

ASSOCIATION OF  
GOVERNMENT  
ACCOUNTANTS

# AGA

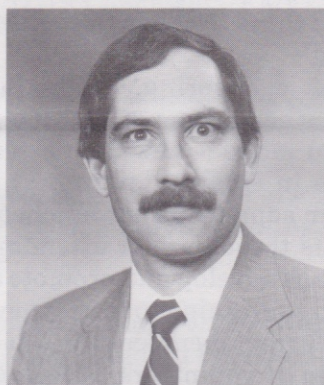
# NEWSLETTER

WASHINGTON CHAPTER

JANUARY 1988

**THURSDAY** January 7, 1988

**LUNCHEON MEETING TO FEATURE**



**MEREDITH  
WILLIAMS**

**Kansas Legislative  
Post Auditor  
Speaking on  
Financial Management  
at the State Level**

at the

**TOUCHDOWN CLUB**  
2000 L St., N.W.  
(Near Farragut West Metro Stop)

Social Period	11:30 (Cash Bar)
Luncheon	12:00
Cost	\$15.00 (Members) \$17.00 (Non-members)

**Reservations Required**

**Call 649-4399 NLT Jan. 5**

**NON MEMBERS WELCOME**

**Meeting Schedule: Feb. 4 • Mar. 3 • Apr. 7 • May 5**



# PRESIDENT'S MESSAGE



**Diane M. Bray**

## New Year Resolutions

As a new year begins, it is traditional to make a new year's resolution. We, at AGA, have been busy making ours. As your elected officers and directors, our resolution is to continue to sponsor dynamic and informative program activities for our Chapter members.

The program that we are planning for the remainder of this year is multifaceted. It includes educational events, employment referrals, and membership drives. This month, I would like to focus on two of these facets: educational events and luncheon meetings.

Our Education Directors, Bill Henderson and Sue Fields have prepared an outstanding educational program for the next six months.

- On January 15, Roger Charin, Arthur Young and Company, will update us on individual tax return preparation. As you may remember, Roger gave an excellent presentation last year to a sold out crowd. Look for additional information and registration procedures on page 3 of this month's newsletter.
- On January 29, the Capital Region will sponsor the Professional Development Seminar. The theme of the PDS is "Government Accounting and Auditing: An Agenda for the Future." It will be held at the Marriott Crystal Gateway Hotel. Look for additional information and registration procedures on page 7 of this month's newsletter.
- In February, the Chapter is planning a half day session on off-the-shelf software for financial management systems. Key federal officials will take a lessons learned approach in sharing their experiences in selecting and implementing off-the-shelf software.
- In March, we are scheduling a session on the Federal Managers Financial Integrity Act implementation. Key federal managers will highlight changes made to agency programs over the last five years.

- On June 20-22, the Association will sponsor the Professional Development Conference in Washington DC. This year, the theme of the PDC is "Committed to Professional Excellence at all Levels of Government". The agenda is shaping up with exceptional speakers. Mark your calendar early for this event.

Our Program Director, John Simonette, continues to emphasize excellence in his management of our Chapter's luncheon program. In January, President-Elect Meredith Williams will speak on "Financial Management at the State Level". Other speakers will include Congressman John Kasich (February); Ray Kline, President of the National Academy of Public Administration (March); and Fred Wolf, Director of the Accounting and Financial Management Division, General Accounting Office (April). In May, we will host our National President, Don Kirkendall, who will share his experiences over the past year and we will honor our past presidents. This May, we will present the first Jim Saylor Memorial Award to a member for outstanding Chapter service.

Hand in hand with the luncheon program, is the meeting itself. Judith Parson, our Meetings Director, is never short on suggestions for improving the meetings. I think that our December luncheon is proof of that!

To continue sponsoring successful Chapter events requires commitment. As members, I ask each of you to make a new year's resolution to become active in Chapter events. This commitment may be in supporting our luncheon and educational events through your attendance, volunteering to help us develop and promote events and programs, and continuing to recruit new members and to renew current membership. The Chapter is always in need of volunteers. Please give one of the Board members or myself a call if you're interested in a specific committee.

My best wishes for a happy new year!

## CHANGING YOUR ADDRESS

The easiest and surest way of changing your mailing address for all Chapter and National Office mailings is to mail a notice with the new address and an AGA mailing label with the old address on it to:

AGA National Office  
727 South 23rd Street, Suite 120  
Arlington, Virginia 22202



**ASSOCIATION OF  
GOVERNMENT  
ACCOUNTANTS  
WASHINGTON  
CHAPTER  
EXECUTIVE  
BOARD 1987-1988**

**Officers**

*Acting President*

Diane Bray, DOD, 695-0839

*Secretary*

Deatrice Russell, Financial  
Management Service, 535-9693

*Treasurer*

Rolf Wold, DOT, 366-9874

*Past President*

Gary Palmquist, 233-3411

**Directors**

*Cooperation with Professional  
and Educational Institutions*

Mike Merson, Financial  
Management Service, 436-6842

*Education*

Sue Fields, NIH, 496-3417  
Bill Henderson, EPA, 382-4467

*Employment Referral*

Joyce Shelton, DOT, 366-1306

*Membership Services*

Dan McGrath, Financial  
Management Service, 566-3717

*Newsletter*

Lee Beaty, GAO, 275-9532

*Programs*

John Simonette, GAO, 275-9454

*Relations with National Office/  
Special Projects*

Adam Shaw, DOD, 697-0585

*Research, Professional Notes*

Chuck McAndrew, Navy, 696-6896

**Committee Chairs**

*Awards*

Mary Lee Mason, Financial  
Management Service, 535-9693

*Chapter Evaluation*

Ron Lynch, Arthur Anderson  
& Co., 862-3324

*Chapter Recognition/Competition*

Jean Bowles, State, 875-6923

*Meetings*

Judith Parsons, Comptroller  
of Currency, 447-1721

*Membership Services (A'sst)*

Jim Goulden, Coast Guard,  
267-0220

*Newsletter*

Herb McLure, GAO, 275-4905

*Public Service*

Paula Rubin, Financial Management  
Service, 535-9696

## ABOUT OUR SPEAKER THIS MONTH

### MEREDITH WILLIAMS

Meredith Williams is the Kansas Legislative Post Auditor, heading up the Kansas Legislative Division of Post Audit. The Division serves as the audit arm of Kansas government, reporting to the Legislative Post Audit Committee, a 10-member joint committee of the Kansas Legislature. Meredith joined the Division's staff in 1973. During his tenure with the Division, he has participated in the conduct of both financial & compliance and performance audits and has had a variety of administrative responsibilities. He has also served as an adjunct professor on the faculty of the University of Kansas, teaching a performance auditing course.

Meredith is a charter member and past President of the Topeka Chapter of the Association of Government Accountants. He has served on a variety of the Association's boards, committees, and task forces and has been the Regional Vice President for the Mid-Western Region. As the Association's current President-Elect, Meredith chairs the Finance and Budget Board and sits on the National Executive Committee.

Meredith is also a member of several other civic and professional organizations, including the National State Auditors Association, the Mid-America Intergovernmental Audit Forum, and the National Association of State Auditors, Controllers, and Treasurers. He has published several articles and coauthored the 1982 text, *Auditing Performance in Government*.

Meredith is a graduate of the University of Kansas with a degree in business administration and economics. He received his law degree from Washburn University School of Law.

Meredith, his wife, and two children reside in Topeka.

## TGIF LUNCHEON INDIVIDUAL TAX PLANNING SEMINAR

**JANUARY 15, 1988**

**PRESENTED BY: ROGER CHARIN,**

Tax Principal with Arthur Young

**WHERE** Touchdown Club, 2000 L Street, NW  
(Near Farragut West Metro Stop)

**TIME:** 11:00 AM Sharp

**COST:** \$15.00 AGA Members; \$17.00 Nonmembers

**RESERVATIONS REQUIRED**

**CALL LARRY ACHTER AT 382-5161 NLT JAN. 11**

**NOTE:** No shows will be billed if cancellation not made at least 48 hours in advance of seminar.

## Have We Lost One of Your Colleagues?

Although membership renewal this year is running better than last year at this time, there are still a significant number of our colleagues who have not paid their dues for the year beginning October 1. As a result their benefits ceased after the publication of last month's newsletter. National office is sending follow-up billings to these individuals and the Chapter's Membership Services Committee has just mailed a letter to each member on the suspense list. If you are or become aware of anyone in this group please encourage them to re-up.



## Proposed Bylaws Change

Recently Terry Conway, President of the Washington Chapter, left Government service. Article VI, Section 1,c. of the Chapter's bylaws reads in part as follows:

"No member shall be nominated for or serve as President or President-Elect of the Chapter unless such otherwise eligible person is an employee of a government (Federal, state, municipal or local) or is a retired Government employee not presently working for a commercial organization. (Approved May 1979)..."

Accordingly, President Conway has temporarily stepped down from the Presidency while the issue of employment status of the President is brought before the membership as a whole. The reason why the Chapter Executive Committee (CEC) feels it essential to poll the membership is that the members who have come forth and informally expressed an opinion appear equally divided for and against a change.

Therefore, in accordance with Article XIV of the Chapter bylaws the CEC is requesting all members to express their preference on how this situation, and any future occurrence of this nature should be handled. Votes on the following proposal must be received by January 31, 1988.

### Proposal

In the first sentence of Article VI, Section 1,c. the words "or serve as" would be deleted, thus removing restrictions as to employment for an otherwise eligible member to serve as President or President-Elect, but, retain all current restrictions as to employment at time of nomination. This proposed amendment would be retroactive to July 1, 1987.

Each member should vote "Yes" if in favor of this amendment "No" if not in favor.

At the conclusion of the balloting if the proposal is approved, President Conway will reassume the duties of President. If the proposal is rejected, President Conway would resign and President-Elect Bray would become President.

If you have any questions or wish to discuss any particular aspect of the proposal, please contact one of the following members of the Bylaws and Procedures Committee: Dan McGrath (Chair) 566-3717, Bob Pewanick 275-9482, Tom Mundell 632-0162, or Ken Winne 376-5415, or if you prefer, one of the chapter's current officers or directors.

There is a ballot included with this newsletter, in the form of a postage paid postcard, for you to

use in voting on this proposal. Please take a few moments to study the proposal and then vote!

*Submitted by Dan McGrath.*

## ARE WE ASSUMING SOMEBODY ELSE WILL TAKE THE INITIATIVE? THEY ARE NOT! By Dan McGrath, Director Membership Services

Back in November, it was reported that while recruitment was better than 2 years ago it was significantly lower than last year at the same time. Although this situation has not been totally corrected, in the last 2 months, it has improved. We sincerely thank the "Few" who responded to the Committee's plea for HELP.

We emphasize "Few" because our analysis reveals that for the membership year beginning May 1, 1987 to date only 21 members have sponsored a new member. This is less than 2% of the current membership. Where are the other one thousand plus of us?

We appeal to every member. Please try to recruit at least one new person this year. For those of us who have been under the illusion that our singular effort would have no impact, we can see our lack of effort has a demonstrated negative effect in total.

If you need applications, more information or have suggestions on how we can improve our membership activities do not hesitate to call me on 566-3717.



## ABOUT CHAPTER MEMBERS

We were saddened to learn of the death in September of **Francis X. (Frank) LaCava** in Charlottesville, Virginia. Mr. LaCava, a Treasury retiree, was Washington Chapter President for the 1974-75 program year, and recipient of the 1973 award for Outstanding Contribution to the Washington Chapter. His citation noted his "dedication and hard work over several years of active participation in Chapter activities". (We couldn't help but note that Mr. LaCava was one of our predecessor newsletter editors; his service includes a two year stint in that capacity.) Our deepest sympathy to Mr. LaCava's family with profound gratitude for his dedicated service to AGA and the Washington Chapter.

You probably read the item in the December *Topics* about the AICPA honoring **Andrew Barr** as one of "14 Who Made a Difference" in the accounting profession over the past century. Because we are all so very proud of Mr. Barr, we will be forgiven, we are sure, for wanting to be certain that everyone knows and understands that Mr. Barr is a member of Washington Chapter. In fact, Mr. Barr, a charter member of AGA (certificate #14), has the rare distinction of being listed in the records of AGA as being simultaneously National President and Washington Chapter President (1953-54). This is the result of Washington Chapter's role as the Mother Chapter of AGA. From 1950, when the Association was founded, until the national organization was set up in 1956, Washington Chapter served as both the national organization and the local chapter.

After (can you imagine?) 46 years of quality service, **Daisy P. Burley** has retired from Treasury FMS's Financial Policy Division. Daisy, a recognized expert in financial reporting, is not, however, quitting the profession; she plans now to devote more time to her church's fiscal affairs, and to be more active in AGA. Congratulations and best wishes for a long and happy retirement, Daisy!

WashChap's **Kenneth Winne**, of JFMIP, is this year's AGA Vice President-Elect (next year's Vice President) for the Capital Region Chapters.

Congratulations this month to GAO Outstanding Achievement Award recipients **Richard Dasher**, **Roy Kirk**, and **Stephen Saks**, and recent GS-15 promotees **Dave Grindstaff**, **Richard Hillman**, and **Luise Summersett**.

Good luck in new jobs to **Anna Wilson** who left Treasury FMS for OPM, and **James Wu** who left Interior for a GSA slot.

Don't forget to call us with your news About Chapter Members. Please! (Lee Beaty; 275-9532)

## EXEC MEET NOTES

Following are items of interest from the October 15 Chapter Executive Committee meeting.

—The Budget was unanimously passed by the Board. Board members and chairpersons may exceed their approved budgets by not more than 10% without Board approval.

—The luncheon item on the Budget has been increased from \$15,194 to \$16,209 due to a price increase by the Touchdown Club. Luncheon cost is \$14 plus a 17% gratuity per lunch plus a bar set up fee of \$20. It was decided that the Board will absorb the increase. Judith Parsons is negotiating with the Club on the price increase.

—Dan McGrath reported that membership appears split on the issue of a non-government employee being President of the Chapter. The special Committee will review the problem and report back to the Board with a recommendation. If changes to the By-laws are needed, they will be voted on by the general membership. (See article this issue.)

—The Research Committee is working on two projects: the Financial Management Training Survey and the Capital Budgeting in the Federal Government Survey. For the former, survey forms have been sent to private organizations to see which courses they use in training their employees. For the latter, survey forms have been sent to major agencies including DOD, HHS, and HUD.

—We have reached 65% of the 5,000 point Chapter Recognition goal set for us by the National Office. However, we have set our own goal of 10,000 points.

*Submitted by Deatrice Russell, Chapter Secretary.*



## RESEARCH COMMITTEE REPORT

The Chapter's Research Committee is currently chaired by Chuck McAndrew, a Systems Evaluation Manager in the Financial Systems Evaluation Division of the Navy's Office of Comptroller. Committee members are Dr. David Parriser, CPA, an Evaluator in GAO's Resources and Economic Development Division and a Professor of Accounting at Catholic University; Joel Dorfman, Certified Management Accountant, who works in the Information Technology Group of Arthur Young's Federal Financial Management Systems Division; Joyce Charles, an Assistant Director in the Department of Labor IG's Office of Financial Management Audit; and Mary Lee Mason, a Senior Advisor with Treasury's Financial Management Service.

Joyce and Dave are developing a "Compendium of Training Courses Offered in the Washington Metropolitan Area". They are surveying about 50 organizations to gather information on available financial management training courses.

Joel and Mary Lee have completed a project to determine "Capital Budgeting Techniques in the Federal Government". The project's results are based on a survey to which most major agencies responded. The survey questions were geared to determining: which agencies perform capital budgeting; which components within agencies perform capital budgeting; whether financial analyses of expenditure proposals are developed; the types of expenditures to which capital budgeting techniques are applied; the percentage of total capital assets to which the techniques are applied; how inflation is taken into account; whether central agency guidance is used; and whether capital budgeting policies and procedures are documented.

Joe Rothschild, HUD IG Director of Policy and Planning, has been our liaison with the AGA National Research Committee. He has developed a "Research Reference Aid for the Public Sector (RRAPS)". This microcomputer application system provides an annotated report reference for all types of evaluation reports and guidelines, e.g., audits, consulting studies, management evaluations, internal control reviews, risk analyses, A-176 studies, field performance reviews, and inspections. RRAPS can be accessed by subject classification. RRAPS is available to any agency which wishes to use it. The user must have dBASE III software and an IBM-compatible microcomputer. There is no charge but the user must supply a disk onto which the software can be copied. For more information on RRAPS, call Brenda Montgomery at HUD (426-6493).

*Submitted by Chuck McAndrew (696-6896).*

## NOMINATIONS COMMITTEE

By Diane M. Bray, Chairperson

The Nominations Committee met in mid-October to select our Chapter's nominee for AGA National President-Elect and Regional Vice President-elect for the Washington Chapter Region. The Committee, with the approval of the Chapter's Executive Committee, selected **Virginia Robinson** for the National President and **Kathy Fry** for Capital Region Vice President.

Virginia Robinson is the Associate Director for Accounting System Policy and Methodology, General Accounting Office, and is a member of Washington Chapter. Kathy Fry is a budget analyst, National Institute of Health, and is a member of Montgomery/Prince George's Chapter. Both have outstanding qualifications and have been Chapter Presidents and served on or chaired National Office Committees.

Our nomination for AGA President is submitted to the National Office Nominations Committee for their consideration. The three chapters in the Capital Region have unanimously agreed that Ms. Fry will be our Region Vice President-Elect.

I wish to thank those who faithfully served on our Nominations Committee. They were Ken Winne, Susan Lee, Ron Lynch, Anna Wilson, and John Simonette.

## FEDERAL IG'S IS NOVAGA TOPIC

Northern Virginia Chapter's January 20 dinner meeting will feature **Frank Sato** who will speak on "Federal Inspectors General — A Decade in Review". NOVAGA's meetings are at the Sheraton National at Washington Boulevard and Columbia Pike in Arlington. For reservations call Sophie Jasinski on 523-8401.



**AGA WASHINGTON CHAPTER  
SCHEDULE OF EVENTS  
JAN - JUNE 1988**

*January 7.* Monthly luncheon meeting w/**Meredith Williams**, Kansas State Auditor and AGA National President-Elect.

*January 15.* TGIF Luncheon; Tax planning seminar w/**Roger Charin**.

*January 29.* AGA Capital Region annual Professional Development Seminar.

*February 4.* Monthly luncheon meeting w/Congressman **John Kasich**.

*February 17.* Workshop, "Lessons Learned from Purchasing and Installing Off-the-Shelf Financial Systems".

*March 3.* Monthly luncheon meeting w/**Ray Kline**.

*March 12.* TGIF Luncheon; "FMFIA—Four Years Later—Is It Working?"

*April 7.* Monthly luncheon meeting w/GAO's **Fred Wolf**.

*April 15.* Workshop, "Use of Personal Computers and Expert Systems in Accounting, Auditing, and Budgeting".

*May 5.* Monthly luncheon meeting w/**Don Kirkendall**, AGA National President.

*May 15.* Cash management workshop, co-sponsored with Washington Area Cash Management Association.

*June 5.* TGIF Luncheon; roundtable discussion w/state financial management officials.

*June 20-22.* AGA 1988 Professional Development Conference, Washington, DC.

**CAPITAL REGION  
PROFESSIONAL DEVELOPMENT SEMINAR  
SET FOR JAN 29**

Members should have by now received the flyer on the AGA Capital Region Chapters' annual Professional Development Seminar scheduled for January 29 at the Marriott Crystal Gateway. This year's PDS continues a tradition dating back over 30 years of AGA providing relevant, up-to-the-minute, training and education for auditors, accountants, budget and contract specialists, and other financial managers working for local, state, and federal governments. The morning session will consist of keynote presentations by GAO's **Fred Wolf**, NASA IG **Bill Colvin**, Army's **Clyde Jeffcoat**, OMB's **Jimmie Brown**, Treasury's **Jerry Murphy**, DCAA's **Bill Reed**, and Peat Marwick's **Hal Steinberg**, moderated by **Sus Uyeda**. The following abbreviated outline of the afternoon workshops vividly illustrates the diversity and currency of the program.

—Contractor Self-Governance w/DCAA's **Anne-Marie Chavez**.

—Audit Quality w/Dept. of Ed. IG's **Mitchell Laine**, GAO's **Leslie Aronovitz**, & Peat Marwick's **John Hummel**.

—Developing Financial Systems w/EPA's **Vince Goerl** & **Paul Wohlleben**.

—Treasury's Agenda w/Treasury's **Susan Lee** & **Bob Clark**.

—Internal Controls Case Study by DCAA's **Cataldo Capitano**.

—Cross Servicing w/OMB's **Jimmie Brown** & **Albert Seferian**, Agriculture's **Clyde McShan**, Treasury's **Mike Serlin**, and Merit System Protection Board's **Frank Hagan**.

—Yellow Book Revisions w/GAO's **Joe Comtois**.

—Auditing Skills for the Future w/GAO's **Steve Medlin**.

If for some reason you did not receive the flyer, call the AGA Education Department (684-6931). Prompt attention is important since there is a discount for early registration.



## DID YOU KNOW . . .

By Charles McAndrew (696-6896)

The Peace Corps has successfully tested a new management approach in its accounting division, borrowing from the works of world-renowned economist Dr. W. Edwards Deming. This modern approach has been successfully used in Japan for years to increase the quality of the product and productivity. Using this new approach, accounting systems and processes are continuously managed to improve quality and increase productivity.

The test focused on the processing of readjustment allowance checks paid to Peace Corps volunteers upon completion of their overseas service. This allowance accrues at the rate of \$175 per month and is invaluable in helping volunteers readjust to life after spending two years or more in a developing country. Using the Deming approach, the number of accounting errors in preparing the checks was reduced substantially. At one step of the process, for example, the defective rate was reduced to less than one-fifth of its previous level. At another stage, the defective rate was reduced from 9% to 0. The reduced number of accounting errors has enabled returning Peace Corps volunteers to receive the checks, vital to their readjustment, in a more timely manner.

The cornerstone of the approach is that as quality increases, so does productivity because less

rework is necessary. This relationship was confirmed by the results of the test project which included savings of more than 11 weeks of staff time in rework and inspection in a five-month period from December 15, 1985 through May 15, 1987.

Management commitment and involvement is the first critical step toward successful implementation of the Deming approach. Project managers met regularly to detail steps in the system and to consider employees' suggestions for improvements. Using statistical tools, employees reviewed their own performance and made recommendations for improvement based on their day-to-day experiences. These have proven invaluable to managers of the pilot project, where employees have compiled a list of 38 recommendations for improved operations. All of these were approved by management and their implementation has had a positive impact on the quality of the work performed.

Ronald Passero, Peace Corps' Director for Financial Management, lauded the outcome of the project. "We are very pleased with the improved quality of work resulting from the test project. The employee involvement model we used is the only one I've ever seen really work. In addition, we made a breakthrough in being able to predict levels of quality in our volunteer allowance system." For more information, call Esther Martinez-Baldivia (254-7330).

## NEWSLETTER

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ASSOCIATION OF GOVERNMENT ACCOUNTANTS  
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JANUARY 1988

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