order your copy now as the first edition is limited. This publication is available to all interested persons. The publication is priced at cost: single copies; nonmembers \$2.00; FGAA members \$1.75. Orders will be filled on a first come first served basis.

### ORDER FROM

#### FGAA AUDIT COMPENDIUM

6020 Fort Hunt Road  
Alexandria, Va., 22307

Enclose check of money order.

Limited number of copies will be available at the November meeting ..... see Frank LaCava

## Northern Virginia

The regular monthly meeting will be held Tuesday, November 13, 1973. Harry Levine, FGAA National President, will speak on "Operational Auditing".

**Place:** Valle's Steak House, Springfield, Virginia

**Time:** Dinner (\$5.00) is at 6:00 p.m.

**Reservations:** Call Jim Alubowicz at 557-2151 by November 9th

## Montgomery— Prince Georges

On November 14, 1973, Mr. Charles W. Stewart, Jr., President, Machine and Allied Products Institute, will speak on "The Danger of Eroding The U.S. Government Contractor Base".

**Place:** The Sheraton Silver Spring Inn, Colesville Road, Silver Spring, Maryland

**Time:** Cocktail hour is at 6:00 p.m. Dinner (\$5.25) is at 7:00 p.m.

**Reservations:** Call Matthew Groff at 557-2986 by November 9th.

# OCTOBER MEETING REPORT



*James T. Clarke, Assistant Secretary of Management, Department of Interior, discusses the management by objectives approach.*

Despite the change from our usual meeting date and competition from several other accounting-related groups, more than 215 members and guests met October 18 to hear James T. Clarke, Assistant Secretary for Management, Department of Interior, discuss the management by objectives approach now in use in Interior.

**MBO-Antidote to Crisis Management** Mr. Clarke began his presentation by posing some potential crises that were all-too-realistic in today's world, in order to dramatize how easily Federal management can become mired in day-to-day firefighting. MBO provides a way to focus attention on the longer-term goals and objectives that lie beyond the crises.

MBO was defined by Mr. Clarke as a style or process of management rather than a system. It is based on (1) an agreement regarding the specific objectives an individual or group is working toward, (2) the specific tasks required to accomplish the goals, and (3) a method for monitoring progress. The process must be participative — objectives should be established by the people who are to achieve them.

**Interior's MBO** The Department of Interior, after much deliberation and debate, has selected about 15 "presidential" objectives and 20 "secretarial" objectives as a fundamental group of things they would like to make happen, according to Clarke. A few examples are

- to hold three OCS lease sales of at least 1.0 million acres each

## The October Meeting Headtable Included:



*Francis X. LaCava; Kent Crowther; Perry Duncan; Fred Layton; Susumu Uyeda; Gerald Murphy; Hono*

- achieve a 7% reduction in the consumption of energy by Federal Government.

The main difficulties encountered in establishing objectives such as these involved defining broad policy mandates specifically enough to be measurable.

Once the set of objectives was agreed upon, work plans were developed for monitoring progress in a way that was formal but did not involve voluminous paperwork. Progress against original plans is reported on paper at least monthly. A small, three-man staff handles all the paperwork and does most of the monitoring, and progress toward objectives is discussed monthly at departmental management meetings.

Some of the things learned in this process were:

- there are deep philosophical differences between various elements in the department;
- there is a distinct lack of accountability for project results;
- lower-level staff are enthusiastic about the process because they view it as a method to ensure faster decision-making up the line;
- there is a general tendency to focus on what we are doing rather than what is being accomplished.

*A Way to Make Things Happen* Mr. Clarke finds the results of the MBO program at Interior encouraging. He believes still greater benefits will be achieved by tying the process more closely to budgeting requirements and through more general use by all parts of the organization. His experiences have led him to be an active advocate of MBO, and he believes it is a process through which managers can make things happen.

### Membership Committee Comment

The National Chapter Activities Committee is again conducting the National Membership Improvement Campaign. A number of awards for membership activities will be granted. Of particular interest to individual members is the award of an FGAA pin to the Chapter member who, as of April 30, 1974, will have sponsored the greatest number of new members for fiscal year 1974.

In addition, the Chapter membership committee will pay for the lunches at the April 1974 meeting of chapter members who sponsor ten or more members as of March 30, for fiscal year 1974.

Many of your financial management friends would like to join the Federal Government Accountants Association if only someone they know would invite them. Why don't you be that someone!

Sam Pines  
Membership Committee



ble James T. Clarke; Max Hirschhorn; Audrey B. Dysland; Sam Pines; Fred Smith; and Meir Gabbay.

## TABLE OF THE MONTH — OCTOBER MEETING SELECTIONS:

EACH MEMBER OR GUEST SEATED AT TABLES WHERE PHOTOS WERE TAKEN WILL RECEIVE  
A FREE COPY OF THE PHOTO AT THE NEXT MEETING



Allen Warshaw, NSF; Michael DiStefano, NSF; Fred Nolke, Interior; Bob Fuller, Interior; Leo Bowman, NSF; John DuPree, Interior; Thomas Parisot, Interior; Ralph Burke, NSF



Cameron McIntire, Postal Service; Stanley Haddock, DOD; James Washburn, Justice; Donald Strother, Labor; Bernard Newman, Labor; John Mehr, Labor; Daisy Burley, Treasury; Paul Gist, Treasury

### WELCOME NEW MEMBERS

|                               |                               |                              |               |
|-------------------------------|-------------------------------|------------------------------|---------------|
| J. Richard Berman .....       | GAO                           | James A. Stepien .....       | NLRB          |
| Wayne Carberry .....          | GAO                           | A. Juanita Beck .....        | NASA          |
| Donald A. O'Sullivan Jr ..... | GAO                           | Howard A. Fujiwara .....     | Army          |
| Dominic R. Calise .....       | NOL                           | Sidney A. Halpern .....      | GSA           |
| Ralph F. Ives Jr .....        | USAF                          | Sam Kaufman .....            | GAO           |
| Alfred E. Ramey .....         | GAO                           | Herbert S. Millstein .....   | USAF          |
| Christopher Olsen .....       | Labor                         | William L. Stanford .....    | AID           |
| John Potochney .....          | GAO                           | Mrs. Ariel Y. Sullivan ..... | GAO           |
| Ina O. Stanton .....          | IRS                           | Edward C. Crawford .....     | GSA           |
| Fred H. Dietrich .....        | Peat, Marwick, Mitchell & Co. | John J. Dzik .....           | GSA           |
| Paul B. Goodstat .....        | Price Waterhouse & Co.        | George F. O'Brien .....      | Patent Office |
| Francis L. Dulemba .....      | State                         | Doris A. Chew .....          | Treasury      |
| Willie L. Pittard .....       | Navy                          | Michael D. Merson .....      | Treasury      |
| William J. Washington .....   | CSC                           |                              |               |

## Interface

By Herb McLure

Touche Ross & Co.

As Lee Sidler pointed out in the *Journal of Accountancy* a few months ago, a licensed profession such as public accounting can be characterized as a state-sanctioned monopoly in which the practitioners are given exclusive right to certain activities and titles in return for maintaining high standards of professional competence, performance and reliability. Implicit in maintaining those high standards is the need to understand what the people the profession serves are trying to achieve and the requirements of the environment in which they are trying to achieve it. Public accountants have long held to the maxim that, to be most helpful, you must understand your client's business.

Not so long ago, understanding a client's business was largely a matter of being familiar with product lines, sources of supply, merchandising or manufacturing methods, and marketing considerations. The only problems most businesses had that involved the government were tax problems. Now, however, economic stabilization policy has brought the government closer to almost every businessman in the country. And, quite frankly, a lot of businessmen are confused.

The economic stabilization regulations are logical in theory, given an understanding of what they are intended to achieve, and the Cost of Living Council seems to have tried a variety of methods to communicate their intention. But, many businessmen are still turning to their accountants and saying "What am I allowed to do?". I recently saw a memo from a hospital administrator to his controller asking for advice. Attached to the memo was a letter from a health insurance company requesting that the hospital supply certain information to ensure compliance with COLC regulations; the administrator had filled the margins with questions such as, "Can you explain these percentages?", "Does this mean us?", and "How can a total payment be a base price?". What the controller couldn't answer, he naturally referred to his public accountants.

Most public accountants have moved quickly to become familiar with the Economic Stabilization Program (ESP) and, by now, have gone through four different sets of manuals and training programs (the initials of the program are purported to be what you need to understand it). Many who work in the Washington, D. C. area are on a first-name basis with the people at the COLC. A few issues ago, I said I would mention

## NEWS BITS. . .

By BOB MEYER, GAO

Editor, News Bulletin

My sincere thanks to Bob Pewanick of GAO for his assistance in getting this and other issues of the News Bulletin ready for press . . . The U.S. Customs Service has 4 vacancies in Washington, and many in the field, for GS 510 Auditors grades 7-12; contact Mr. Roger Virgelen, Office of Security and Audit, U.S. Customs Service, 1145 19 St., Wash., D.C. Phone 964-5315 . . . Environmental Protection Agency is trying to locate retired federal auditors who would be interested in working as intermittent employees on a job-by-job basis for the EPA Office of Audit. Offices are in Washington, D.C., New York, Atlanta, Chicago, and San Francisco, and each office will hire 10-12 intermittent employees. Retired federal auditors who might be interested should send a completed Form 171, copy of separation document (Form 50) and their annuity number to EPA Office of Audit, Attn: Mr. James Teare . . . Condolences to Joe Donlon, our program director, whose mother passed away last week. . . . The Washington Chapter, Institute of Internal Auditors is sponsoring "T. Jack Gary Night" on December 6th, 1973. Mr. Gary will be presented the chapters newly created Man-of-the-Year Award. Contact Max Alger, 274-6210 for information and/or reservations.

## New Membership Directory

The membership directory will be published during January 1974. It will include all new members and those in good standing as of November 30, 1973. The quality of the directory and its usefulness will depend on the support and interest of our members. The biggest problem last year was the inability to determine the place of employment and/or telephone number for many of our members. In order to keep these omissions to a minimum, we are asking those members who fell into that group to provide this information to the committee. If there are any questions you may call Paul Gist on 964-8543.

some of the ways private sector accountants are profoundly affected by new government programs. ESP is an outstanding example.

## 1973-74 CAPITAL REGION SEMINAR PROGRAM LAUNCHED

The 1973-74 seminar program was launched in recent meetings of officials of the three Capital Region chapters. The program will deal with current developments in management, and will focus on Government Agency Management and Operational Auditing. Sponsored by the Capital Region Council, the program consists of two seminars.

The first seminar, chaired by Raymond Einhorn of American University, is scheduled as a one or one and one-half day affair in early December or January. It is tentatively titled: "The Government Manager — A Strategy for Success in Managing Resources". The program, featuring top caliber administrators and financial management executives, will cover:

- I. Concepts — A pragmatic review of theory and practice.
- II. Management of a Federal Agency — (from the experiences of successful administrators).

a). Ingredients, techniques and achieving balance in the use of resources.

b). Financial Management — Is it a Keystone?

Interfaces: Programming-Budgeting/Accounting-Performance-Management-Reporting-Evaluations-Decision Making

c). The transfer of functions to GSA — What went? What stayed in OMB? Policy roles GSA-GAO-OMB Treas-CSC-your agency?

The second seminar, chaired by Joseph W. Dodwell, consultant to the International Firm of Coopers & Lybrand, is titled: "Operational-Performance-Program-Management, Auditing". This two or two and one-half day seminar scheduled in March will feature top flight professionals from state, local and Federal government who will present new, current material. The seminar will cover:

- Concepts
- Standards
- Planning
- Performance
- Monitoring
- Reporting

Presentations will be based on material drawn from actual audits in Federal, state, and local government, in which the scope was extended beyond custodial and financial control aspects. Emphasis will be placed upon audit programs designed to isolate and identify opportunities for increasing efficiency, for cost reduction, and for improving operational or program effectiveness.

Capital Region Vice President Maurice Pujol, Northern Virginia Chapter President Frederick Heim, Montgomery-Prince Georges Chapter President Joseph Modafferi, and Washington Chapter President Gerald Murphy are looking forward to another successful year of cooperative educational endeavor. Committees are now being formed and you will all be kept advised of specific dates, times and places.

## SECOND WASHINGTON CHAPTER FGAA PRACTICUM IN PRESENTATION TECHNIQUES

As a result of the success of our initial effort in this area last month, we are proud to announce another opportunity to attend this program. The second Practicum will be held at the National Lawyers Club at 1815 H Street, N.W., on December tenth thru the twelfth.

The program will be highly participative and you will learn by doing. Comments of the first class were very high on the course being both utilitarian and practical. Should you wish to contact any of the participants personally, the following people attended from the agencies indicated: Michael J. Sicola and Anthony M. Nigro from Agriculture; Stanley J. Haddock from Defense; Thomas S. Gallagher and James L. Washburn from Justice; John W. Mehr, Bernard Newman, and Donald E. Strother from Labor; Norman M. Goldstein from National Institute of Mental Health; Cameron M. McIntire from Postal Service; and **Daisy P. Burley and Paul J. Gist** from Treasury.

Our resource person for the Practicum will again be Mr. Laurence Olewine, a recognized authority on the subject of presentation technique. Cost of the program is \$75.00 and space can be reserved by calling Miss Malinda Heineking at OX-72496 or OX-66303, or mailing the registration form to the address indicated below.

A recent newspaper advertisement seeking account executives for a major firm indicated they were looking for people who could "... get to the point without seeming abrupt (and) be absolutely frank without seeming insensitive." Does this

describe your personal presentation or communication pattern? If not, you're not alone, but participation in the Practicum will give you lots of helpful ideas, and some practice to head you in the direction of this highly desirable goal.

The program will be structured on the following major areas:

1. The Horrible Listening Habits of Most Audiences ... capitalize on them.
2. Spelling Out the Purpose of Your Presentation ... and in 3 to 5 words.
3. Pre-presentation Analysis ... the situation, the audience and the place.
4. Strategies for Gathering and Organizing Material ... *logic* is the key word.
5. Wording the Presentation ... "wording" is not the same as writing.
6. Visualization Can Both Help and Hinder ... you make the choice.
7. Practice, Practice, Practice ... procedures are good, better and best.
8. Nervousness ... we all have it, but few use it as an asset.
9. Delivering for Maximum Effectiveness ... where the rubber meets the road.

Here is a chance to expand your professional expertise in an area with high pay-off potential. Why don't you join us?

### REGISTRATION FORM FOR THE FGAA PRACTICUM IN PRESENTATION TECHNIQUES DECEMBER 10, 11, and 12

Registration fee is \$75.00 (checks should be made payable to Washington Chapter, FGAA)

Send this form with a check or appropriate authorization to:  
Miss Malinda Heineking  
1200 S Court House Road  
Arlington, Virginia 22204

Name \_\_\_\_\_  
Agency \_\_\_\_\_  
City/State/Zip \_\_\_\_\_  
Office Phone Number \_\_\_\_\_

Attendance is not limited to FGAA members, but is open to all. However, registration will be limited to twenty, on a first-come first-served basis.

## The Federal Government Accountants Association WASHINGTON CHAPTER



### NEWS BULLETIN

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