

ASSOCIATION OF
GOVERNMENT
ACCOUNTANTS

AGGA NEWSLETTER

WASHINGTON CHAPTER

NOVEMBER 1985

THURSDAY NOVEMBER 14, 1985

In conjunction with the Association of Federal Investigators
LUNCHEON MEETING TO FEATURE



John C. Martin
Inspector General
Environmental
Protection Agency

and

John H. Greer
Deputy Assistant Inspector
General for Audit, Department
of Housing & Urban
Development



Jointly Speaking on
**COOPERATION BETWEEN TWO PROFESSIONS
(AUDITORS AND INVESTIGATORS)
CAN IT WORK??**

at the SAM RAYBURN HOUSE OFFICE BUILDING
Room B-338, "C" and South Capitol Streets
Near Capitol South Metro Station

Social Period	11:15
Luncheon	12:00
Cost	\$10.00 (w/Reservation)
	\$12.00 (w/o Reservation)

For Luncheon Reservations Call 695-7954

Telephone Reservations Accepted Thru November 12, 1985

NON MEMBERS WELCOME

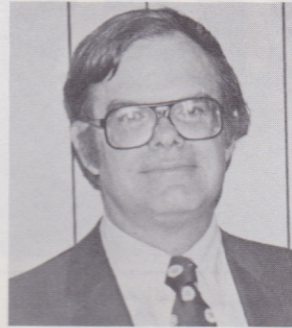
All Reservations Guaranteed

Meeting Schedule: • Dec. 5 • Jan. 9 • Feb. 6 • Mar. 6 • Apr. 3 • May 1

Washington Chapter Committee Chairpersons 1985-86



Doris Chew
Awards
JFMIP
376-5415



Charles McAndrew
Professional Notes
GAO
275-9476



Ronald Lynch
Chapter Evaluation
Arthur Andersen & Co.



Joseph Perricone
Public Service Coordinator
HHS
245-6236



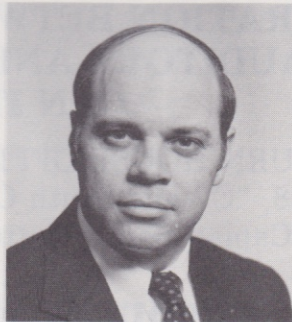
L. A. Isenberg
Employment Referral
Agriculture
447-6090



Loretta Shogren
Publications
Justice
633-3291



Jean Bowles
Chapter Recognition
State
524-1188



John Cherbini
Small Business Education
GAO
275-9488

**PICTURE
NOT
AVAILABLE**

Anna Wilson
Newsletter
Financial Management
Service
535-9693

**PICTURE
NOT
AVAILABLE**

Charles Dempsey
Cooperation with
Professional Organizations

**ASSOCIATION OF
GOVERNMENT
ACCOUNTANTS
WASHINGTON
CHAPTER
EXECUTIVE
BOARD 1985-1986**

Officers

President

Susan Lee, Financial Management
Service, 535-9693

President-Elect

Gary Palmquist, Peace Corps, 254-8320

Secretary

Ken George, Action, 634-9163

Treasurer

Carol Lynch, Education, 472-2395

Past President

Virginia B. Robinson, GAO, 275-9513

Directorate

Cooperation with Educational Institutions
Joyce Shelton, DOT, 426-1306

Education

Diane Bray, EPA, 382-5101
Joseph Rothschild, HUD, 426-5454

Meetings

Judith Boyd, Financial Management
Service, 535-9693

Membership

Daniel McGrath, Financial Management
Service, 566-3206

Newsletter

Lee Beaty, GAO, 275-9430

Programs

David Dukes, JFMIP, 326-5415

Publicity and Agency Liaison

Marcus Page, Financial Management
Service, 566-5038

Relations With National Office

William Kendig, Interior, 343-4701

Research

Gail Young, Energy, 252-4171

Committee Chairs

Awards

Doris Chew, JFMIP, 376-5415

Chapter Evaluation

Ronald Lynch, Arthur Andersen, 862-3324

Chapter Recognition

Jean Bowles, State, 524-1188

Cooperation with Professional Organizations

Charles L. Dempsey, 296-7800

Employment Referral

L.A. Isenberg, Agriculture, 447-6090

Newsletter

Anna Wilson, Financial Management
Service, 535-9693

Professional Notes

Charles McAndrew, GAO, 275-9476

Public Service Coordinator

Joseph Perricone, HHS, 245-6236

Publications

Loretta Shogren, Justice, 633-3291

Small Business Education

John Cherbini, GAO, 275-9488

ABOUT OUR SPEAKERS THIS MONTH

JOHN C. MARTIN is Inspector General, Environmental Protection Agency (EPA), a post he has held since 1983. He is responsible for leading and directing activities to prevent and detect fraud, waste and abuse in EPA's programs and operations, and to promote economy, efficiency and effectiveness in their administration.

Before joining EPA, Mr. Martin was HUD's Assistant Inspector General for Investigation from 1981-83, and before HUD, he was Supervisory Special Agent for five years at the FBI's Academy where he worked as an instructor and administrator of the Personnel Assessment Center. While with the FBI Academy, he was also assigned to the Surveys and Investigations Staff of the House Appropriations Committee and conducted an in-depth program review at HUD. He supervised a public corruption and government fraud squad which handled very complicated criminal investigative matters.

Mr. Martin worked as Deputy City Manager, Wilkes-Barre, Pa., from 1967-68; as Assistant to the City Manager, Rockville, Md., from 1968-71; and as Special Agent, FBI, from 1971-76.

Mr. Martin received a bachelor's degree in political science from Kings College, Wilkes-Barre, Pa., in 1967, and a master of public administration degree from the University of Maryland in 1970. He is President-elect (1986) of the Association of Federal Investigators and a member of several other associations, including the Association of Government Accountants.

JOHN H. GREER is Deputy Assistant Inspector General for Audit—Technical Services, Department of Housing and Urban Development (HUD), a post he has held since February 1984. He serves as advisor to the Inspector General for Audit and provides direction and advice to audit staff on performing audits and resolving findings. In addition, he provides all technical service functions related to audit planning, reviews of proposed legislation and regulations, contract administration, Mortgage Review Board cases, and monitoring of the Independent Public Accountant audit program.

Mr. Greer began his audit career with HUD in 1966 in the New York Regional Office, where he advanced from a trainee to an Area Audit Supervisor. In 1976, he joined the IG's headquarters office as an audit manager. In 1979, he became Director of the Fraud Control Division.

In the past several years, Mr. Greer has played a key role in a number of noteworthy projects to root out fraud, waste and mismanagement in HUD programs. He has also played a significant role in activities of the Prevention Committee of the President's Council on Integrity and Efficiency. As a result of his accomplishments, he has received various commendations and awards.

Mr. Greer received a bachelor of science degree in accounting and economics from the University of Vermont in 1964. He is a member of the Association of Federal Investigators.

**NEWSLETTER COMMITTEE REPORT—
DUE DATES FOR NEWSLETTER INPUT**

Following are 1985-86 due dates for input to the AGA Washington Chapter Newsletter:

January	November 25	April	February 24
February	December 30	May	March 24
March	January 27		

Articles or other input are encouraged and should be forwarded to Lee Beaty (275-9430) or Anna Wilson (535-9693)

**Plan Now For
The PDC
June 23-25, 1986
Baltimore, MD**

EXECUTIVE COMMITTEE MEETING REPORT

By Ken George, Chapter Secretary

The Washington Chapter Executive Committee met at noon on Thursday September 26th for the second regularly scheduled meeting of the 1985/86 year.

The minutes of the August 22nd board meeting were approved with a change in item 13 adding the phrase—absent support of a project proposed by National.

A copy of the August 1985 financial report was submitted by Peter Bell, Assistant Treasurer.

Gary Palmquist proposed, seconded by Vernon Isenberg and approved, to require the Secretary to review periodically investment portfolio transactions to assure adequate Board oversight of Investment Assets.

National is again taking orders from chapters for the Annual Federal Tax handbook. The Secretary is tasked with ordering and distributing the tax books for participating members. A notice will be placed in the newsletter informing the members of the offer. (See article this issue.)

National is again calling for nominations for officers and directors both at the chapter and national levels. Gary Palmquist will chair a nominating committee.

Joe Rothschild proposed the following Educational Fee Refund policy. Motion by Ken George, seconded by Judith Boyd; passed.

• Educational Events

Requests for refunds should be submitted in writing and approved by the employer. The request should include the reasons either the employee or a substitute could not attend.

(1) Cancellation Without Cause and Notice.

No fees will be refunded under these conditions to defray the Chapter's costs for space, instructional materials, food service, promotional brochures and publications.

(2) Cancellation for Cause Without Advance Notice.

Refunds will be made for the amount exceeding the cost per attendee, less a \$15 administrative handling fee.

(3) Cancellation for Cause with Advance Notice.

Full refund of fees paid if notice is given 10 working days in advance. If notice is received less than 10 working days prior to the event, then a \$10 administrative handling fee will be charged.

• Small Business Education Course

Requests should be submitted in writing and state the reasons the student cannot attend. Full fees will be refunded less a \$5 administrative handling charge upon return of all course materials to the course director. No refunds will be made after the course begins. Substitutions for registrants will be permitted.

John Cherbini reported the Small Business Education course has over 50 attendees enrolled—well over the break-even point of 40.

Dan McGrath handed out a proposed membership letter for our review and comment, aimed at former members whose membership has lapsed. He also passed around a letter from the Treasury's Personnel Management Division denying our request to distribute AGA application brochures to agency F. M. employees.

Joe Perricone, Public Service Coordinator, handed out a proposed newsletter article, for our review and comment, on a speakers bureau for the Washington Chapter.

Jean Bowles, Chapter Recognition Committee, handed out information on the chapter competition points system.

The meeting adjourned at 1:10 P.M.

WANTED! NEEDED! FINANCIAL MANAGEMENT ARTICLES

By Jean Bowles, Chapter Recognition Chairperson

Your Chapter Newsletter badly needs your financial management articles. Articles should be at least 300 words in length and on anything related to financial management or that would interest our membership. Lee Beaty's suggestions in the March Newsletter may start your thinking:

Tips for doing better audits

Unusual or interesting audits

System development projects

Computer applications

Tips for operating accountants

Budgetary problems or techniques

Supervisory approaches

Individual profiles (Most unforgettable accountant/auditor/budgeteer I ever met)

Reaction or experience with recent OMB circulars

This is not just an exercise to earn points in the chapter recognition program; it is your opportunity to share your ideas and experiences with your government peers. The Newsletter has improved tremendously over the past fifteen years that I have read it. Your contribution can make it even better in 1985/1986. Tip for today—write 300 explosive words while relaxing after your big thanksgiving dinner.

Send your manuscript to Anna Wilson or Lee Beaty in room 6015, 441 G. St. NW, Washington, D.C. 20548 (phone 275-9430). Please call me (524-1188) if I can help in any way.

CHAPTER WELCOMES NEW MEMBERS

Frank Abruzzino (Sponsor: F. G. Dulovich)	General Services Administration
Charles Baker	Navy
Janet P. Bonds (Sponsor: Joe Rothschild)	Dept. of HUD
Brickman Brown (Sponsor: Frank Russ)	Dept of Commerce
Connie Butler	Navy
Gregory D. Carper (Sponsor: Roberta Huber)	Bureau Engraving & Printing
Mary Ellen Chervinic (Sponsor: Steve Sadler)	Dept. of Commerce
Antonio Cintron	Army
Bill D. Colvin (Sponsor: June Brown)	NASA
Kent H. Crowther	Synthetic Fuels Corp.
Lawrence J. Dempsey	General Services Administration
Helen Despertt (Sponsor: Alice Thomas)	Dept. of HUD
Paul Earley (Sponsor: Sue Fields)	Dept. of Treasury
Larry Eisenhart (Sponsor: F. G. Dulovich)	General Services Administration
Sue Emmack	Price Waterhouse & Company
Sharon Foster (Sponsor: Ken George)	Birch & Davis
Philip Giza (Sponsor: Frank Russ)	Dept. of Treasury
Catherine L. Hawkins (Sponsor: Sue Fields)	Nat. Inst. of Health
Andris Kalnins	Exec. Off. of President
John W. Kane	Dept. of Defense
George J. Keller (Sponsor: James Wu)	Dept. of Interior
Sandra A. Lang (Sponsor: Debra Barone)	Price Waterhouse & Co.
Richard G. Motley (Sponsor: Richard P. Haller)	Dept of Energy
Elena Pappas (Sponsor: Ed Luksic)	Price Waterhouse & Co.
Stanley L. Purvis	Systems Development Corp.
Walter E. Robertson (Sponsor: Wanda Marable)	Army
Jorge Rodriquez (Sponsor: Alfonso Caycedo)	Org. of Amer. States
Brigitte Rohrbach (Sponsor: June Brown)	Systems Development Corp.
Edward Sealander	Dept. of Treasury

Stephen Skinner
(Sponsor: Joe Donlon)

Philip J. Spampinato

Larry Stout

Joel C. Taub

Patricia L. Wensel

(Sponsor: Virginia Robinson)

Arthur Young & Co.

U.S. Secret Service

Dept. of Treasury

Bureau Engr. &
Printing

Nav. Sea Sys.

Command

See page 11 for AGA application form. Also, if you need brochures or additional applications, call Dan McGrath on 566-3206.

FEDERAL TAX HANDBOOK 1986

The AGA National Office has announced that it has again this year made arrangements for our members to secure copies of an authoritative income tax handbook at a price substantially below list.

Over 3,000 AGA members have taken advantage of this opportunity in each of the past two years, and we are confident that even more will wish to avail themselves for the current handbook.

This year, the Office has again chosen Prentice-Hall's "Federal Tax Handbook 1986 as the best available publication. Containing over seven hundred pages, the handbook features changes made in the tax laws right up to the date of publication. Check lists—invaluable at tax return time—show income items, deductions, etc., which go into the makeup of most Federal tax returns. Emphasis is on preparation of 1985 returns.

The Handbook will list for \$17.00. By purchasing in bulk and delivering to one address at each chapter, the National Office will be able to secure copies for AGA members at less than half-price, \$8.00 (includes \$1.00 postage).

So that the National Office can give the publisher a firm number for their press run, we must know by November 15 the number of copies to order for our chapter. Please understand that these will be *firm orders*. The National Office will bill each chapter for the total number of Handbooks delivered to the chapter, with delivery scheduled for December.

To order your copy of the Handbook, complete and forward the form below. The guide will be mailed to you from the Chapter.

AGA, P.O. Box 423, Washington, D.C. 20044

I wish to order a copy of the Prentice Hall "Federal Tax Handbook 1986."

My check in the amount of \$8.00 is enclosed.

NAME _____

ADDRESS _____

Orders must be received by November 15.

Checks should be made payable to AGA.

ARE TODAY'S AUDITORS MEETING THE CHALLENGE OF CURRENT CONTROL EVALUATION CONCEPTS?

By Joseph Rothschild
Department of Housing and
Urban Development

The last decade has seen a rapid change in control evaluation. Whether or not internal auditors have kept up with these changing standards, concepts and techniques is a key question that must be answered. Acceptance by the operating audit community leadership of the new tools is the ultimate test of whether the advancement in standards will succeed. Top management must be willing to: (1) accept changes to the established methods through training of their staff; (2) provide incentives for recommending program or function systemic improvements; (3) measure or quantify program systemic changes more uniformly; and (4) automate the system evaluation process for future reviews.

Let's look at the status of 1985 Federal auditing. Four years after issuance of the revised Yellow Book, little evidence of change to internal audit reports is evident. Opinions on internal controls are inconclusive, i.e., "everything is satisfactory except for the deficiencies noted in the findings." Scrutiny of the findings discloses either no reference to specific internal control system weaknesses or brief mention of deficiencies in complying with specific control standards. One or two years after issuance of GAO's Standards for Internal Control Systems (June 1983) and the Office of Management and Budget's (OMB) Circular No. A-123, Internal Control Systems (October 1981), as revised in August 1983, audit reports show little evidence of use of the GAO and OMB terms or standards in findings or opinions.

To find out why auditors were behaving in this manner, a 1984 research survey which statistically sampled 143 members of an audit staff of one Federal Agency discloses, for 96 respondents, that:

- Twenty percent (20%) had not received training on internal controls in the last five years.
- Eight-five percent (85%) believed that additional training in internal control evaluation was needed for themselves and other staff members.
- Fifty-five (55%) of the staff were in the fourth and fifth quintiles in their ability to recognize and understand current OMB and GAO control terms and concepts.
- Auditors evaluating the same factual information had no more than 1 in 6 chances of identifying the same risk as the most important. The odds were 1 in 10 when comparing their answers to the first three choices of the panel of control experts.

Lastly, in 1985, GAO issued the Controls and Risk Evaluation (CARE) Guide. This comprehensive guide uses a "top-down" approach to evaluating internal controls in financial systems. GAO's approach assumes that the evaluation is for a large-scale automated ap-

plication of a financial system. In my view the proposed fundamental techniques can also be applied to non-financial systems and, to a lesser extent, manual systems.

We conclude that the Federal audit community has not fully committed itself to the proposition that systemic solutions to deficiencies are needed. The Semianual Reports to the Congress by the Inspectors General are replete with recurring deficiencies. It is much easier for the auditors to assume that operating management has not corrected the problem disclosed in the prior audits. It is much more difficult to recognize that audit managers are not making the highest and best use of audit resources because their reports are not identifying the overall systemic problem. Instead audits continue to focus management attention on compliance with standards that may or may not achieve system objectives.

What can be done about recognizing that the standards, concepts and methodologies have been and are continuing to change? The audit community must re-

(Continued on page 10)

CALENDAR OF EVENTS

Mark your calendar now for our December 5 luncheon meeting which will feature good food, good fellowship, and an interesting speaker. The speaker is Channel 4 Newscaster Susan King. (Rayburn Building, 11:15 a.m.; 695-7954 for reservations)

Also, don't miss out on the Chapter's November 20 workshop on credit management. See page 7 for details and registration form.

Northern Virginia Chapter's November 19 dinner meeting speaker is Michael Barrett, Senior Staff Assistant to Congressman John Dingell, who will speak on legislative proposals affecting the accounting and auditing profession. Location is the Springfield Imperial 400. Call Martin Starling, 756-2915, for reservations.

Montgomery-Prince George's Chapter has Maryland Governor Hughes tentatively lined up to speak at its Nov. 13th monthly dinner meeting. Location is the Lanham Ramada. Call Frank Marshall, 755-4671, for reservations.

In conjunction with its November 15 monthly meeting at the National Press Club, the Institute of Internal Auditors, Washington Chapter, is hosting a seminar on Governmental Audits and the Private Sector, which will focus on do's and don'ts for private sector auditors having contractual or other interests in government audits. Call Glen Langlois (535-6138) or Bob Ford (532-6539) for details or to register.

The IIA Chapter is also hosting a December 5 and 6 conference on Private Sector Auditing Issues. For details or registration call Sheldon Stewart or Joyce Diggs on 955-8791.

Uncle Sam to We're On Your

Computer checks, collection agencies, lawsuits—all are being used against those who ignore government debts.

*****WORKSHOP*****

WASHINGTON CHAPTER ASSOCIATION OF GOVERNMENT ACCOUNTANTS

EFFICIENT CREDIT MANAGEMENT/EFFECTIVE PUBLIC POLICY—CAN THEY CO-EXIST?

WHEN? Wednesday, November 20, 1985; 8:30 a.m. - 4:30 p.m.

WHERE? George Washington University Club Marvin Center
800 21st Street, N.W., Washington, D.C.
(Metro's Foggy Bottom Station)

WHY? To offer mid to upper level government personnel, consultants, contractors and others the opportunity to learn of the latest developments in credit policy and agency innovative operating practices.

- HOW?**
- Keynote and Luncheon speakers will focus on current problems and Executive Branch future initiatives.
 - Panels of practitioners will discuss solutions to today's implementation problems.
 - Presenters will review new systems, management controls and performance measures to provide practical day-to-day guidance.

HOW MUCH? A fee of \$65 which includes lunch and two coffee breaks.

Registration will be accepted on a first-come basis. Walk-in registration will be accepted if space is available. Authority for a Federal agency to sponsor participation in a program of this type is found in Section 9 of USC 5, Chapter 41, Government Employees Training Act. CPE credit: Upon Request

Registration Form—Credit Management Workshop

Name _____

Title _____

Organization _____

Address _____

City _____ State _____

Zip Code _____ Phone _____

Fee enclosed (payable to Washington Chapter AGA)

Invoice my organization (authorization enclosed)

Invoice me directly

Questions?

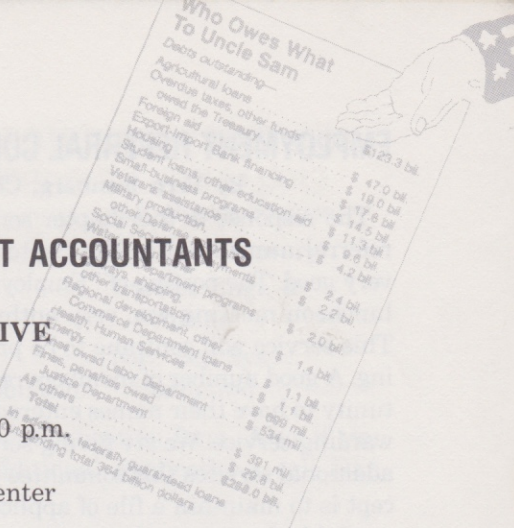
Please Call:

Bob Loring 376-5415

Mail fees and completed form to:
Association of Government Accountants
Washington Chapter
P.O. Box 423
Washington, D.C. 20044

Cancellation Policy:

- Full refund if notified 10 days prior in writing
- Substitutes permitted
- Fee in excess of cost if not notified & \$15 administrative charge



EMPLOYMENT REFERRAL COMMITTEE REPORT

By Vern Isenberg, Chairman

The response to the chapter service for employment referral announced in the September newsletter was very good. The posting of "Employment Flashes" at the luncheon meeting was very enthusiastically received. This service will continue to be provided at each meeting. A good number of members responded to the opportunity to have their names entered into our referral forwarding service. We are giving serious consideration to additional services this committee can provide. One concept is to maintain a file of applications that would be available for prospective employers to review. The second concept is to request federal personnel offices to forward vacancy notices that related to accounting and financial management directly to the Chapter. This would increase the time available to notify interested Chapter members and allow members adequate time to file applications. Both of these concepts require volunteers to help with the implementation. If you have any ideas or would like to serve on our committee please contact me at 447-6090 or 534-4889.

BECAUSE IT CONCERNS ME . . .

By Gary A. Palmquist

Ever notice that, when you get a big argument from a manager about an audit recommendation, you are more often on to something significant than when you get quick agreement?

Do you think it would help if we ran government sub-units like a contract—give them a statement of work, require a statement of costs claimed at the end of the year, and audit the performance and costs? I still need to work out what we do with costs which are disallowed because they were not essential to the contract performance.

I'd like to hear from any small agency audit unit head who is moved or removed by the agency in anticipation of passage of H.R. 3077. That bill will create strong IG type offices in the small agencies. I want to track the impact this will have on incumbents. I may be one.

Write me with your concerns or comments at P.O. Box 423, Washington, D.C. 20044-0423.

ABOUT CHAPTER MEMBERS

Congratulations in order this month to: Comptroller General **Charles A. Bowsher** on being named Accountant of the Year in Government by Beta Alpha Psi, the national accounting fraternity. The award cites Mr. Bowsher as an "outstanding individual who has achieved distinction in both public accounting and government service and has contributed leadership in the accounting profession in many significant roles he has played."

Former HUD IG **Charles L. Dempsey** on receiving an AGA National Distinguished Leadership Award for his service at the forefront of the IG concept, plus his efforts on AGA's Task Force on Financial Management

CURRENT BANKING TRENDS

(Editor's note: Dr. Stanley C. Silverberg, Director of Research for the Federal Deposit Insurance Corporation, was guest speaker at the Chapter's September 3 meeting. Following is a synopsis of his remarks developed and submitted by David Dukes, Chapter Program Director.)

Dr. Silverberg focused his remarks on the increasing number of bank failures in the United States, why this is happening, and what might be done to deal with the problem.

Dr. Silverberg stated that bank profits as a percentage of assets have been declining steadily during the past five years. At the same time, the number of bank failures has been increasing from 10 in the 1980-81 period to a projected 120 in 1985.

According to Dr. Silverberg, four principal factors have contributed to the increasing number of bank failures. First, deregulation accompanied by changes in market forces has forced banks to be more competitive. Deposit interest ceilings have been deregulated. Smaller banks, in particular, have been hurt by the loss of cheap deposits. Large companies no longer go to banks for loans but instead go directly to the public.

The second principal factor, Dr. Silverberg stated, is that some banks have made bad judgments, particularly if they put their investments in the energy and agriculture sectors of the economy.

Dr. Silverberg indicated that the third factor relates to bank loans to underdeveloped countries. This is basically a big bank problem affecting 15 of the large U.S. banks. So far, the write-offs have been moderate, but the potential is there for a major problem.

The fourth factor which contributes to bank failures has been decreased oversight by the FDIC; for example, fewer bank examiners.

Dr. Silverberg suggested a couple of alternatives to try to reduce the number of bank failures. First, we can require that banks raise their capital levels. And, second, we could increase the premiums for risky loans.

At this stage, however, Dr. Silverberg stated that the banks must now "play out" the junk in their current portfolios while they try to reduce the risks in new loans.

In summing up, Dr. Silverberg forecast that the performance of the economy—including the trade imbalance, fluctuating interest rates, and inflation—will continue to make banks vulnerable. He expects that we will continue to see bank failures, but he believes that the FDIC will be able to handle these, including the bank failures in the agricultural sector which are mostly in small banks.

in Government.

GAOers **Cornelia Blanchette**, **Dave Lowe**, and **Ernie Stockel** for their Outstanding Achievement Awards from GAO's Accounting and Financial Management Division.

MEMBERSHIP DRIVE PICKS UP MOMENTUM AS NATIONAL ANNOUNCES INCENTIVES

By Daniel McGrath, Director of Membership

AGA can only grow and, therefore, do more for its members by increasing in size. Accordingly, it is recognized that each member has a professional responsibility to acquaint other financial management professionals with the advantages of belonging to AGA—the Association of Government Financial Management professionals. The Washington Chapter's principle program this year to help its members meet this obligation is the "One-for-One Recruitment Campaign" now moving into its third month.

Under the One-for-One campaign each member is asked to approach at least one non-member and invite them to join the AGA Washington Chapter. For the more aggressive recruiter, National Office has announced a new incentive program of cash awards as outlined below.

The cash awards to be provided individuals that sponsor new members are as follows:

- Top Sponsor—must sponsor over 20 new members to qualify \$200.00
- Second Highest Sponsor—must sponsor over 20 new members to qualify \$150.00
- Additional sponsors of over 20 new members \$100.00
- Sponsors of 16-20 new members \$ 75.00
- Sponsors of 11-15 new members \$ 50.00

Conditions: In order to qualify as a sponsor, the sponsor's name must be clearly printed in the space provided on the application for membership form at the time the form is submitted to the National Office. A sponsor designation can not be added after the application form is submitted. Also, only paid memberships will be considered in determining sponsorship for the purpose of qualifying for awards. Tabulation of the final figures will be as of the post-mark date April 30, 1986.

While all members are enthusiastically encouraged to actively pursue recognition under the cash incentives program, it remains essential to the vitality of the Chapter that all of us make the minimum effort under the One-for-One Recruitment Campaign. Therefore, if you have not, this year, extended an invitation to a non-member to join the Washington Chapter, please do so as soon as possible. We need full participation in the program if the Chapter is going to reach the goal assigned to it by National Office of a 10% increase in membership. This equates to a projected growth of about 100 members. However, since even under the best of retention efforts we can anticipate to lose 10% of our existing membership in any given year, we will actually need to recruit approx-

imately 200 new members to meet our assigned growth goal.

For your convenience, a copy of the membership application is reprinted elsewhere in the newsletter. Please feel free to reproduce it if you so desire. Those wishing to make their pitch using the full application brochure may pick them up at any of the regular luncheon meetings or may obtain them by calling me on 566-3206.

The Membership Committee is still in need of several persons in each agency to serve as Assistant Membership Committee Chairpersons. The time commitment of these positions is minimal and presents an ideal opportunity for members who would like to be active but have not been able to devote the time to the Association's more involved endeavors, to participate. If you are interested or would like more information please contact me on 566-3206.

ANNOUNCING A SPEAKER'S BUREAU FOR THE WASHINGTON CHAPTER

By Joseph J. Perricone,
Public Service Coordinator

Have you ever wondered: Why aren't there more opportunities for public speaking? Or: Where do I turn when I need someone knowledgeable about a particular area of financial management whose expertise can help my or some other organization—and on short notice? You have! Well have I got something for you!

As the new Public Service Coordinator (PSC) for the Washington Chapter, I believe that fellow AGA members and non-member professionals interested in AGA are often willing to impart their knowledge and experience in financial management to fellow colleagues, other professional organizations, students interested in the profession and other civic groups. But they don't know where the need is or whom to contact. Our Chapter can go a long way toward meeting this need in the Washington, D.C. metro area though a Speaker's Bureau run by the Chapter under the PSC with involvement especially by Chapter members who are willing to contribute their time and talents to furthering our profession. In addition, a Speaker's Bureau run by our Chapter can enhance public awareness of Chapter activities and further express to the Washington community its active interest and involvement in the community's education and professional development.

The task of setting up the Bureau is already underway and with your help much can be accomplished. I would appreciate hearing from those of you who are interested in participating in this opportunity as speakers, including the subject you would like to speak on, as well as from those of you who have information on organizations who would like to utilize the Bureau as a resource to enhance their own activities. I can be reached by telephone at 245-6236 (work). I'll look forward to hearing from you.

PRESIDENT'S MESSAGE

By Susan Lee, Financial Management Service

One of the benefits of AGA membership is the opportunity to expand and further career opportunities by meeting and working with other Chapter members in financial management and by taking advantage of our Employment Referral Program. The Program is chaired by Vern Isenberg, with assistance from Charles Barackman.

In the past, National office has issued, to each chapter, employment flashes on vacancies in the accounting and financial management fields. The vacancies are then forwarded to chapter members who express an interest in receiving this information. Because of the turnaround time, we have been unable to publish the announcements in our Newsletter. This year, however, we have begun posting them at the monthly luncheon meetings so that all members who are interested can review the announcements. If you are unable to attend the meetings and would like to receive the information, contact Vern.

How else do we plan to strengthen the Employment Referral Program?

Letters are being sent to Personnel Offices, key financial managers, and to some of our own members asking them to inform us about vacancies in accounting, auditing, budgeting, and other financial management related fields that arise in their organizations. If you have or know of any job opportunities, please let Vern know about them. In this way we can help our members by making them aware of job opportunities and we can be of service to the government financial community as well by serving as an additional conduit for identifying the best possible candidates to fill positions.

If you are a manager, or if you know of a manager, not necessarily an AGA member, who is seeking to identify job candidates to fill a financial management position, we are establishing a "pool" of resumes and SF-171s of Chapter members that can be reviewed by contacting Charles Barackman on 535-9697. This pool will serve as a means to facilitate further the matching of qualified individuals with available positions. If you wish to be a part of the pool you can send your SF-171 or resume to P.O. Box 423, Washington, DC 20044-0423 with the following information:

- whether or not you are a Washington Chapter member,
- lowest acceptable pay or grade level,
- field of interest (auditing, budgeting, operational accounting, systems accounting, or other),
- your telephone number,
- length of time you wish your SF-171 or resume to be retained in the pool (2 months, 6 months, indefinitely).

Submitting your resume or SF-171 to the pool would be an excellent, easy, and painless way of keeping job options open and remaining in touch with the job market, even for those of us who are satisfied with our present jobs and not actively seeking another position. So update your resume or SF-171 and send it to the Employment Referral Program. Who knows, it may result in an unexpected promotion!

Another method of keeping informed about the government financial community is to attend our monthly luncheon meetings. Note that this month our meeting will be held on the second Thursday, November 14, and not the usual first Thursday. This will allow our members to attend the two-day professional development Seminar on November 5 and 6, which is jointly sponsored by National Office and the Capital Region Chapters. This month we will be having a joint luncheon meeting with the Washington Chapter of the Association of Federal Investigators. The topic is an interesting one, "Cooperation Between Two Professions (Auditors and Investigators)—Can It Work?" so be sure to make your reservations early.

Also this month, we are having our first workshop which will be on Credit Management Systems. With the issuance of OMB Circular A-129 and the revision of Schedule 9 reporting requirements, credit management and debt collection is a topic of interest to many of our members. See page 7 for details and registration form.

CALENDAR (from page 6)

spond to this challenge through providing education, incentives, quantification tools, and improvements in automation.

Joe Rothschild is with the HUD OIG where he is Director of the Analysis and Evaluation Division, Office of Fraud Control and Management Operations, and is a member of AGA Washington Chapter. His views presented above are derived from his award-winning AGA research study and report "Measuring the Relative Effectiveness of Auditors and Others Evaluating Systems of Internal Controls".

DID YOU KNOW . . .

By Charles McAndrew

- This month we're featuring recent GAO activity, including recent GAO reports of general interest to the financial management community.
- In July, GAO published the manual for its Controls and Risk Evaluation (CARE) Audit Methodology for Review of Federal Agency Accounting and Financial Management Systems. The approach is intended to identify and evaluate the adequacy of controls

(Continued on page 12)

Application for Membership



Association of Government Accountants

NAME OF APPLICANT: Mr. _____ Ms. _____
 Mrs. _____ Miss _____
LAST NAME FIRST NAME MIDDLE NAME JR, II, III, OTHER

MAIL ADDRESS: _____
STREET NUMBER STREET NAME

CITY STATE ZIP

OFFICE TELEPHONE _____ HOME TELEPHONE _____
AREA CODE NUMBER EXTENSION AREA CODE NUMBER EXTENSION

I wish to become a _____ Member of AGA. I wish to join the _____ Chapter.
TYPE SEE LIST OF LOCATIONS

EMPLOYER _____ Government: Federal State Local
 Private Employer Academia Other _____

TITLE OF MY POSITION _____
 TYPE OF WORK PERFORMED: Administration Accounting Auditing Budgeting ADP Other _____
DESCRIPTION

EDUCATIONAL BACKGROUND:

SCHOOL	LOCATION (STATE)	YEAR FROM	TO	MAJOR	DEGREE
_____	_____	_____	_____	_____	_____
_____	_____	_____	_____	_____	_____

ACCREDITATIONS AND CERTIFICATIONS:

	STATE	CERTIFICATE NUMBER	YEAR
<input type="checkbox"/> CPA	_____	_____	_____
<input type="checkbox"/> CIA	_____	_____	_____
<input type="checkbox"/> CMA	_____	_____	_____
<input type="checkbox"/> Other _____	_____	_____	_____

FINANCIAL MANAGEMENT EXPERIENCE: (List most recent experience first)

EMPLOYER	LOCATION	TITLE	POSITION SERIES AND GRADE	MONTH/YEAR FROM	TO
_____	_____	_____	_____	_____	_____
_____	_____	_____	_____	_____	_____
_____	_____	_____	_____	_____	_____

Date of application _____ Signature of applicant _____

Signature of sponsor (optional) _____
NAME

Send one year's national dues with this application to:
AGA, 727 South 23rd Street, Arlington, VA 22202.
 Make check payable to AGA.

SPONSOR'S AGA MEMBERSHIP NUMBER _____ Remitted herewith is \$ _____

DID YOU KNOW?

(Continued from page 10)

- in the unit under review and determine the degree of the system's conformity with the Comptroller General's accounting principles and standards and other requirements. The manual incorporates numerous changes resulting from issuance of an exposure draft version last Fall. GAO developed the methodology for its own use, but is making the information available to others in the audit and financial management communities who may find it helpful or useful. In October, GAO began training its staff in the methodology, and plans, to the extent practical, to make the training available to other interested organizations. For information, call Virginia Robinson, 275-9513.
- In a series of three reports issued in August, GAO identified internal control weaknesses resulting in duplicate payments at GSA, DLA, and Justice, and, importantly, identified and recommended systems improvements needed for their prevention. (GAO/AFMD-85-70, 71, and 72)
 - In a report issued in early September GAO provided comparative information on pay, retirement benefits, health and life insurance, annual and sick leave, and holidays in the federal and private sectors. GAO concluded that some elements of the federal compensation program are superior but, overall, federal pay and benefits lag the private sector. (*Comparison of Federal and Private Sector Pay and Benefits*; GAO/GGD-85-72)
 - Commerce's IG was the first federal internal audit organization to undergo a GAO quality assessment review. GAO's report, *Compliance with Professional Standards by the Commerce Inspector General* (GAO/AFMD-85-57) was issued in mid-August. The goal of the reviews is to strengthen the statutory offices of inspector general. The reviews focus on whether units are satisfactorily complying with generally accepted government auditing standards and other professional standards. GAO chose the Commerce IG for the pilot review—with which the IG fully cooperated—because it is a medium-sized office which conducts audits, investigations, and inspections—the three major functions most IG's perform. GAO found that the IG satisfactorily complies with a number of standards, but that corrective action is needed with certain aspects of other standards, and recommends corrective actions. Additional IG quality assessment reviews are underway at Agriculture and EPA.
 - In its February report, *Compendium of GAO's Views on the Cost Saving Proposals of the Grace Commission* (GAO/OGC-85-1), GAO analyzed the issues involved in over 1400 of the 2500 Grace Commission recommendations. The GAO report consists of two volumes—a summary of findings volume and a 1300 page volume of individual issues analyses.
 - The most comprehensive report in recent times on federal financial management is without doubt GAO's February report, *Managing the Cost of Government—Building an Effective Financial Management Structure* (GAO/AFMD-85-35 and 35-A). In the report, GAO explains why it believes a major overhaul of federal financial management is needed; discusses some of the important elements of the needed system; and, attempts to unite them in a single comprehensive framework. The report is in two volumes: a major issues volume and a conceptual framework volume.
 - Single copies of GAO reports are available free of charge from GAO's Document Handling and Information Services Facility (275-6241); cite the report number to expedite your order.
 - Don't forget to call me on 275-9476 with **your** financial management items of interest.

NEWSLETTER

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