

Washington Chapter • P.O. Box 423 • Washington, D.C. 20044-0423 • (703) 758-4080 • October 1994

WASHINGTON CHAPTER LUNCHEON MEETING

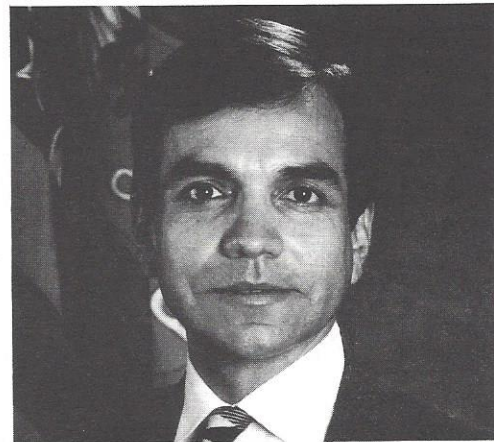
THURSDAY
OCTOBER 6, 1994

Touchdown Club
2000 L Street, N.W.
(Near Farragut West Metro Stop)

Social: 11:30 (Cash Bar)
Luncheon: 12:00 Noon
Cost: \$16.00 (Members)
\$18.00 (Non-Members)

- Reservations are urged
- Call (703) 758-4080 by
October 4, 1994
- Request sign language interpreter
by October 3, 1994
- Non-Members are welcome

LUNCHEON PROGRAM



The Honorable George Muñoz

Mr. Muñoz was appointed by President Clinton and confirmed by the Senate as CFO and Assistant Secretary for Management of the U.S. Department of the Treasury. Prior to joining Treasury he practiced international law in Chicago, concentrating on international tax and business. He holds a J.D. from Harvard, a Master's in Public Policy from the Kennedy School of Government, a B.B.A. from the University of Texas, and a Master's in Law and Taxation from DePaul University.

The CFO Council reconstituted itself from an advisory body composed solely of CFO's into an agent for change to bring about improvement in government financial management through joint efforts among the major departments and agencies. The Council also expanded its membership to include Deputy CFO's and created leadership positions to be elected by the membership to assist the OMB Deputy Director for Management in accomplishing the objectives of the CFO Act of 1990.

Mr. Muñoz was a leader in bringing about these changes within the Council, and consequently the other members of the Council rewarded his efforts by electing him Vice Chair. In this position he will work directly and actively with the Deputy Director for Management in setting the Council's agenda and instituting processes to ensure that it meets its objectives. Mr. Muñoz will speak on these changes and what they mean for the financial community of the government.

Our speaker for the November 3 luncheon meeting at the Touchdown Club will be Mr. Stephen Barr, Staff Writer for the Washington Post, whose reporting appears frequently on the Federal Page of the Post. Among his many "beats," Mr. Barr has extensively covered the Chief Financial Officers Act, the Government Performance and Results Act, and the National Performance Review, at both ends of Pennsylvania Avenue and among the departments and agencies, and brings a different perspective to our business. The format will be primarily question and answer. Please make plans now to attend.

The President's Message



Pat Wensel, President

The program year is off to a good start. Our first general meeting on September 8 featured Barry Anderson, Director of Budget, Office of Management and Budget. If you were unable to attend that meeting you can read the summary of his remarks on page four of this newsletter. I hope you will not miss our upcoming meeting featuring the Honorable George Muñoz, recently elected vice-chair of the CFO Council, and Assistant Secretary for Management and Chief Financial Officer at the Department of Treasury. Come and bring your co-workers and friends to share in this outstanding program.

I need your assistance. As stated in our September newsletter, we have arranged to provide an interpreter for our hearing impaired colleagues at Chapter-sponsored events. I need your help to get the word out that this service is now available. If you know anyone who would benefit from this service, please invite them to our meetings, give them a copy of our newsletter, and ask them to contact me or call our voice mail to request an

interpreter. We must notify our service provider, Sign Language Associates, at least two full days before our meetings. Therefore, we must receive reservations by Monday, October 3, for our next meeting. I would appreciate any suggestions you may have for publicizing this service and your help in bringing your hearing impaired associates to our many events.

Our first educational event, "DOING MORE WITH LESS - TOOLS AND TECHNIQUES," was held on September 12 and 13. Thanks to Dan Murrin and his committee, the event was a great success. The subjects were timely and the speakers were great. All who attended learned new and innovative approaches for streamlining their organizations and heard about real life experiences from those who have used these tools and techniques. I extend my personal thanks to all who helped make this event possible.

Our next educational event, "WORKSHOP ON GOVERNMENT AUDITING," is scheduled for November 8 at the George Washington University Marvin Center. We have an outstanding program and an impressive list of speakers. See the registration information on page seven of this newsletter or call our voice mailbox for additional information. Don't miss this opportunity and be sure to bring all your co-workers and friends who have a need to know what is happening in the government auditing community. Watch later issues for details of other events now in the planning stages.

Thanks to all those who have volunteered their services to the Chapter this year. We appreciate all your hard work and dedication. For those of you who have not yet volunteered, please speak up. There are many opportunities still available where we need and will use the considerable talents of our members. If you have a special area of interest, please call the director of that area. If you don't know who to contact, please call me or any officer and we will be sure to use your skills. Help us fulfill our goal to get our membership actively involved in the events and activities of the chapter.

At the September luncheon meeting, our monthly program chair, Russ Morris, directed the audience's attention to the back wall of the room and asked that we not consider it a barrier, but a challenge to make the room larger with increased attendance. Let's all help Russ Morris push that wall back at the Touchdown Club on October 6 as we welcome our speaker, the Honorable George Muñoz. See you there.

Pat Wensel

..... WELCOME TO OUR NEW MEMBERS

On behalf of all members of our Chapter, I would like to welcome the new members of the Washington, D.C. Chapter of the AGA. We're happy to have you join us and hope that you will be active participants in all our professional and charitable events.



<u>Name</u>	<u>Organization</u>
Ade Adebasi	KPMG Peat Marwick
Ann H. Albin	Office of Thrift Supervision
William E. Anderson	General Services Administration
Steven App	Department of Housing & Urban Development
Todd Bornstein	Price Waterhouse
Laura Chambou	Department of Commerce
Jeffrey A. Cohen	Resolution Trust Corporation
Jo Ellen Cohen-Langois	General Services Administration
Wendy Comes	Federal Accounting Standards Advisory Board
Bena A. Cramer	Financial Management Service
G. Edward DeSeve	Department of Housing & Urban Development
M. Susan Ellis	Inspectors General Auditor Training Institute
Michael Fitzgerald	Department of Commerce

<u>Name</u>	<u>Organization</u>
Alexandra Keadjoria Ganoe	Comptroller of the Treasury
Hodge A. Herry	General Accounting Office
Duncan R. Hoopes	Price Waterhouse
Suzanne R. Lawrence	Department of Education
Judith Leonhardt	Nuclear Regulatory Commission
Lucy Lomax	Federal Accounting Standards Advisory Board
Michael Mangano	Department of Health & Human Services

<u>Name</u>	<u>Organization</u>
Mary G. Mortellaro	U.S. Geological Survey
Phillip L. McKinney	U.S. Geological Survey
Judith Stubbs Ochs	Internal Revenue Service
Anita Raghavan	Booze, Allen & Hamilton
Wilfredd Rivera	Department of Agriculture
Angela R. Smith	Department of Treasury
Bernard Trescavage	General Accounting Office
John F. Wallace	U.S. Army Corps of Engineers
Lisa-Joy Zgorski	Department of Commerce

I would also like to take this time to encourage you and all current members to help us find other financial management professionals to become members of AGA. We have a lot to offer and each new member brings to our chapter skills and experiences that can benefit everyone.

We also recognize two members who have recently retired from Federal service

Joseph Zimmer	Procurement Policy Specialist, Office of Federal Procurement Policy, OMB	September 9, 1994
William Kendig	Director of the Office of Financial Management and Deputy Chief Financial Officer, Department of the Interior	September 30, 1994

We give them our best wishes and hope they remain active AGA members.

Eva Williams, Membership Chair

SUMMARY OF LUNCHEON SPEAKER'S REMARKS *Cis Kuennen, Secretary*

Mr. Barry B. Anderson, Assistant Director for Budget at OMB, was the guest speaker at the Chapter's first luncheon meeting for the 1994-1995 program year. Mr. Anderson, the senior careerist in OMB, has oversight responsibilities for the entire budget process. In this capacity, he addressed some of the pertinent policy and financial issues that are likely to become part of this year's Presidential budget proposals. He also gave an overview of the recent reorganization and restructuring of OMB, known as "OMB 2000."

Mr. Anderson provided a handout of tables and graphs and discussed each briefly. A graph of deficit projections in terms of percent of Gross Domestic Product from 1993 through 1999 depicted a drastic reduction as a result of the President's economic plan and further reductions with comprehensive health care reform. Other charts showed discretionary spending estimates for Fiscal Year (FY) 1995 - 1999; projections for total Federal civilian personnel, dropping from 2,037 in 1995 to 1,882 in 1999; and estimates of mandatory outlays and targets for FY 1994 - 1997. Mr Anderson underscored that again there are strict dollar restraints and declining FTE ceilings to contend with in this year's budget submissions. He discussed the potential impact of the Omnibus Budget Reconciliation Act of 1993, the Budget Enforcement Act, the Workforce Restructuring Act, and the Government Performance and Results Act on current and future budgets. He said that beginning this year program results and performance information are receiving special emphasis in the budget process. Mr. Anderson stressed

that even with stricter restraints on budgetary growth, without health care reform it may be impossible to solve the deficit problem, and that current budgetary projections are contingent upon implementation of health care reform. He reminded everyone that the projections are tenuous as the Executive and Legislative branches are still hotly debating the health care issues.

Regarding "OMB 2000," Mr. Anderson stated that the Administration reviewed the organization and structure of OMB as part of the National Performance Review. The last major reorganization took place in 1970 when OMB was formed from the Bureau of the Budget. Mr. Anderson said the major thrust of "OMB 2000" is to find a way to give management more emphasis while improving the integration of management with budget. He explained that this initiative was decided upon after close internal examination of OMB's mission and extensive input from the government community. To date one of the most successful results has been the formation of RMO's, Resource Management Organizations. RMO's are teams responsible for addressing both the management and budget needs of the departments and agencies they are assigned to serve. Mr. Anderson said at this point it is difficult to assess the impact as the changes are not fully in place, but are happening. He concluded with the remark that he is optimistic that "OMB 2000" will not only have a positive and synergistic impact on performance within OMB, but also on the government community and programs that OMB oversees.



Barry B. Anderson, OMB Assistant Director for Budget, addressing Washington, D.C. Chapter AGA, and, l to r, Pat Wensel, President; Russ Morris, Program Chair; and Doris Chew, National Executive Council Rep.

HIGHLIGHTS OF CHAPTER EXECUTIVE COUNCIL MEETING

The Council met on August 24, 1994 at the National Press Club Building. Present were Pat Wensel, Evelyn Brown, Warren Cottingham, Bob Lee, I-Ming Clark, Mitch Laine, Janet McBride, Eva Williams, Bob Buchanan, Larry Wilson, and James Naughton. Significant discussion items were:

Treasury - The Council is seeking volunteers to help periodically with accounts receivable, principally associated with educational events. Bob Lee and Janet McBride are examining software alternatives for maintaining the Chapter's financial records.

Budget and Finance - The Council discussed committee budget proposals and came to agreement that the objective will be to hold the operating budget level within the amount of current year projected revenues. Increases in the cost of luncheons at monthly meetings are being avoided; the Council is exploring ways to reduce the cost for younger, lower paid members.

Program - The Touchdown Club has been reserved for the monthly luncheon meetings for the balance of the 1994 - 1995 program year. Several speakers are being invited. It is expected that an IRS financial management leadership official will speak on IRS objectives and the ways in which finance supports those objectives.

Professional Services - Jim Naughton discussed proposed changes to the Hatch Act; a newsletter article on this will be forthcoming. Jim is also researching proposed changes to the IG Act and potential impact on IG positions resulting from National Performance Review employment reduction recommendations.

Past Presidents Council - Larry Wilson is arranging an early October meeting of past Presidents to formulate areas in which they can assist the Chapter and its members.

Community Outreach - Plans for the Children's Hospital Telethon, Career Awareness Day, Financial Management and Accounting Assistance Program, and numerous other events are well underway.

Cis Kuennen, Secretary

gopher.financenet.gov Summarized from FinanceNet-published information

That's the host through which Internet users can reach the FinanceNet gopher server. What is FinanceNet? It's one of the more developed networks which evolved from NetResults, the National Performance Review (NPR) spawned electronic linkage of government employees and private citizens. It is your opportunity to participate directly in reinventing government financial management. FinanceNet invites you to join together with thousands of other accountants, auditors, and financial managers to share information and ideas for improving financial management throughout all levels of government. The network spans the Federal government, crosses public-private sector boundaries and links Federal, state, local, and foreign governments and professional financial management organizations in a global outreach effort.



The FinanceNet organization intends to provide a synergistic medium for the sharing of ideas, successes, news, lessons learned, best practices, and experiences through Internet access to current and archival reference libraries of legislation, Congressional testimony, executive orders and memoranda, and important meeting minutes and highlights. It also provides access to OMB, GAO, and Treasury Circulars, bulletins, and releases, FASAB exposure drafts, and JFMIP publications, in addition to 20 mailing lists and discussion forums. The National Science Foundation has been working with the NetResults people at NPR tasked with linking Americans together in government-wide reinvention, to equip FinanceNet with a package of state-of-the-art Internet communication services, including a gopher server, to facilitate this mission and vision.

Continued on page 6

To use FinanceNet requires a computer, a modem, and access to Internet. Information about FinanceNet Internet information services may be obtained by sending a blank Internet e-mail message to: info@financenet.gov To receive complete information by e-mail regarding FinanceNet electronic mailing lists and subscription instructions, send a blank Internet e-mail message to: email-info@financenet.gov If you do not have Internet access through your organization or through a subscription service such as MetaNetwork, America Online, CompuServe, Prodigy, etc., but you do have a modem, you can receive a free address and access to the Internet. You can get this by requesting a registration to CAP Access, the Washington, D.C. area freenet, at (202) 994-4245. Cap Access requests a \$35 yearly donation.

If you have an access to the Internet that provides the ability to "gopher" you can reach an important library of current and archival electronic financial documents. Also covered are recent pertinent legislation and congressional testimony and the Usenet newsgroup discussion forum carrying the full conversational dialog and e-mail messages from a wide audience of subscribers. The FinanceNet gopher is designed to be a one-stop-shop for Internet browsers by providing a launch pad to all the world's Internet resources.

REINVENTING FINANCE

The Spring 1994 issue of *Insights Quarterly* contains an article, "Reinventing Finance," by Roger Pratesi and Ralph Lieberman, both of CSC Index. Both also have been extensively involved in several major overhauls of finance processes.

While the article is written from a private sector viewpoint, it is equally applicable to the public sector and the direction government finance organizations must take. The authors take the position that financial systems that were perfectly adequate in simpler times are ill-equipped to handle today's business complexities. They reference "Relevance Lost: The Rise and Fall of Managerial Accounting," and point out that conventional cost accounting was never really meant to guide day-to-day business management. They also state that the functional stovepipes finance has created, e.g., accounts payable, billing, cash management, and so forth, work in isolation rather than in unison. Finance activities are often only stages within larger, cross-functional business processes.

Success in today's competitive global market requires accurate, comprehensive, up-to-the-minute data, but the authors cite numerous examples of finance organizations failing to respond to information needs and, in fact, hindering business. Many organizations are doing what is needed to improve though. The article states that the companies reaping the greatest performance gains are not simply automating existing procedures or benchmarking the gains of others, but fundamentally rethinking the role of finance, with an eye toward greatly increasing value added activities. Although benchmarking and other approaches to improving financial processes can provide useful guidelines for achieving parity with best practice companies, reengineering gives companies an opportunity to go beyond parity and set new standards of excellence.

Pratesi and Lieberman identified the following guidelines for increasing the odds of success:

Focus on processes - examine the desired output and question finance's real role in the process

Rethink basic assumptions - change the role from processing to helping managers use financial information

Create new measures of performance - go beyond profit and loss; include organizational health, return on human capital, effectiveness of capital investments, and more

Integrate information systems - easy-to-access, comprehensive, real-time information is the manager's life blood

Find new ways to add value - the finance organization can make a tremendous contribution to the business as analysts and consultants

The authors do point out that, as with most large-scale change efforts, reengineering finance in a vacuum is impossible. Because the finance organization contributes to a number of broad, cross-company processes, reengineering finance has to happen within a larger corporate context and with broad management support.

The article concludes with the statement that in the companies that are successfully reengineering their finance organizations, the changes go far beyond structural. They say that high quality, timely information has transformed the decision-making processes. Number crunching and paper shuffling have given way to high value activities. And perhaps most important, members of the finance staff no longer see themselves as controllers and overseers, but as business partners.

Bob Buchanan, Editor

The George Washington University

November 8, 1994

Cloyd Heck Marvin Center
800 21st Street NW
Rooms 410 - 415
Washington, DC

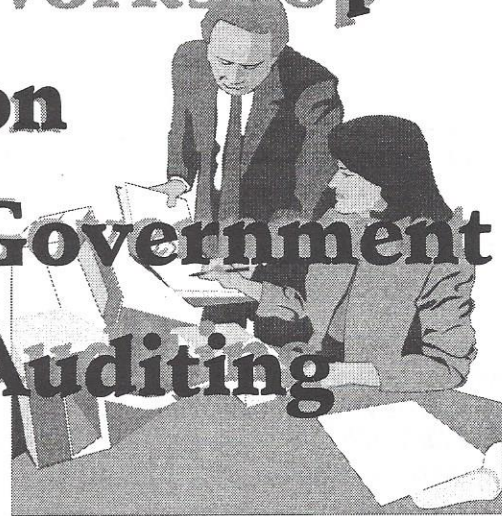
Metro Stop:
Foggy Bottom
(Blue or Orange lines)

Recommended 6 hours of CPE

This one-day workshop offers the latest information covering the most important issues in federal government auditing, including those related to the Chief Financial Officers Act.

*Who Should Attend?
Auditors, CPAs, Program Analysts, Consultants, and others interested in government auditing.*

Workshop on Government Auditing



Sponsored by:

- Association of Government Accountants
Washington Chapter
- DC Institute of CPA's
Government Accounting and Auditing Committee
- Beta Alpha Psi
Epsilon Sigma Chapter

Registration begins at 7:30 am

- 8:15 am Opening Remarks
Doris Chew, Chairperson, Government Accounting and Auditing Committee, DCICPA
Darrell Poplock, President, Beta Alpha Psi, Epsilon Sigma Chapter
- 8:30 The Future of Government Auditing
Susan Gaffney, Inspector General, HUD
- 9:15 Break
- 9:30 The New Yellow Book—Federal Government Auditing Standards
Patrick McNamee, GAO
- 10:30 Performance Auditing
John Hummel, KPMG Peat Marwick
Alexis Stowe, Gardiner Kamya & Company

- 12:00 pm Lunch
- 1:00 Financial Statement Auditing
Ron Longo, OMB
Larry Albert, Arthur Andersen & Co.
Marla Freedman, GSA
Gregory Holloway, GAO
Jay Weinstein, Treasury
- 2:00 Break
- 2:15 Financial Statement Auditing (continued)
- 4:15 Wrap-up and Summary
Patricia Wensel, President, AGA, Washington Chapter

Registration Form

\$125 AGA or DCICPA Member
\$135 all others

Name _____

Agency/Firm _____

Billing Address _____

Business Telephone _____

Payment by:

- Training Authorization Form
- Check

Mail or Fax this form to:

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Suite 320
666 11th Street NW
Washington, DC 20001
Fax: (202) 512-9593

For additional information, contact Doris Chew at (202) 512-9201, or AGA at (703) 758-4080

AGA WASHINGTON CHAPTER
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 FOR 1994/1995

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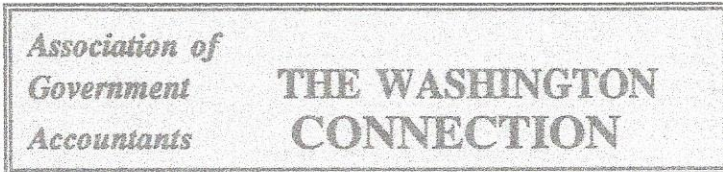
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Peter Ben Ezra

Susan Lee

Bob Buchanan

The Chapter Executive Council meets monthly, normally at 11:30 a.m. on the last Wednesday, at the National Press Building. For information about a particular meeting, please call the AGA voice mail line at (703) 758-4080 and press option 4.



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