

The Washington Connection

ASSOCIATION OF GOVERNMENT ACCOUNTANTS
WASHINGTON DC CHAPTER

FEBRUARY 2006 ISSUE



In this issue . . .

President's Message	2
AGA-DC Events Calendar	4
Inside the Black Box	6
AGA-DC Profile of the Month	8
Ski Trip to Liberty Mountain Resort	11
Tour of the Washington National Cathedral	12
February Membership News	13
February Community Service News	14
January 19th AGA-DC Luncheon	15
Award News	18
Annual CGFM Renewal Time FAQ's	20
AGA-DC is Sponsoring Two Hours of Free CPE for its Members!	21
Federal Financial Management Conference	22
Mission Possible: Getting to Green	23
55th Annual Professional Development Conference & Exposition	24
What's New at GAO, Treasury, OMB and FASAB?	25
FASAB Call for Candidates	28
Fighting Fraud: The Basics	29
2006 Officers and Directors	31



WASHINGTON DC, CHAPTER

Would you like to receive e-mail reminders of our monthly meetings and conferences? If so, please log on to the AGA National website at <https://members.agacgfm.org> to verify that all of your contact information is up-to-date (you will need your AGA member id and password).

Keeping America's Money Safe: Meet the Money Makers at the February 16th AGA-DC Luncheon

by Scott Bell, AGA-DC President-Elect and Director of Programs

Of all of the controls and security measures in use around the Federal government, few are more important to us as individuals than those that protect the money that we personally use every day. The counterfeiting of money is one of the oldest crimes in history. At some periods of early history, it was considered treasonous and punishable by death. While modern-day penalties for counterfeiting are generally not quite as extreme, it continues to be a significant threat. The Bureau of Engraving and Printing (BEP) of the Department of the Treasury, in cooperation with the U.S. Secret Service, constantly monitors counterfeiting and other fraudulent activity and seeks methods and innovations to enhance the security of the nation's currency and other official documents.

For our February luncheon, the AGA-DC Chapter is pleased to welcome Lisa DiNunzio, a program manager in the BEP's Office of Security Technology. Ms. DiNunzio manages and directs programs that develop and implement counterfeit deterrence methods and systems to help thwart this age-old, yet constantly evolving problem that can impact each and every one of us. As the Government's only source for paper currency production, the BEP prints billions of Federal Reserve notes for delivery each year. Security of those notes and other official documents is a significant component of the BEP's mission.

continued on page 7



February Luncheon



Getting to Green, and Everything In Between! Luncheon Series

*Lisa DiNunzio, Program Manager, Office of Security Technology
Bureau of Engraving and Printing*

Thursday, February 16th Luncheon: 11:30am – 1:30pm

Members: \$25.00, Non-Members: \$30.00

For more details, see <http://agadc.org/mlunch2.php>

Register online at <https://secure.serve.com/AGADC/lform2.php>

Zola restaurant • 800 F Street, NW (next to the International Spy Museum)
(one block from the Gallery Place/Chinatown red/yellow/green line Metro)



President's Message

by Lisa Casias, President



Ms. Lisa Casias, President

Dear Chapter Members,

During the fall, we reached out to our members to nominate individuals for several AGA leadership awards. Our chapter nominated several individuals for these prestigious awards and we are pleased to announce that all of our nominees were selected by the AGA National committees. These awards will be presented at the annual National Leadership Conference and the award winners will also be recognized at the Annual Washington Chapter Awards dinner to be held on Wednesday, April 26, 2006.

We are pleased to congratulate the recipients -- Dr. Linda Combs the recipient of the Distinguished Federal Leadership Award, recognizing Dr. Combs' extraordinary leadership and accomplishments in improving federal financial performance; Gene L. Dodaro the recipient of the Elmer Staats Award, recognizing Mr. Dodaro's extraordinary commitment to excellence in government, tireless dedication and sustained outstanding leadership, extraordinary personal integrity and professionalism; and, David L. Cotton the recipient of the Andy Barr Award, recognizing Mr. Cotton's 25-plus years of effort in exemplifying and promoting excellence in federal financial management, demonstrating outstanding leadership and high ethical standards, and providing high quality audit and advisory services to improve financial management at dozens of federal agencies.

Our Chapter is currently soliciting names for AGA's National Awards to be presented at the 55th Annual Professional Development Conference and Exposition to be held June 18-21, 2006 in San Diego. These awards are detailed on page 18 of this newsletter. I would like to thank Pat Wensel, Awards Director for coordinating the Leadership and National awards for the Chapter.

Membership. We recently sent a letter to agency CFOs and DCFOs asking for representatives to serve as AGA-DC liaisons. We believe liaisons play a critical role in informing members about professional development and networking opportunities, and in building AGA-DC membership. The Chapter held a luncheon for current agency liaisons and those individuals interested in becoming agency liaisons in January. If you missed this event but are still interested in learning more information about the liaison role, please contact Marguerite Nealon and LeAnn Corcoran, our membership and agency liaison coordinators.

Professional Development. As anticipated, our January luncheon attracted a full house to hear Don Hammond, the Fiscal Assistant Secretary from the Department of Treasury; Jim Sturgill, Assistant Commissioner for Governmentwide Accounting; and Faye McCreary, Director of the Financial Reports Division discuss the results of the fiscal year 2005 governmentwide financial statement audit. Congratulations to Mike Shifrin for winning the door prize for the National Game tickets in the spring. The fifth installment in our educational luncheon series, "Getting to Green, and Everything in Between!," will be held on Thursday, February 16, 2006, at Zola's Restaurant. Please join us for an informative presentation by Lisa DiNunzio, a program manager in the Bureau of Engraving and Printing's (BEP) Office of Security Technology, describing how BEP safeguards one of our most important assets — our money.

Under the leadership of Mike Allen, Director of Education, and thanks to the many volunteers from the chapter, the planning for the AGA-DC spring conference is well underway. The theme selected is "Mission Possible: Getting to Green." Fitting the theme, the location will be at The Spy Museum. Topics on the agenda include: the GWA Modernization Project, Implementing the new A-123, Performance Measurement, Budget Process Automation, Purchase Card Controls, and Enterprise Architecture for Financial Management. Mark your calendars for Wednesday and Thursday, May 3-4, 2006.

Early Careers. Our second informal early career luncheon was well-attended. Participants representing several agencies had an informative exchange with Terry Hurst, Unified Financial Management System Program Director, from HHS. The next early career lunch is planned for April 11, 2006. Please encourage those with less than five years of experience in government accounting/accountability to put this event on their calendars. As a result of the overwhelming success of the first CGFM course offered to our early career members, I am pleased to announce that the chapter is in the process of planning another course for the spring. If you would like more information about the CGFM program, you can check out www.agacgfm.org/cgfm or contact Ken Bresnahan at ken.bresnahan@gt.com or 703-637-3034.

Community Service. The collection for the Make-A-Wish Foundation was a great success again in January, thanks to the generosity of those who attended the luncheon. We collected \$60 for this worthy cause which will be matched by AGA National for a total donation of \$120. This month, we will be supporting the Volunteer Income Tax Assistance program. If you plan to participate in this effort, please notify our Community Service representatives, Tonya Allen-Shaw at 202.720.5026 or Lloyd Farmer at 301.809.1326. The chapter also continues to collect eyeglasses for the Lions Club and cell phones for the Verizon Wireless Communications HopeLine. Members can bring them to any of the luncheons or contact Tonya or Lloyd.

Member Services. All work and no play can lead to some dull accountants! Karl Boettcher, our member services coordinator ensures that does not happen. Over the last few months, members have experienced Gemutlichkeit at Oktoberfest, visited the National Zoo, enjoyed a holiday gathering, and spent an evening celebrating the Chinese New Year. There are many more events scheduled for this year including this month's ski trip and a National's Baseball game planned for the spring. We hope that you are able to attend at least one of these events during the year.

As usual, all of the upcoming year's activities can be found on our chapter's website, www.agadc.org, in addition to the monthly newsletter, The Washington Connection. You can contact the Officers and Directors if you are interested in assisting with any of the chapter activities or to provide suggestions on enhancing the programs we offer. The 2006 Officers and Directors' list can be found in this newsletter and on our website.

Sincerely,
Lisa Casias

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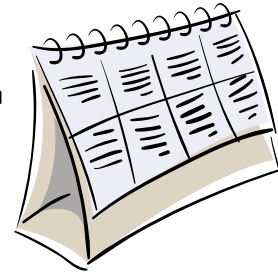
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AGA-DC Events Calendar



Schedule of Events

February 2-3
AGA's Fourth Annual National Leadership Conference
(see page 21 of the December newsletter)

February 10
Skiing at Liberty in PA
(see page 11)

February 15
Deadline for AGA National Award Nominations
(see page 18)

February 16
Monthly Luncheon
(see front page)

February 2006

Sun	Mon	Tue	Wed	Thu	Fri	Sat
			1	2	3	4
5	6	7	8	9	10	11
12	13	14	15	16	17	18
19	20	21	22	23	24	25
26	27	28				

AGA-DC Events have a border.

March 2006



Sun	Mon	Tue	Wed	Thu	Fri	Sat
			1	2	3	4
5	6	7	8	9	10	11
12	13	14	15	16	17	18
19	20	21	22	23	24	25
26	27	28	29	30	31	

AGA-DC Events have a border.

Schedule of Events

March 1
Audio Conference
(see page 21)

March 3
Registration Deadline for Federal Financial Management Conference
(see page 22)

March 10
Federal Financial Management Conference
(see page 22)

March 12
Tour of National Cathedral
(see page 12)

March 16
Monthly luncheon

2006 Schedule of Events

Mark these dates on your calendar so you do not miss any of these fabulous events! Check future newsletters or the AGA-DC website at www.agadc.org for more details.

Date	Type of Event	Activity
February 7	Chapter Meeting	Monthly meeting of the chapter officers and directors
February 10	Member Services	Skiing at Liberty in PA (see page 11)
February 16	Luncheon	Monthly Luncheon (see front page)
February	Community Service	Support the Volunteer Income Tax Assistance Program (see page 14)
March 1	Education	Audio Conference – Implication of Sarbanes-Oxley (see page 21)
March 7	Chapter Meeting	Monthly meeting of the chapter officers and directors
March 12	Member Services	Tour of National Cathedral (see page 12)
March 16	Luncheon	Monthly Luncheon
March 16	Community Service	Support the Dress for Success “Suits to Self-Sufficiency” program
April 4	Chapter Meeting	Monthly meeting of the chapter officers and directors
April 11	Early Career	Early Career Luncheon
April	Member Services	Mt. Vernon Tour
April 26	Awards Dinner	Annual AGA-DC Awards Dinner at Pier 7 Restaurant
April 29-30	Community Service	Avon Walk for Breast Cancer
May 3-4	Conference	Annual AGA-DC Conference
May 9	Chapter Meeting	Monthly meeting of the chapter officers and directors
May 18	Luncheon	Monthly Luncheon
May	Member Services	Wolf Trap Event
May	Community Service	Lion’s Club Eyeglass Recycling Program
May/June	Member Services	Washington Nationals Game
June	Community Service	Collect used cell phones for HopeLine
June	Member Services	ASMC/AGA Golf Tournament

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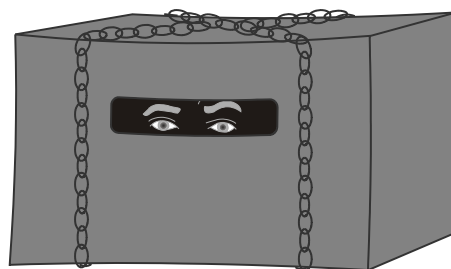


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Inside the Black Box

by Simcha Kuritzky, CGFM CPA



Selling Stockpile Materials

Background

In last month's column, I discussed the two different models for the sale of goods: inventory sales and asset disposal. Inventory sales recognize revenue and cost of goods sold, while an asset disposal simply converts the asset to cash with any difference going to a gain or loss on disposal account. In this month's column, I look at the published rules for the sales of stockpile materials.

By The Book

The accounting for inventory transactions is described under the Statement of Federal Financial Accounting Standard (SFFAS) #3, which is quoted in the Federal Accounting Standards Advisory Board (FASAB) Current Text. Stockpile materials (assets required to be held by statute, generally for emergencies) are to be declared as held in reserve or held for sale. For those held for sale, "the cost of stockpile materials shall be removed from stockpile materials and reported as cost of goods sold when sold. Any gain (or loss) upon disposal shall be recognized as a gain (or loss) at that time." [paragraph 55] This sounds like the inventory sale posting model is to be used when there is no gain or loss, and the asset disposal model is to be used otherwise.

In the Standard General Ledger (SGL)

Treasury's SGL dutifully follows the letter of paragraph 55. There are two different asset accounts, 1571 Stockpile Materials Held in Reserve and 1572 Stockpile Materials Held for Sale. The transactions to record the sale of 1572 are shown in transactions C330-C334. A sale without gain or loss uses the inventory sale model, as follows (only proprietary accounts shown here):

C330 **Proprietary Entry**
 Debit 1010 Fund Balance With Treasury
 Debit 6500 Cost of Goods Sold
 Credit 1572 Stockpile Materials Held for Sale
 Credit 5900 Other Revenue

continued on page 7

Request for Newsletter Submissions, Comments, or Suggestions

Do you have any comments or suggestions regarding the newsletter? Do you have an article you would like to see in print? Have you developed a time-saving process or procedure on the job? Have you traveled to any interesting locations? *The Washington Connection* requests that you submit any and all items of interest to our federal, state, and local members including: reviews of recently published books related to financial management; unique travel experiences or assignments; lessons learned on rollouts of new systems; appointments or promotions; employment opportunities; and noteworthy accomplishments by our members. We also welcome digital photos that accompany your submission.

The deadline for submitting articles to appear in the March 2006 issue is February 13, 2006. Please send your comments and contributions to the newsletter editor, Julia Ranagan, at ranaganj@fasab.gov. Guidelines for submission of articles and letters to the editor are located at <http://www.agadc.org/documents/artsubguide.doc>.

Selling Stockpile Materials (continued from page 6)

The sale for gain or loss uses the asset disposal model, as follows:

C332 Proprietary Entry

Debit 1010 Fund Balance With Treasury
 Credit 1572 Stockpile Materials Held for Sale
 Credit 7110 Gains on Disposition of Assets - Other

C334 Proprietary Entry

Debit 1010 Fund Balance With Treasury
 Debit 7210 Losses on Disposition of Assets - Other
 Credit 1572 Stockpile Materials Held for Sale

Conclusion

It does not make sense to only record cost of goods sold when there is no gain or loss. Since these assets were originally purchased as stockpile and only subsequently released for sale, they ought to be treated as disposed assets (the C332 and C334 postings), and not as inventory (C330). This is also in agreement with the statement's summary (SFFAS #3 Table 1).

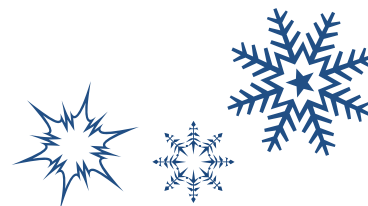


Comments and critiques, as well as specific questions or suggestions for future topics, are always welcome. Send them to Simcha.Kuritzky@cgifederal.com, and not to the AGA.

This column is provided as part of a free exchange of ideas in federal accounting, and is not reviewed substantively before publication.

Keeping America's Money Safe: Meet the Money-Makers at the February 16th AGA-DC Luncheon (continued from front page)

The luncheon will be held on Thursday, February 16, 2006, at the Zola restaurant at 800 F St., NW, adjacent to the International Spy Museum. Make sure you register early to learn about this critical, yet largely unseen element of money management. The luncheon starts at 11:30, with speakers generally starting around noon. We offer one hour of continuing professional education credit with confirmed attendance. We look forward to seeing you.





AGA-DC Profile of the Month

Karl Boettcher, Director of Member Services



Karl Boettcher, George Washington University Alumni Presidential Inauguration Ball, January 2005

Name:

Karl Boettcher, CGFM

Title/Office:

Mr. Boettcher as a Senior Accountant/Analyst is currently providing coordination and assistance to the Accounting Systems and Standards Directorate in ensuring the certification and accuracy of Governmentwide financial management information contained in the Treasury Financial Manual. In addition, as Chairman of the USSGL, Issues Resolution Committee, subcommittees, he has also provided assistance to agencies in resolving Governmentwide accounting issues.

In 2004 - 2005 Karl Boettcher also directed the Marketing and Recruiting efforts for the Treasury Department – FMS - Treasury Agency Services (TAS) – Franchise Fund. TAS provides accounting, financial management, and financial systems consulting services and professional development training to agencies Governmentwide.

In what other position(s) have you worked?

I was honored to be asked by the Office of the Secretary of Treasury to provide leadership and guidance to various levels of agency management as a loaned executive for the 2003 Combined Federal Campaign of the National Capital Region.

I enjoyed working with the Department of Treasury, Office of the Inspector General, in performing national and international audits. One of my most memorable assignments was an international review of our U.S. Government operations in Saudi Arabia.

In my past life, I also worked for a local CPA firm and am proud to have served our country in the Armed Forces as a member of the Active Army, Army Reserves, and the DC National Guard.

How long have you been a member of AGA?

I have been a member of the AGA - Washington D.C. Chapter for over 25 years. It seems like only yesterday.

What has been your most rewarding achievement in your career?

The ability to make a difference. In general, throughout my Treasury career, I have been fortunate to provide Governmentwide financial management guidance and assistance to departments and agencies. However, my most recent rewards have been in directing the Marketing and Recruiting efforts of the Treasury Agency Services, Franchise Fund and most importantly, in helping agencies, through the efforts of the CFC, to raise millions of dollars for those in need.

How has AGA helped you with your career?

AGA has prepared me for career advancement by providing opportunities for personal development, financial management enrichment and Governmentwide organizational familiarization. It provided on-going educational training at both the local chapter and national levels. It added value to my graduate degree in financial management by providing additional professional recognition as a Certified Government Financial Manager (CGFM). It also provided me with numerous Governmentwide and private industry networking opportunities. Last, but not least, AGA has fostered leadership development by encouraging me to accept various chairmanship and directorship positions in the local chapter and leadership on a national basis as a Regional Coordinator, and a Regional Vice President.

continued on page 9



AGA-DC Profile of the Month (continued from page 8)

Karl Boettcher, Director of Member Services



Karl on his Harley "Fat Boy" motorcycle while on vacation in Ft. Lauderdale Florida, May 2005

What advice do you have for someone thinking about joining AGA?

Joining AGA is important to your professional growth. It is the premier Financial Management Association that offers members the important opportunities for professional training, certification, networking and leadership. I am also very proud of the DC chapter in their outreach efforts in the areas related to social, community and early career activities. Whether you are an employee with the Federal, State or Local Governments, or a Government Contractor, take advantage of the tremendous opportunity that AGA provides both personally and professionally in "Advancing Government Accountability."

What is the best thing about working in Government service?

The opportunity to make a real difference. While the financial rewards may be less than those in the private sector, there is a great deal of personal satisfaction obtained by providing overall financial management guidance and assistance to agencies.

What have you seen as the biggest obstacle in Government?

Sound policies and decisions being overshadowed by political agendas. However, I think it is a reality of life that most of us have experienced.

What is your favorite hobby or outside activity?

While I enjoy playing chess and reading (especially the AGA journals and newsletters), I am extremely active in a variety of sports. I play competitive tennis and racquetball. I also enjoy playing golf, skiing, bowling, motorcycling, skydiving, and scuba diving.

What is your favorite flavor of ice cream?

My taste changed from French Vanilla to Chocolate Raspberry.

To find out what's happening at other AGA chapters in the area:

Visit the Baltimore chapter's website at <http://www.aga-balt.com> to learn about their upcoming events.

Visit the Northern Virginia chapter's Web site at <http://www.novaga.org> to learn about their upcoming events.

Visit the Montgomery/Prince Georges chapter's Web site at <http://www.marylandaga.com> to learn about their upcoming events.

The Washington Connection is Seeking Nominations for Member “Profiles of the Month”

The Washington Connection is seeking your nominations for outstanding, unique, or otherwise interesting AGA-DC members to include in future issues of the newsletter. For example, do you know a member that is dedicated to the accountability profession, a collector of unique memorabilia, fluent in several languages, a black belt in Tae Kwon Do, or a prize-winning quilter? Or perhaps someone that has recently published a book, finished classes for a new college degree, been a contestant on a game show, participated in a marathon, supported a charitable cause, or obtained a patent?

Please submit all nominations to Don Geiger, Newsletter Assistant, at Donald.Geiger@do.treas.gov, and include the following information:

- Name of the person being nominated;
- Contact information for the person being nominated;
- Reason why the individual is being nominated (in 250 words or less);
- Name of the nominator; and,
- Contact information for the nominator.

Nominations will be considered based on suitability, availability of space, and willingness of the nominee to be interviewed. Self-nominations are accepted.



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We are looking for people like you to continue our growth. To find your best fit go to www.pwc.com/dcjobs. Successful candidates must have strong written and verbal communication skills, a bachelors degree and meet the certification requirements of the position.

Applicants selected for our Washington Federal Practice will be subject to a government security investigation and must meet eligibility requirements for access to classified information.

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Ski Trip to Liberty Mountain Resort

February 10, 2006

Member Services, in partnership with the Northern Virginia, Montgomery/PG, and Baltimore Chapters, is sponsoring a day ski trip to Liberty Mountain Resort on Friday, February 10, 2006. Liberty is conveniently located just about one hour (60 miles) from the DC area. Take 495 to 270 North to Frederick. Then 15 North to Emmitsburg exit into South Seton Avenue. Left on to Route 140 West which becomes Route 16. Follow Route 16 to 116E. Right on 116E for 3 miles. Plenty of complimentary parking is available within walking distance to the slopes.

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

- \$48.00 – Learn to Ski/Snowboard (limited mountain);
- \$59.00 – Intermediate and advanced (all mountain); and,
- \$32.00 – lift ticket only (all mountain).

Members can start check-in at the Clock Tower building group registration area starting at 8:00 a.m. Equipment rental opens at 8:30 a.m. Slopes open at 9:00 a.m. and close at 10:00 p.m. Lunch is available at the lodge cafeteria. A reduced price lunch ticket can be obtained at registration for \$8.00.

We will meet at the Ski School Bell at 12 noon for an AGA group picture. Complimentary coffee/hot cocoa and a world famous cinnamon bun will be available for members at the refreshment stand by the ski shop at 3:30 p.m. There will be an après ski gathering at McKee's Tavern after 6:00 p.m. 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; the alternate date is Friday, February 17, 2006. Please check the AGA-DC website at www.agadc.org for any last minute changes.

Refreshments and snacks will be provided compliments of our corporate sponsors.

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

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Tour of the Washington National Cathedral

Member Services, in partnership with the Northern Virginia, Montgomery/PG, and Baltimore Chapters, is sponsoring a tour of the Washington National Cathedral on Sunday, March 12, 2006. We will meet inside at the rear of the Cathedral at 1:45 p.m. for a 2:00 p.m. tour. The official interior tour will be narrated by a docent of the Cathedral's art, architecture and history and last about 30 to 45 minutes. This will allow ample time for visiting the Cathedral shops and gardens. It is suggested that you arrive early since ongoing parking garage construction has limited the usual availability of free parking on the streets adjacent to the Cathedral (North, South and Pilgrim). While there is no charge for the tour, a \$3 suggested donation per person is being contributed compliments of our corporate sponsor -

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If you are interested in this activity, please let us know as soon as possible. Send your electronic response or direct any questions to our Member Services Director, Karl Boettcher, at karl.boettcher@fms.treas.gov or 202.874.6131. Additional information can also be obtained from the Cathedral's website at <http://www.cathedral.org/cathedral/>.

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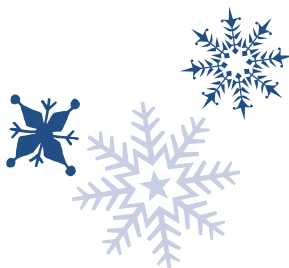
Membership News

by Marguerite Nealon, Membership Director and Agency/Corporate Liaison, and LeAnn Corcoran, Membership Assistant Director

AGA-DC T-Shirts for Sale

Stand proud and wear an AGA-DC T-shirt! Soon you will be informing others about what AGA-DC membership can do for them. Take a look at our sharp design and let us know what size you would like: S, M, L, XL, 2XL, 3XL, 4XL. Prices range from \$11 to \$16, depending on the volume we order and whether or not you would like "CGFM" added to the left sleeve.

If interested in ordering a T-shirt, please contact LeAnn Corcoran at: lcorcoran@savantage.net.



February Community Service News

by *Tonya Allen-Shaw, AGA-DC Director of Community Service, and Lloyd Farmer, AGA-DC Community Service Assistant*

February (Volunteer Income Tax Assistance)

The AGA-DC Chapter is continuing our tradition of supporting the Volunteer Income Tax Assistance Program (VITA). VITA offers free tax help by trained volunteers to low- to moderate-income (\$37,000 and below) individuals who cannot prepare their own tax returns. VITA sites are generally located at community and neighborhood centers, libraries, schools, shopping malls, and other convenient locations. Volunteers prepare Form 1040A, Form 1040EZ and Form 1040 with Form 1040 Schedule A and B. All VITA volunteer tax preparers need to be certified. The easiest way to become certified is through the website: www.irs.gov, IRS keyword "link and learn" or "volunteer training." The website is available 24/7 and you can work at your own pace.

Volunteers are also needed to assist with filing, copying, and assisting VITA participants through the process. These volunteers do not require training.

The program starts February 15th and continues throughout the tax season. Please register for the training immediately if you are interested in tax preparation and contact either Lloyd Farmer at 301.809.1326 or Tonya Allen-Shaw at 202.720.5026. We need volunteers for tax preparation and program assistance.

March (Dress for Success Suit Drive)

AGA-DC is also continuing its support of the Dress for Success "Suits to Self-Sufficiency" program. Dress for Success is a not-for-profit organization that offers services to help advance low-income women's economic and social development and to encourage self-sufficiency through career development and employment retention. Dress for Success responds to the needs of local communities by providing programs that help economically disadvantaged women acquire jobs, retain their new positions and succeed in the mainstream workplace. Each Dress for Success client receives one suit when she has a job interview and a week's worth of separates when she gets the job.

The AGA will be collecting suits at our March luncheon in support of the "Suits to Self-Sufficiency" program. Cash donations will also be accepted. Make checks payable to "Dress for Success." If you have a suit and cannot make the March meeting, Dress for Success currently accepts clothing donations at its monthly suit drive on the first Wednesday of every month in the food court of Pentagon City Mall in Arlington, VA, from 6:00 p.m. to 9:00 p.m.

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Treasury Presents Results of the 2005 Governmentwide Financial Report and Audit at the January 19th AGA-DC Luncheon

by Julia Ranagan, AGA-DC Newsletter Editor

On Thursday, January 19, 2006, three officials from the Department of the Treasury – Don Hammond, Fiscal Assistant Secretary; Jim Sturgill, Assistant Commissioner for Governmentwide Accounting; and Faye McCreary, Director of the Financial Reports Division – presented the results of the 2005 Governmentwide financial report and audit to a sold-out audience at AGA-DC's fourth luncheon in our 2005-2006 luncheon series, "Getting to Green and Everything in Between!"

Mr. Hammond opened the presentation by highlighting the results of the fiscal year 2005 financial statement audit, noting that it was the first time that all major agencies met the accelerated due date for federal financial reporting. He pointed out, however, that while all of the major agencies had met the accelerated due dates, five of the 24 major agencies did not receive a clean audit opinion. Therefore, there is obviously still more work to be done.

In addition, Mr. Hammond noted that the governmentwide financial report has not yet received a clean opinion due to three principal reasons: (1) the five major agencies that do not yet have clean opinions on their financial statements; (2) the lack of reconciliation of intragovernmental transactions; and (3) preparation of the financial report.

Mr. Hammond asked the audience to think about how the financial reporting and audit process went for 2005. He said that agencies should have found that the preparation and audit process got a lot smoother and easier. He said that as the preparation and audit process becomes more and more routine and streamlined, agencies should be able to find more time freed up to work on other tasks of importance, such as cost accounting and recording of intragovernmental transactions. Mr. Hammond stated that proper recording and reporting of intragovernmental transactions is the one dimension of federal financial reporting that can only be solved by a coordinated, concerted effort among all of the agencies. Another area that Mr. Hammond encouraged agencies to look at is where it might make sense, within each agency, to have formal financial information prepared on a more regular basis than annually or quarterly.

Mr. Sturgill presented the history of the governmentwide financial report, improvements made in the reporting process since fiscal year 1997, and improvements made in operating activities. He noted that the consolidation process has been plagued by three major deficiencies: (1) reporting Inconsistencies; (2) elimination of intragovernmental balances; and (3) the reconciliation of operating results with budget results.

Mr. Sturgill highlighted the material weaknesses noted in the governmentwide financial report, which exist in the areas of Property, Plant, and Equipment and Inventories and Related Property; Liabilities and Commitments and Contingencies; Cost of Government Operations and Disbursement Activity; Accounting for and Reconciliation of Intragovernmental Activity and Balances; Net Outlay; and Preparation of the Consolidated Financial Statements. Mr. Sturgill also briefly highlighted the material weaknesses in the report consolidation process. He noted that 2005 was the second year that the Governmentwide Financial Report System (GFRS) was used and was pleased to report that GFRS only went down once for a period of 14 minutes during the reporting window.

Ms. McCreary discussed the closing package process that was first implemented in fiscal year 2004. She briefly highlighted the fiscal year 2004 results and enhancements implemented in fiscal year 2005 that improved the overall closing package process. She then noted the planned enhancements for fiscal year 2006, which primarily consist of plans to (1) pre-populate prior year data in Financial Statements, Reclassification, and Intragovernmental Trading Partners Modules so that agencies do not have to re-enter the prior year information each year and (2) implement a one-click function button to print all Notes reports, all Other Data Notes reports, all Reclassification reports, and all Audit Trail reports.

Messrs. Hammond and Sturgill and Ms. McCreary fielded a number of questions from interested participants.

Lisa Casias, AGA-DC President, congratulated Mike Shifrin on winning the drawing for two tickets to the Washington Nationals baseball game to be hosted by AGA-DC in the spring.

continued on page 16

Treasury Presents Results of the 2005 Governmentwide Financial Report and Audit at the January 19th AGA-DC Luncheon (continued from page 15)



From left to right: Don Hammond, Faye McCreary, Chapter President Lisa Casias, Chapter President-Elect Scott Bell, and Jim Sturgill



Hammond, Sturgill and McCreary field questions from the audience.



continued on page 17



Treasury Presents Results of the 2005 Governmentwide Financial Report and Audit at the January 19th AGA-DC Luncheon (continued from page 16)



Christine Beck holds the bowl and Casias looks on while Hammond draws the winner of two tickets to the Chapter-sponsored trip to a Washington Nationals game in the spring.

Hammond and Casias congratulate this month's winner, Mike Shifrin.



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Award News

by Pat Wensel, AGA-DC Director of Awards

[Congratulations to Our AGA Federal Leadership Award Winners](#)

Please join us in congratulating the following Washington Chapter nominees who were selected to receive AGA Federal Leadership awards. These awards will be presented at the annual National Leadership Conference in Washington, D.C., February 2-3, 2006. Award winners will also be recognized at the Annual Washington Chapter Awards dinner to be held on Wednesday, April 26, 2006.

Distinguished Federal Leadership Award – Dr. Linda M. Combs

This award recognizes Dr. Combs' extraordinary leadership and accomplishments in improving federal financial performance. She has demonstrated management and leadership expertise in complex, competitive, and changing environments. She has set visions, established strategies, led organizations out of crisis and into successful performance, and created new concepts or services to improve competitive advantage at a number of federal agencies.

Elmer Staats Award - Gene L. Dodaro

This award recognizes Mr. Dodaro's extraordinary commitment to excellence in government, tireless dedication and sustained outstanding leadership, extraordinary personal integrity and professionalism, and for three decades of exceptional commitment and dedication to public service.

Andy Barr Award - David L. Cotton

This award recognizes Mr. Cotton's 25-plus years of effort in exemplifying and promoting excellence in federal financial management, demonstrating outstanding leadership and high ethical standards, and providing high quality audit and advisory services to improve financial management at dozens of federal agencies.

[Time is Growing Short to Submit Nominations for AGA's National Awards](#)

The deadline for submitting award nominations or your suggestions for nominees to AGA-DC is **February 15, 2006**. The Awards Committee still needs your help to identify deserving individuals that we can nominate for the following National Awards:

- **Robert W. King Memorial Award** - to formally recognize superior service that enhanced the AGA's national prestige and stature.
- **Einhorn-Gary Award** – to formally recognize major contributions to advancing government accountability.
- **Frank Greathouse Distinguished Leadership Award** – to formally recognize government employees who have demonstrated sustained outstanding leadership and notable contributions to financial management, and to encourage increased interest, growth, development and distinctive leadership in the field of financial management.
- **Achievement of the Year Award** – to formally recognize leadership or outstanding achievement in developing, implementing and improving financial management in government service in the past year.
- **Educator Award** - to recognize individuals who have made significant contributions to the education and training of government financial managers.
- **Cornelius E. Tierney/Ernst & Young Research Award** – to recognize individuals who throughout their careers (minimum of 15 years) have made continuous contributions to governmental financial management by their direct participation in research activities and/or through their encouragement and support of others engaged in government financial management research.
- **Special Achievement Award** – to nationally recognize younger AGA members for notable contributions toward improving financial management.

continued on page 19

Award News (continued from page 18)

These awards will be presented at the 55th Annual Professional Development Conference and Exposition to be held June 18-21, 2006 in San Diego. The AGA-DC awards committee is available to help you complete the nomination forms that are available on AGA's website at www.agacgfm.org/membership/awards. Please contact me via email at dpwensel@verizon.net or phone at 301.384.0896 if you have questions or potential nominees. Help us ensure that the many chapter members who have contributed so much to AGA are formally recognized for all their efforts.

Annual DC Chapter Awards dinner – April 26, 2006 at the Pier 7 Restaurant

Mark your calendars for the Annual DC Chapter Awards dinner to be held at the Pier 7 Restaurant, 650 Water Street, SW. Join us as we recognize our chapter's Federal Leadership Award winners and National Award nominees, thank chapter members for their significant accomplishments to the Chapter; and recognize our long-time members for their many years of service. In addition, we promise an outstanding dinner speaker that will earn you CPE credits. Check future issues of the newsletter for additional details.



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Annual CGFM Renewal Time Frequently Asked Questions

AGA National is getting ready to send you an annual renewal invoice for your CGFM certification and/or AGA membership. If your address has recently changed, please be sure to update your contact information with AGA and pay your dues in the "Members only" section of the AGA website at www.agacgfm.org. Below you will find answers to frequently asked questions about CGFM renewal:

Q: How often do I have to renew my CGFM designation?

A: CGFM certification is renewed on an annual basis. A renewal invoice is sent out in February and the payment is due by March 31st. If you do not receive an invoice by mid-March, please call AGA at 1.800.AGA.7211.

Q: What are the requirements for maintaining the CGFM certification?

A: To maintain the designation, a CGFM holder must:

1. Pay the CGFM renewal fee at the beginning of every year.
2. Adhere to the AGA Code of Ethics.
3. Every two years complete at least 80 hours of continuing professional education (CPE) in government financial management topics or related technical subjects (with at least 20 in each year).
4. Maintain and, if requested by AGA, provide detailed information on CPE hours completed.

If you did not renew your CGFM certification last year or have not earned 80 CPE hours in your last two-year CPE cycle, please contact the Office of Professional Certification at 1.800.AGA.7211 (703.684.6931), ext. 305.

Q: I just retired. Do I need to do anything to adjust my CGFM status?

A: Yes. If you have recently retired from AND are no longer substantially working in the government financial management community, please notify AGA of your change of status to "retired" by fax (703-562-0361) or email (agacgfm@agacgfm.org).

Should you return to work (substantial employment or contracting) in the government financial management community, please contact AGA to change your CGFM status back to "Active."

Congratulations New CGFM's

Congratulations to the following six AGA-DC members who recently earned their CGFM designation:

Kenneth Bigley James T. Jasinski Marguerite Nealon
Thomas J. Coleman Philip J. Kangas Tom W. Preston

The CGFM is a mark of distinction, demonstrating a commitment to excellence in government financial management. Its education, experience and ethics requirements have served to elevate the most seasoned financial professionals. To find out more about how you can become a CGFM, visit www.agacgfm.org/cgfm.

AGA-DC is Sponsoring Two Hours of Free CPE for its Members!

by Mike Allen, AGA-DC Director of Education

The Chapter will participate in an audio conference, hosted by AGA National, on Wednesday, March 1, 2006, from 2:00 p.m. to 3:50 p.m., entitled, "Implications of Sarbanes-Oxley for the Future of the Auditing Profession." The speakers will be *Kinney Poynter*, Executive Director, National Association of State Auditors, Comptrollers and Treasurers, and *Nancy A. Valley*, CGFM, Partner and National Industry Leader, KPMG LLP.

The audio conference will be held in the offices of the Financial Systems Integration Office (FSIO) at 1990 K Street NW, Suite 430 in Washington, DC. Space is limited, so please contact Maureen Stratford at mstratford@lmi.org to register.

In response to Sarbanes-Oxley private sector requirements, the Federal government has revised OMB Circular A-123, *Management's Responsibility for Internal Control*. Some fear this trickle-down effect may turn into a flood that will reach State and Local governments. This audio conference will cover the latest on the status of audit and internal control efforts for State and Local governments and the possible effects of additional requirements. Kinney Poynter, Executive Director, National Association of State Auditors, Comptrollers and Treasurers; and Nancy A. Valley, CGFM, Partner and National Industry Leader, KPMG LLP, will discuss these issues and the results of a joint AGA/NASACT research project on this topic.

Please join us for two hours of lively discussion about this important and timely topic. In addition to the speakers' presentations, there will be 20 minutes for Q&A so that the participants can ask the speakers questions and share their own experiences.

Location: FSIO, 1990 K Street NW, Suite 430, Washington DC

Date: Wednesday, March 1, 2006, 2:00 – 3:50 p.m. EST

CPE : Two hours

Cost: The audio conference is free for AGA-DC members but space is limited so please contact Maureen Stratford at mstratford@lmi.org to register.



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- Linda M. Springer, Director, Office of Personnel Management
- David M. Walker, Comptroller General of the United States

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Mission Possible: Getting to Green

May 3-4, 2006

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Conference Information/Registration

Program times: 8:00 am until 4:30 pm on both Wednesday and Thursday
AGA-DC and GWSCPA members: \$300 early registration (\$350 after April 14, 2006)

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Save the date now for AGA-DC's Annual Spring Conference!





Make Plans Now to Attend AGA's 55th Annual Professional Development Conference & Exposition (PDC) June 18 – 21, 2006 in San Diego, CA

With the theme "Navigating the Way to Citizen-Centered Government," the PDC promises to be an excellent learning and networking opportunity for government financial managers and accountability professionals.

Education sessions will provide technical training, emerging trend snapshots and leadership secrets from the best in the business. Speakers will explain current regulations, describe future challenges, and share lessons learned in disaster recovery and finance, among many other topics. Concurrent sessions will be organized around the following six tracks:

- Envisioning 2015: The Future of the Accountability Profession
- Building and Sustaining Strong Internal Controls
- State and Local Governments—Challenges, Strategies and Innovations
- Improving Public Performance: Transforming Data into Results
- Intergovernmental Financial Management: Collaboration or Frustration?
- Technology, Tools and Techniques for the 21st Century

In addition to an outstanding technical program, AGA's PDC provides unparalleled opportunities to network, exchange ideas with your peers and meet new friends. The Exhibit Hall connects you with the industry's leading suppliers, eager to showcase cutting-edge technologies, products and services to help you to become more effective.

Register today and secure your place at the government financial management education event of the year!

- [Register online now](#) and save
- [Click here to print the registration form](#) (PDF).
- [Click here to visit the conference website](#).

Early registration by May 19, 2006, is \$800 for members and \$1,000 for nonmembers. Save an additional \$25 by registering online.

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<http://www.agacqfm.org/downloads/agaweb.wmv>

What's New at GAO, Treasury, OMB and FASAB?

by Don Geiger, AGA-DC Newsletter Assistant



Did You Know...

- On December 14, 2005, David M. Walker, the Comptroller General of the United States, issued a statement on the U.S. government's consolidated financial statements for fiscal years 2005 and 2004. The statement, which can be found on GAO's website at <http://www.gao.gov/financial/fy2005/05gao1.pdf>, summarizes the following GAO findings:
 - Material deficiencies in financial reporting and other limitations on the scope of our work resulted in conditions that, for the ninth consecutive year, prevented us from expressing an opinion on the federal government's consolidated financial statements.
 - Auditors for 4 of the 24 Chief Financial Officers (CFO) Act agencies issued disclaimers of opinion.
 - Several CFO Act agencies had to restate certain of their fiscal year 2004 financial statements.
 - The federal government did not maintain effective internal control over financial reporting (including safeguarding assets) and compliance with significant laws and regulations.
 - Three major impediments to our ability to render an opinion on the consolidated financial statements continued to be:
 - (1) serious financial management problems at the Department of Defense;
 - (2) the federal government's inability to adequately account for and reconcile intragovernmental activity and balances between federal agencies; and
 - (3) the federal government's ineffective process for preparing the consolidated financial statements.

continued on page 26



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What's New at GAO, Treasury, OMB and FASAB? (continued from page 25)

In his statement, the Comptroller General stated "Addressing the nation's long-term fiscal imbalance constitutes a major transformational challenge that may take a generation or more to resolve. Given the size of the projected deficit, the U.S. government will not be able to grow its way out of this problem—tough choices are required. Traditional incremental approaches to budgeting will need to give way to more fundamental and comprehensive reexaminations of the base of government. Our report, *21st Century Challenges: Reexamining the Base of the Federal Government*, is intended to support the Congress in identifying issues and options that could help address these fiscal pressures. New reporting approaches, as well as enhanced budget processes and control mechanisms are needed to better understand, monitor, and manage the impact of spending and tax policies over the long term. In addition, a set of key outcome-based metrics would inform strategic planning, enhance performance and accountability reporting, and help to assess the impact of various spending programs and tax policies."

The complete statement from the Comptroller General and the entire Consolidated Financial Report may be found at <http://www.gao.gov/financial/fy2005financialreport.html>.

- GAO recently issued a guide to the Financial Report of the United States Government to help those who seek to obtain a better understanding of the Financial Report. This guide may be found at <http://www.gao.gov/financial/fy2005/guidetofrofusg.pdf>.



Did You Know...

- You can follow the links below for 2006 updates to FACTS II.
 - FACTS II What's New Newsletters: (<http://fms.treas.gov/factsii/whatsnew.html>)
 - Nitty Gritty Details on Using Program Reporting Categories in FACTS II: (http://fms.treas.gov/factsii/Details_Prgm_Rpt_cat.pdf)
 - FACTS II Job Aids: (<http://fms.treas.gov/factsii/jobaids.html>)
 - FACTS II 2006 Reporting Schedule: (<http://fms.treas.gov/factsii/schedule.html>)
- It is time to look at the fiscal year 2006 updated USSGL guidance. Follow the link below for timely information on USSGL updates to accounts, approved scenarios, and financial statement crosswalks for the 2006 Financial Statements. The most recent update is October 2005 (TFM release S2 06-01): <http://fms.treas.gov/ussgl/current.html>.
- You can subscribe to automatic email updates on FMS's USSGL Web site at: <http://fms.treas.gov/scripts/subscription/>.



Did You Know...

- OMB recently issued a memorandum to Chief Financial Officers to provide an update on the Financial Management Line of Business (FMLOB) and the Financial Systems Integration Office (FSIO). The stated goal of the memorandum is "to clarify: (i) the vision and goals of the FMLOB; (ii) the priority initiatives that will be undertaken in the near term to enable success in the FMLOB; and (iii) the governance structure that will be in place to ensure accountability for successful completion of priority initiatives, including the enhanced role of the FSIO." The memo, which indicates that such communications will continue on a regular basis so that priority initiatives can be adjusted to reflect practical lessons learned as well as new insights into better solutions and approaches, may be found at http://www.whitehouse.gov/omb/financial/ffs/memo_status_fmlob_fsio.pdf.

continued on page 27

What's New at GAO, Treasury, OMB and FASAB? (continued from page 26)



Did You Know...

- Tom Allen, a member of AGA's Northern Utah Chapter, has been selected to succeed David Mosso as Chairman of FASAB when Mr. Mosso's term expires at the end of this year. Mr. Allen will serve as a nonfederal member until Mr. Mosso's term expires on December 31, 2006, at which time Mr. Allen will assume the role of Chairman. Appointments to the FASAB are made by the FASAB Sponsors under advisement of the FASAB Appointments Panel. After careful consideration of several highly qualified candidates, the panel recommended and the FASAB Sponsors – John W. Snow, the Secretary of the Treasury; Joshua B. Bolten, the Director of the Office of Management and Budget; and David M. Walker, the Comptroller General – appointed Mr. Allen. Mr. Allen currently serves as a member of the accounting department faculty at Weber State University and retired in 2004 as Chairman of the Governmental Accounting Standards Board after nine years. He also served as the Utah state auditor for more than 10 years.
- Donald Marron, newly appointed Deputy Director of the Congressional Budget Office (CBO), has taken over as the CBO representative on the FASAB board. He replaces Elizabeth Robinson who left CBO to accept a position with OMB. Mr. Marron previously served as Chief Economist for the President's Council of Economic Advisers and as the Executive Director and Chief Economist of the Congress's Joint Economic Committee. Before his government service, Mr. Marron served as chief financial officer of a medical software start-up, as a principal with the economic-consulting firm Charles River Associates, and as an assistant professor of economics at the University of Chicago Graduate School of Business.
- The FASAB Board held its first meeting of calendar year 2006 on January 11 – 12, 2006. The agenda and current Board materials may be found at <http://www.fasab.gov/meeting.html> (note: minutes are not posted until they have been officially approved by the Board members). The agenda included introductions of the new Board members, Tom Allen and Donald Marron, followed by deliberations on the following topics:
 - Objectives of Federal Financial Reporting, specifically results of the recent roundtable meetings on the Budgetary Integrity and Operating Performance Objectives of Financial Reporting;
 - Proposed concepts statement exposure draft on elements (specifically assets, liabilities, revenues, and expenses) and recognition criteria;
 - Draft Social Insurance Exposure Draft;
 - 2005 Financial Report of the U.S. Government;
 - Revised project plan for the Application of the Liability Definition project;
 - Accounting for Fiduciary Activities Exposure Draft;
 - Updated Project Plans for the Technical Agenda;
 - Draft Accounting for Oil and Gas Resources Exposure Draft; and,
 - a DOD/OIG request for guidance.

Summaries of active projects may be found at <http://www.fasab.gov/activeprojects.html>.

- FASAB has posted the links to the online Financial Report of the U.S. Government and large agency Performance and Accountability Reports as a convenience to interested parties. The document containing the links may be found at http://www.fasab.gov/docs/fy_2005_fr_and_pars.doc.



FASAB Call for Candidates

The Federal Accounting Standards Advisory Board is currently updating its registry of potential candidates that are interested in serving as a member of the Board. Term of membership is an initial five year term with potential for reappointment for an additional five years.

The FASAB Appointments Panel advises the FASAB Sponsors – the Secretary of the Treasury, the Director of the Office of Management and Budget and the Comptroller General – on appointments and re-appointments for the six nonfederal members of the Board. The Panel's procedures provide for maintenance of a Registry of Candidates for membership on the Board. This registry helps to ensure that FASAB is able to fill any vacancies among the nonfederal members quickly and that the public interest is well represented. Currently, FASAB is updating the registry in anticipation of a January 1, 2007 vacancy.

David Mosso, currently the Board's chairman, will complete his term on December 31, 2006. The sponsors recently appointed Tom Allen to fill an immediate vacancy on the Board and to succeed Mr. Mosso as chairman in January 2007. At that time, there will be one vacancy among the non-federal members. The panel plans to make a recommendation regarding an individual to fill that vacancy by mid-2006 so that adequate time is available for the individual to become familiar with the Board's ongoing projects.

The registry is open to professionals not currently employed by the federal government who are interested in serving as members of the Board. If you are interested in serving, the FASAB website includes a "Statement of Board Members' Responsibilities," a list of current members and a fact sheet (see <http://www.fasab.gov/aboutfasab.html>). The nonfederal members serve as part-time Special Government Employees.

The five non-federal members not serving as chairperson are compensated at an hourly rate for attendance at Board meetings and an equivalent amount of time for preparation. These members are typically compensated for approximately 200 hours during one year of Board service.

Candidates may be added to the registry at any time. However, periodic calls for candidates – such as this one – serve to update the registry. The registry will be updated by February 15, 2006 in preparation for a meeting of the Appointments Panel. The registry was last updated in 2005 and FASAB will contact registered individuals on the current registry to determine if each wishes to remain on the registry. Individuals wishing to be added to the registry should submit a resume before February 15th by addressing it to fasab@fasab.gov or:

**Ms. Wendy M. Comes, Executive Director
Federal Accounting Standards Advisory Board
441 G Street NW
Mailstop 6K17V
Washington, DC 20548**

Fighting Fraud: The Basics

by James Cottrell, Jr. and Collin Keeney

Sooner or later, every organization faces fraud, with the majority perpetrated by employees or insiders. Prudent fraud risk mitigation calls for processes and controls to minimize fraud risk, deter would-be fraudsters, and catch and punish those responsible in the event that fraud does occur. Anti-fraud measures are an increasingly common focus of organizations, and the types of policies, processes and programs they employ can generally be divided into two categories: proactive/control and reactive/investigatory.

A good place for an organization to begin is with a diagnostic or assessment of its fraud risk, comparing its anti-fraud programs and controls against best practices. Such a diagnosis, considered to be a mitigating fraud factor under A-123 guidelines, should help measure the effectiveness of the company's control environment and establish its fraud risk profile, which can be used as the basis of a risk-based approach to audits. Risk-based internal audits can then help improve performance and operating efficiency – an excellent example of a detective, but retrospective, control.

Characteristics of a disciplined anti-fraud regime may be initiatives such as the development of Fraud Action Plans; web-based fraud surveys of employees; fraud detection, prevention, and investigation training sessions for staff; and the design and management of whistleblower hotlines, among others. These initiatives can be useful in strengthening controls but are perhaps even more valuable in building awareness within the organization that concrete efforts are being made to prevent and combat fraud. Increasing the perception that fraudsters will be caught and punished is perhaps the greatest fraud deterrent an organization can hope for.

No matter how strong its controls may be, every organization will eventually have to deal with fraud. Once identified, there are a number of reactive or investigatory approaches an organization can follow, such as electronic investigation, forensic accounting, asset tracing, and business intelligence services. Electronic fraud detection systems identify electronic and financial fraud indicators by sifting through large volumes of data and honing in on anomalies that could indicate the presence of fraud. If fraud is detected, asset tracing methodologies can be employed to track down and recover missing funds or assets. Forensic accounting can also be used to investigate complex fraud schemes and document evidence for the prosecution and punishment of fraudsters.

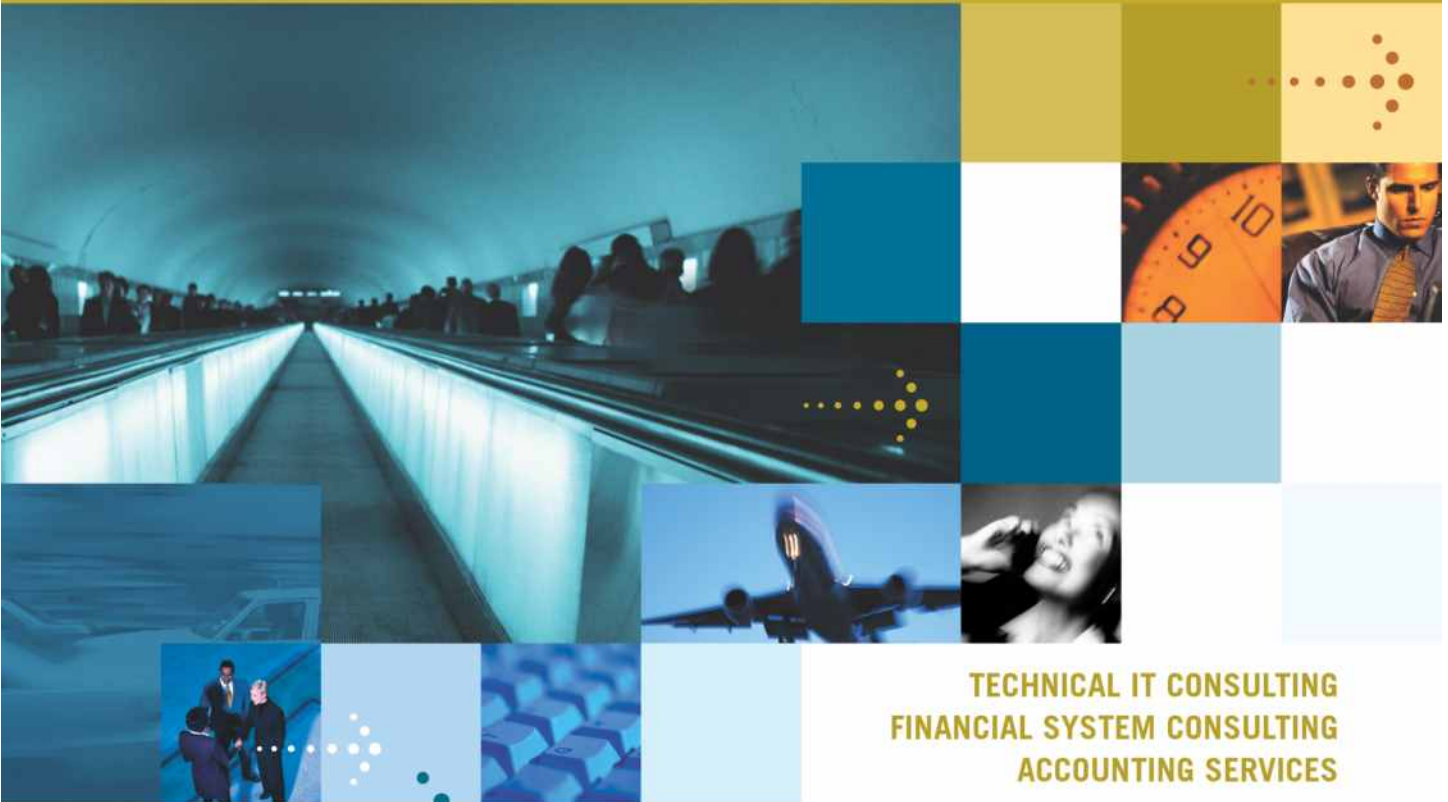
An additional set of tools that can be employed as part of a proactive investigatory approach are generally referred to as business intelligence services. These can provide a wealth of information on prospective employees, vendors, customers, and clients, and are important for their ability to help an organization to understand who they are working with. Accurate information about these groups assist in gauging the risks they may present.

There is a great variety of resources available to organizations wishing to address their fraud risks. Solutions range from assessing and addressing deficiencies in fraud controls, to building a corporate environment that deters fraud, to investigating and resolving specific instances of fraud. Generally speaking, it is much easier to prevent fraud than to uncover and resolve it, so the prudent organization is one that takes proactive measures to reduce its risk. However, even in the most controlled environment, fraud will still occur, especially considering the size and extension of today's modern global organizations.

AUTHORS: James Cottrell Jr., Deloitte Financial Advisory Services LLP, jhcottrell@deloitte.com; Collin Keeney, Deloitte Financial Advisory Services LLP, ckeeney@deloitte.com

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Directors/Chairs

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marguerite.nealon@fms.treas.gov

Agency Liaison, Marguerite Nealon
Treasury, FMS
phone: 202.874.5709
marguerite.nealon@fms.treas.gov

Membership Assistant, LeAnn Corcoran
Savantage Solutions
phone: 301.258.5628
lcorcoran@savantage.net

Newsletter Editor, Julia Ranagan
FASAB
phone: 202.512.7377
ranaganj@fasab.gov

Newsletter Assistant, Don Geiger
Treasury
phone: 202.622.0809
donald.geiger@do.treas.gov

Publications, Simcha Kuritzky
AMS
phone: 301.492.5418
Simcha.Kuritzky@cgifederal.com

Webmaster, Harris Gofstein
Bearingpoint
phone: 202.228.0689
harris.gofstein@bearingpoint.com

Webmaster Assistant, William S. Black
Bearingpoint
phone: 202.224.4842
william.black@bearingpoint.com

Regional Vice President, Mia Leswing
Clifton Gunderson LLP
phone: 301.931.2050
mia.leswing@cliftoncpa.com

Newsletter designed by Katherine Ivey | www.iveyleague.com/kathy | kathy@iveyleague.com

