

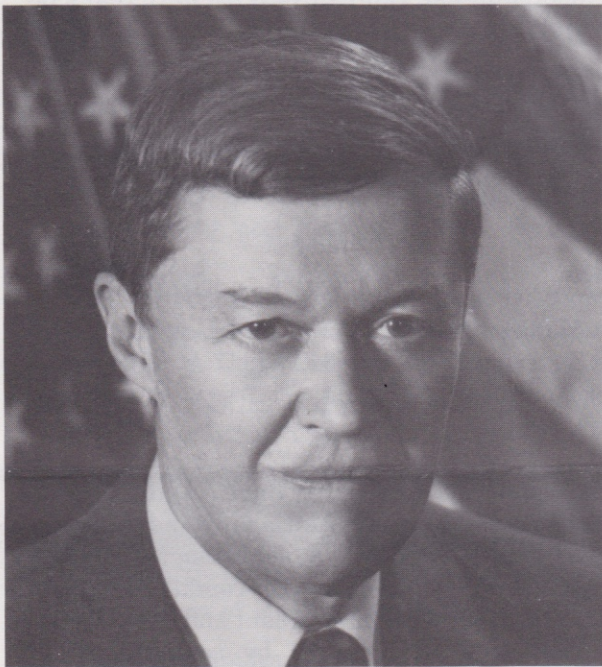
ASSOCIATION OF
GOVERNMENT
ACCOUNTANTS

AGANEWSLETTER

WASHINGTON CHAPTER

MARCH 1985

THURSDAY MARCH 7, 1985 LUNCHEON MEETING TO FEATURE



D. BRUCE MERRIFIELD
Assistant Secretary for Productivity,
Technology and Innovation,
U.S. Department of Commerce

Speaking on

"Forces of Change"

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
Open Bar	\$ 3.00

For Luncheon Reservations Call 695-7954
Telephone Reservations Accepted Until March 5, 1985

NON MEMBERS WELCOME

All Reservations Guaranteed

Meeting Schedule: Apr. 4 • May 2

PRESIDENT'S MESSAGE



VIRGINIA ROBINSON
United States General
Accounting Office

MIDYEAR REFLECTIONS

Some of the plans that we made for this year are being executed very well, while others need more action on our part. Attendance at monthly meetings has been such that we now find it necessary to assess persons who attend luncheon meetings without reservations an extra two dollars effective March 7, 1985. As much as we enjoy having you come to the meetings, we must have some means of ensuring that we are considerate of the responsibilities of the staff who take care of our culinary needs.

It is time to tell you that it will be an uphill battle to meet or better still, exceed, the goals that have been set for membership growth. I must remind you now rather than at the end of the year that we should work harder to increase membership—get new blood into the organization.

You may wish to apprise prospective members that this is a propitious time to join our organization. The remaining meetings and other educational events we have scheduled will surely provide them with a sense of fulfillment. In March when D. Bruce Merrifield of the Department of Commerce tells us about *Technological Change and Its Effect on the Economy and the Budget*, we will also honor our past presidents. In April, Dr. Abraham Briloff (the distinguished professor's professor) will remind us of what a challenging time this is for accountants as he talks about "What's Right and What's Wrong With the Accounting Profession." I think the students we honor from local colleges at that meeting will find his remarks as thought-provoking as any they've ever heard from a professor. And finally, in May while we listen to our National President, Hal Stugart, share his experiences with us, we'll delight in honoring persons who will be receiving awards for outstanding contributions to AGA and our profession.

When you're recruiting, it's also a good idea to let prospective members know that members pay less and enjoy more of our annual professional development conference in June. The uninitiated may not know

that the name of our organization doesn't describe the full range of our financial management interests that we cover in our educational events such as the PDC. One would have to look long and hard to find a single educational event of only 3 days duration that provides such excellent training in accounting, auditing, budgeting, ADP and other related areas of financial management. Many of our other educational events are also offered at reduced cost to members.

Another thing that's near and dear to most of us as members of AGA is finances. Just reflect on the areas of tax benefits and you'll be able to explain to prospective members that the annual dues payment is practically a freebie when you consider that the payment is tax deductible and the discount we receive on the Federal Tax Handbook—about 50 percent of cost—makes the expression cost-benefit a reality for us.

In addition to convincing prospective members of the benefits they would derive from joining us, treat yourself for a change. We will keep our promise to match at the Chapter level any award that the National Office makes for membership acquisitions. Let's recruit and expand our horizons.

When you receive next month's newsletter you'll get the opportunity to exercise another important benefit of membership—the right to vote for next year's officers and directors. Be sure to vote.

MARIANAS NEEDS AUDITORS!

The government of the Mariana Islands has the following positions available for auditors.

Position	Number of Vacancies	Salary Range
Audit Manager	2	\$ 20-30 K
Audit Supervisor	5	15-20 K
Senior Auditor	4	10-15 K
Junior Auditor	1	09-10 K

Send resume to Office of the Public Auditor, Commonwealth of the Northern Mariana Islands, P.O. Box 1399, Saipan, CM 76950. A recruitment package which provides information about "conditions" of employment with the NMI government and about the island itself may be reviewed by contacting Bob Romanyshyn, 343-3832, Washington, D.C.

NEWS FROM NATIONAL

GOOD RESPONSE TO INSURANCE OFFER AGA's insurance administrator has reported an excellent response from members to the publicity mailing last fall on the group disability income insurance plan. The administrator, Albert H. Wohlers & Co., has also revealed that they shortly will cover each active AGA member with a free \$1,000 accidental death policy.

**WASHINGTON
CHAPTER
Executive
Committee
1984-1985**

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President

Virginia Robinson, GAO, 275-9513

President-Elect

Susan Lee, Treasury, 535-9697

Secretary

Diane Bray, Treasury, 376-1097

Treasurer

Joe Rothschild, HUD, 426-5454

Past President

Kenneth Winne, JFMIP, 376-5415

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Cooperation with Professional Organizations

Tony Gabriel, USDA, 447-7431

Education

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Loretta Shogren, Justice, 633-3291

Employment Referral

George Englert, JFMIP, 376-5415

Meetings

Carol Lynch, Education, 472-2395

Membership

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Judith Boyd, Treasury, 566-2112

Research

Gail Young, Energy, 252-4171

Committee Chairperson

Chapter Competition

Jean Bowles, State, 524-1188

Chapter Evaluator

Jim Smith, Navy, 695-1070

Cooperation with Educational Institutions

Joseph Linnemann, State, 524-1188

Financial Management Assistance

Ken George, ACTION, 634-9163

Newsletter

Lee Beaty, GAO, 275-9430

Professional Notes

John McArthur, Treasury, 376-0820

Small Business Education

Charles McAndrew, GAO, 523-8706

Public Service Coordinator

Joseph L. Dillon, EPA, 382-5113

Relations with National Office

Terry Conway, DOD, 697-3192

ABOUT OUR SPEAKER THIS MONTH

Dr. D. Bruce Merrifield is a graduate of Princeton University and holds Masters and Doctoral degrees in Physical Organic Chemistry from the University of Chicago.

Dr. Merrifield has since been in research, research administration and new venture management and is currently Assistant Secretary of Commerce for Productivity, Technology and Innovation. Formerly, he was Vice President of Technology and Venture Management for The Continental Group.

He is a former Director and president-elect of The Industrial Research Institute; he also has been Chairman of the Board of The IRI Research Corporation and is a former Trustee and Chairman of the Research Council of The American Management Association. Currently, he is a member of The Directors of Industrial Research, a member of Sigma XI Honorary Society, and is a Fellow of both The American Association for Advancement of Science and of The Institute of Chemists.

Dr. Merrifield also has been a member of the Advisory Board for the Binational Research and Development Foundation with Israel and of the U.S. Department of Commerce's Trade Mission to the People's Republic of China. He has served both as Science Advisor to the Jordanian government and as a member of one of the Department of Defense transition teams.

Dr. Merrifield also has been active in community affairs as a former Chairman of the Board of Education, a Trustee of several schools, as National Chairman of the Princeton Alumni Association, a board member of several foundations, and a member of the Executive Council of the Episcopal Church.

CALENDAR OF EVENTS

Don't miss our April 4 meeting when Dr. Abraham Briloff will speak on "Accountancy and Society: A Broken Covenant". (Rayburn Bldg., 11:15 a.m.; 695-7954 for reservations)

Be sure and see page 7 for details on the March 20 JFMIP 14th Annual Conference.

Montgomery-Prince George's Chapter's speaker for its March 13 monthly dinner meeting is Judith L. Tardy, Ass't Secretary for Administration, Dept. of Housing and Urban Development. Location is the Lanham Ramada. Call Rich Savitsky for reservations (883-6284).

Frederick D. Wolf, Director of GAO's Accounting and Financial Management Division, will address the Northern Virginia Chapter at its March 19 monthly dinner meeting. The meeting is designated as GAO night. Location is the Springfield Imperial 400. Call Mike Janoski for reservations (756-2893).

Battlefield Chapter's speaker at its March 20 monthly dinner meeting is Gail T. Young, Controller, Department of Energy, who will speak on "A-123's Impact on the Controllorship Function." Location is Kilroy's in Woodbridge. Call James Bridges for reservations (690-1961).

Institute of Internal Auditors Washington Chapter will host a seminar on "Effective Audit Interviewing" in conjunction with its March 20 monthly meeting at the National Press Club. (Luncheon speaker is indefinite as we go to press.) Call Chris Hendricks (535-6138) for info on the seminar, and Gladys Tymas (245-0621) for luncheon reservations.

Northern Virginia Chapter of the American Society for Public Administration's annual conference, "Public Challenges 85", will be held March 8 at Arlington Center—Virginia Square. Call Ray Howes (664-4610) or Robert Maslyn (245-7565) right away for info.



THE GASB—A VISION, A REALITY, A VISION

(Editor's Note: James F. Antonio, Chairman, Governmental Accounting Standards Board [GASB], was guest speaker at the Chapter's January 3 luncheon meeting. Following is a synopsis of his remarks developed and submitted by David Dukes, Chapter Program Director.)

The Governmental Accounting Standards Board (or GASB), after undergoing deliberations for about five years, passed by a concensus of interested parties from being a vision to being a reality in January 1984. Located in Stamford, Connecticut, GASB is organized under the purview of the Financial Accounting Foundation, which is the same body that oversees the Financial Accounting Standards Board (or FASB).

GASB is the successor organization to the National Council on Governmental Accounting (NCGA). It is governed by a five-member Board which includes the Comptroller General.

Mr. Antonio stated that GASB's mission (or vision) is to establish and improve standards of financial accounting and reporting of state and local governmental entities for the guidance and education of the public, including issuers, attestors, and users of financial information.

He went on to say that bound up in the mission statement is a great deal of concern for not just what standards do you set, but how they get set. This includes concern for due process and openness to all who are impacted by standards.

GASB began meeting in June 1984 and has laid out a two-year calendar for itself. The current agenda consists of eight projects:

- 1— Development of a statement of financial reporting objectives for governments.
- 2— Development of a discussion paper on making a choice in focusing financial reporting on either economic benefits or the flow of economic resources.
- 3— Infrastructure (assets) project.
- 4— Pension accounting and financial reporting project.
- 5— Deferred compensation project.
- 6— Special assessments accounting projects.
- 7— Public authorities financial reporting project.
- 8— Codification of generally accepted accounting principles (GAAP) for state and local governments.

Several discussion documents related to these projects are under development and will be out shortly for public comment.

To a question regarding how many state and local governments are using the GAAP standards, Mr. Antonio responded that he did not know. He would like to find out, but he made it clear that GASB is

not charged with enforcing the use of standards. He believes it would be useful to GASB to know whether the use of GAAP is increasing or decreasing.

Mr. Antonio said that he had looked at the new Title 2 issued by GAO, but it is not up to GASB to evaluate how the Federal government does its own financial reporting.

Executive Committee Meeting Minutes Report

By Diane M. Bray, Secretary

In an effort to keep AGA Washington Chapter members apprised of the activities of the Executive Board, the highlights of the previous month's Board meeting are capsulized and published for your information. Members desiring more information on a specific event should contact the Director or Chairperson of that Committee. General questions should be addressed to the President.

The following activities were reported at the January 31 Executive Board meeting:

—A new National Education Director has been appointed. We wish Frank Rubin much success in this new position.

—Nominations for the National Scholarship Award are due on March 1. A scholarship in the amount of \$1,000 is awarded to the son or daughter of an AGA member. Nominations should be sent directly to the AGA National Office.

—To resolve the problem of AGA members attending monthly luncheon meetings without reservations, a premium of \$2.00 will be added at the door. This charge is necessary because at the last few meetings, we have had an overwhelming number of members attend as "walk ins". Although we appreciate their support, this has caused a problem in the timely serving of lunch to all participants. The intent of the charge is not punitive in nature, but is intended to encourage members to make reservations for monthly luncheons.

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PAST PRESIDENTS TO BE HONORED

Past Presidents of our Chapter will be guests at the March 7th luncheon meeting. Included among this special group are:

Robert W. King	(1950)	William J. Powell	(1967)
Walt F. Frese	(1951)	Edwin J. B. Lewis	(1968)
T. Jack Gary	(1952)	Francis W. Lyle	(1969)
Andrew Barr	(1953)	Robert B. Lewis	(1970)
Harry J. Trainor	(1954)	Maurice P. Pujol	(1971)
Karney A. Brasfield	(1955)	John W. Cooley	(1972)
Delbert J. Harrill	(1956)	Gerald Murphy	(1973)
Raymond Einhorn	(1957)	Frank LaCava	(1974)
Clark L. Simpson	(1958)	Joseph Donlon	(1975)
Gordon J. Crowder	(1959)	Audrey Dysland	(1976)
Alfred R. Golzel	(1960)	Susumu Uyeda	(1977)
Joseph R. Hock	(1961)	Thomas Mundell	(1978)
James L. Thompson, Jr.	(1962)	Jean Kerr	(1979)
Marshall Crossman	(1963)	James Hickey	(1980)
Ralph H. Keister	(1964)	John Reifsnnyder	(1981)
Jack Haney	(1965)	Robert Pewanick	(1982)
Benjamin F. Robinson	(1966)	Kenneth Winne	(1983)

AN AGA ALBUM



Helen Sherman, with beaming boss Energy Ass't Sec'ty **Martha Hesse Dolan**, is shown receiving Treasury Cash Management Award from **Tim McNamar** of Treasury.



President **Virginia Robinson** presents Chapter \$500 Scholarship Award to **Mattie L. Hutchinson**, a junior at University of the District of Columbia, at December meeting.



Linda Vandenberg accepts her Treasury Cash Management Award observed by proud boss **Ray Kline**, Acting Administrator of GSA.



Program Director **David Dukes** (L) and President **Virginia Robinson** (R) pose with **Frank Harden** and "potted" **Jackson Weaver** at December luncheon meeting.



Distinguished AGA Comptroller General **Charles A. Bowsher** and former C G **Elmer B. Staats** pose with Canadian Auditor General **Kenneth M. Dye** and Chairman of Phillipine Commission on Audit **Francisco S. Tantuico** at recent International Financial Management Conference.



AGAers enjoy good food, good spirits, good company at recent luncheon meeting. See anyone you know?

RESPONSIBILITY ACCOUNTING

By Richard L. Angle

Title 2 of the General Accounting Office Policy and Procedures Manual for Guidance of Federal Agencies states that "financial reports should be prepared to clearly disclose significant financial facts about agency operations and activities."

There are two areas that we, as accountants, should be taking action in to generate changes. One relates to standard financial statements and the second relates to achieving effective financial management. Most of the standard financial statements currently prepared provide little or no meaningful data in terms of agency operations and activities. The standard financial reports I refer to are:

1. Statement of Changes in Financial Condition
2. Status of Appropriations
3. Summaries of obligations
4. Balanced Sheet
5. Analysis of Changes in Equity

These standard financial statements are beneficial for the private sector where they are used for extending credit, buying ownership interest, etc. The Government is not selling stock or trying to make a profit. Therefore, these standard reports do not contribute much to measuring the performance of a Government agency. The use of the current standard reports encourages budget management, not financial management. If we want the standard financial statements to be meaningful they must relate to a quantifiable measure of how well the agency is meeting its objectives and how effective the agency is using its resources. For example, the dollars could be compared to number of employees, number of grants administered, number of aircraft handled, or number of travel days.

To achieve more effective financial management the Government must provide an incentive to be a good financial manager. The budget process, personnel control procedures, and human nature all work to discourage good financial management. If a unit spends less than appropriated, next year's funds may be reduced or criticism is received for not spending what was asked for and authorized. Operating with a "lean and mean" staff causes problems when "across the board" personnel reductions are assessed. It pays to have extra staff for that purpose or to accomplish added work with no increase in resources. Thus, most program managers are more interested in performing their function within available resources, not in performing their function in an efficient, effective, and economical manner.

In conclusion, we need to be more innovative in preparing financial reports, educate the program managers about the benefits of good financial management, and encourage the development and use of a budget process and a personnel control procedure that

recognizes good financial management.

Mr. Angle is an Accounting Systems Branch Manager with the Federal Aviation Administration. Opinions expressed are those of the author.

* * *

(Editor's Note: Many of us would argue in rebuttal that the traditional private sector financial statements—properly developed, understood, and used—can make an important contribution to adequate disclosure and improved quality of government financial management. We welcome articles expressing a diversity of views, and are committed to the idea that frank and open dialogue is important to resolution of this and all issues affecting the quality of government financial management. What do you think? Send us an article!)

WANTED! NEEDED! FINANCIAL MANAGEMENT ARTICLES

The most potentially valuable benefit of AGA membership, it seems to us, is the opportunity for growth and enrichment that results from sharing with one another our thoughts, ideas, and experience. The vast reservoir of thinking and experience embodied in our talented, skilled, and gifted membership is an invaluable resource and treasure for all of us. Your chapter newsletter can be an important medium for this sharing. To reap this benefit we need your financial management articles. If we have to, we'll expand the newsletter to accommodate them. The list of potential topics is almost limitless. For example:

- Tips for doing better audits
- Tips for operating accountants
- Unusual or interesting audits
- System development projects
- Computer applications
- Budgeting problems/techniques
- Supervisory techniques
- Audit unit profiles
- Individual profiles (most unforgettable auditor/accountant, etc. I've ever met)

Send articles (at least 300 words, please) to Lee Beatty, Room 6015, 441 G St., NW, Washington, D.C. 20548 (phone 275-9430). C'mon! Send us an article!

EXECUTIVE MEETING

continued from page 4

—Agencies wishing to recruit employees in financial, accounting or audit series are encouraged to use our employment referral service. Copies of the vacancy should be forwarded to the Employment Referral Committee.

—The VITA program has recruited 20 Chapter members to assist taxpayers in preparing their returns. The members have taken the IRS exam and are awaiting the test results.

JFMIP 14TH ANNUAL CONFERENCE

MARCH 20, 1985 9:00 AM - 4:30 PM

"MANAGING THE GOVERNMENT'S FINANCIAL RESOURCES"

Objective: To discuss key issues and share experiences in improving the management of financial resources at all levels of Government.

Location: The Shoreham, 2500 Calvert Street, NW, Washington, D.C.

KEYNOTE SPEAKERS:

CHARLES A. BOWSER
Comptroller General of the United States High Level Official

LUNCHEON SESSION

Presentation of the Donald L. Scantlebury
Memorial Awards

MORNING WORKSHOPS:

SINGLE AUDIT—WHERE WE'RE HEADED

Leader: PALMER MARCANTONIO, Finance and Accounting, Office of Management and Budget

Speakers and Topics:

ARLENE TRIPLETT, Associate Director, Office of Management and Budget "Single Audit Act of 1984"

CHRIS COOPER, Staff Member, House of Representatives Subcommittee on Legislation and National Security "A Congressional Viewpoint"

JOSEPH WELSCH, Inspector General, Department of Transportation "Cognizant Agency Operations"

NED REGAN, Comptroller, State of New York "State of New York's Perspective"

IMPROVING ACCOUNTING SYSTEMS

Leader: DAVID DUKES, Deputy Assistant Secretary, Department of Health and Human Services

Speakers and Topics:

JOHN LORDAN, Deputy Associate Director, Office of Management and Budget "OMB Objectives"

FREDERICK WOLF, Director, Accounting and Financial Management Division, General Accounting Office "GAO's Perspective"

WILLIAM DOUGLAS, Commissioner, Financial Management Service, Department of the Treasury "Treasury's Initiatives"

GAIL YOUNG, Controller, Department of Energy "Agency's Perspective"

AFTERNOON WORKSHOPS:

IMPROVING EFFICIENCY IN FINANCIAL MANAGEMENT

Leader: VIRGINIA ROBINSON, Associate Director, General Accounting Office

Speakers and Topics:

JOSEPH LINNEMANN, Associate Comptroller, Financial Systems, Department of State "International Common Accounting System"

JOHN CARABELLO, Director, Management Improvement, Department of Defense "Defense Department Approach"

JIMMIE BROWN, Director of Finance, Department of Commerce "Consolidation of Payment Centers"

JACK CARSON, Director, Office of Finance and Management, Department of Agriculture "USDA's Reform No. 1"

GENERAL FINANCIAL MANAGEMENT INITIATIVES

Leader: SHIRLEY EVANS, Director, Finance and Accounting, Department of Housing and Urban Development

Speakers and Topics:

DAVE MUZIO, Deputy Associate Administrator, Office of Federal Procurement Policy "Productivity Improvements Through Competition—OMB's Circular A-76"

JOHN MERCK, Deputy Associate Director, Office of Management and Budget "Management Review Under the Budget Process"

RUSSELL MORRIS, Assistant Commissioner, Federal Finance, Department of the Treasury "Managing Working Capital"

FREDERIC HEIM, JR., Internal Control Coordinator, Office of Management and Budget "Internal Controls"

REGISTRATION INFORMATION: The cost of the one-day conference is \$70. Federal agencies may submit Standard Form 182, Request for Training, to:

JFMIP Conference

OPM-WED-CPMT

Financial Management Training Institute

P.O. Box 7230

Washington, DC 20044

Nominations for non-Federal employees should include checks made payable to the Office of Personnel Management. Nomination forms will be accepted until March 13, 1985. Cancellations must be made in writing by March 6, 1985, or a billing will be made. For further information on registration procedures contact Ed Murphy, Charlie Falvey or Sam Smith on (202) 632-5600.

DID YOU KNOW . . .

By John MacArthur

- Accountants are uniquely suited to provide comprehensive personal financial planning services, says Curtis C. Verschoor, CPA, in the January 1985 issue of the *Journal of Accountancy*. The author states that many practitioners are missing an excellent opportunity to extend the scope of their practices in the field. They are especially suited due to their reputation for greater objectivity and practical experiences in analyzing and projecting expenses, income and cash flow. A further advantage is accountants' habits of billing clients for time and effort rather than receiving compensation for a specific product. The author cautions accountants contemplating this role to objectively evaluate their expertise and develop the necessary competence through self study and by attending university courses and continuing education seminars.
- Private sector demand for computer skilled internal auditors and accountants is increasing, according to a recent survey by Fox-Morris, Inc. a large professional recruiting firm. Also highly sought after are tax, cost, and budget accountants, especially those thoroughly skilled in data processing and computers. The survey further indicated that, except for senior level positions, the most coveted experience level is two to seven years. Cost accountants are highest in demand among entry candidates, followed by MBA's and new graduates in the tax and budget fields. Also revealed was the importance of financial planners with data processing experience, especially in computer modeling for market and economic forecasting. Respondents to the survey agreed that the overall need for accounting and financial professionals will increase by at least 10% over the next 12 months. Median 1984 salaries in this field range from \$19,200 for an entry level accountant with a BS, to \$81,300 for financial VP/ chief financial officer, although in the largest corporations the salaries for the V.P. Finance/C.F.O. can range to \$200,000 and more.
- The Railroad Accounting Principles Board has been established, with the appointment of its six members. The Board's function is to establish uniform accounting principles for use by regulated rail carriers in accordance with a 1980 Act. However, only in 1984 were funds appropriated for the Board whose charter expires at the end of fiscal year 1986. The law named the Comptroller General Chairman of the Board and empowered him to appoint the members—an accountant, economist, an ICC representative, a railroad industry representative, and representatives of large and small rail shippers. The accounting representative is Mr. Gordan Shillinglaw, professor of accounting at the Columbia University Graduate School of Business. The Board will function as a separate entity similar to the Cost Accounting Standards Board. Following the appointment of an executive director, a staff of 8-10 professionals, drawn from a pool of GAO and outside applicants, will be named.
- The Financial Management Service, Department of the Treasury, recently initiated a one year pilot program to test corporate trade payments (CTPs), a new cash management system originated by the National Automated Clearing House Association. CTPs are electronic funds transfers between corporations via the ACH. FMS is testing the CTPs for use by Federal agencies as part of its commitment to expand use of EFT techniques for payments and collections. ACH membership consists of over 16,000 financial organizations which serve over 26,000 U.S. corporations.

NEWSLETTER

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ASSOCIATION OF GOVERNMENT ACCOUNTANTS

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