

ASSOCIATION OF
GOVERNMENT
ACCOUNTANTS

AGA

NEWSLETTER

WASHINGTON CHAPTER

MARCH 1987

THURSDAY March 5, 1987

LUNCHEON MEETING TO FEATURE



FRANK C. CONAHAN
Assistant Comptroller General
Nat'l Security & Internat'l Affairs

Topic
GAO Defense Reviews

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	\$13.00 (Members with reservation)
	\$15.00 (Non-members and No Reservation)

For Luncheon Reservations Call 548-7040 (24 HOUR SERVICE)

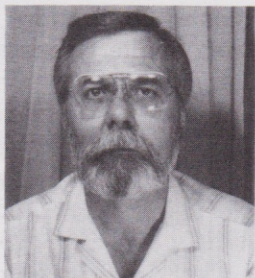
Telephone Reservations Accepted Thru March 3, 1987

NON MEMBERS WELCOME

All Reservations Guaranteed

Meeting Schedule: Apr. 2 • May 7

PRESIDENT'S MESSAGE



Gary Palmquist

Recently, I've been working on a project to develop an agency's first ever consolidated financial statements. This includes working with the GAO Audit Team which is going to provide an audit opinion on those statements. As an accountant, I understand financial statements and what they tell one about an agency. I must admit that the financial statements really tell me little about the agency or the accountability of its management, other than the magnitude of the agency's operations.

However, there are other purposes which support the preparation of consolidated financial statements by Federal agencies. The Comptroller General has indicated that the exercise alone will improve agency accounting systems and practices. I fully agree. The Government Accounting Standards Board states that government financial reports will: 1) compare actual financial results with the legally-adopted budget; 2) assess financial condition and results of operations; 3) assist in determining compliance with financial-related laws, rules, and regulations; and 4) assist in evaluating efficiency and effectiveness. I agree that those are valuable purposes, but I doubt that the presently conceived financial reports can satisfy those purposes.

I think we need at least one more agency report to demonstrate the stewardship of management. This report should require management to report on all those things that most upset the public when handled poorly and exposed to public scrutiny. Here is a partial list of items which should be reported on by management and verified by audit for the Stewardship Report.

1. Amount of travel funds expended by the top 10 officials of the agency.

2. Amount of funds expended to purchase newspapers, magazines, news clipping services, etc. (Footnotes to explain why these expenditures are necessary for business and not wasteful are permitted and expected).

3. Amount expended by the agency for commercial long distance telephone calls.

4. Amount expended to renovate space and offices used solely by SES level and above officials.

5. Amount expended for furniture for the exclusive use of SES level and above officials.

6. Amount of agency receivables over 60 days past due and uncollected. Amount of uncollected receivables written off as bad debts during the year.

7. Number of interest payments and amount of interest payments made under the provisions of the Prompt Payment Act.

8. Number of employees paid overtime and the amount of overtime payments made for the year.

9. Number of meetings held during the year by the agency head with the Inspector General or Chief Auditor. Number of unimplemented audit recommendations.

10. Number of inquiries on possible employee conflicts of interest made by the Agency Ethics Officer.

11. Number of EEO complaints accepted and number resolved by the Agency EEO Manager.

12. Number of appeals to MSPB concerning adverse personnel actions and other activities prohibited by Civil Service merit protection laws. Number of cases resolved in favor of employees.

13. Number of identified but uncorrected material internal control weaknesses noted during the Federal Managers' Financial Integrity Act review.

In summary, the specifics of a Stewardship Report are not important, but I believe the idea of requiring such a report along with the other consolidated financial reports is very important.

CHAPTER SLOGAN CONTEST

Put your "thinking cap" on, folks, and suggest an appropriate slogan for the Washington Chapter.

"What's in it for me!" you say. It's worth a *free lunch* to the originator of the chosen entry, not to mention the personal recognition that accompanies the winning of a contest.

The contest was previously announced in the December Washington Chapter Newsletter and carried an entry deadline of January 15. However, due to the holiday season, few entries were submitted.

It's not often that one gets a second chance, so take advantage this time of the opportunity to consider what you think the Chapter slogan should be. Send your entry NLT April 10, 1987, to AGA Washington Chapter, P.O. Box 423, Washington DC 20044 (be sure to include your name, address and daytime phone number).

The winner will be promptly notified and will receive a free lunch at a future monthly luncheon meeting of his/her choice.

**ASSOCIATION OF
GOVERNMENT
ACCOUNTANTS
WASHINGTON
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Chapter Evaluation

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862-3324

Chapter Recognition

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Special Projects

Adam Shaw, DOD, 697-0585

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Paula Rubin, Financial Management
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**ABOUT OUR SPEAKER THIS MONTH
MR. FRANK C. CONAHAN**

Frank C. Conahan was designated Assistant Comptroller General, National Security and International Affairs, on August 8, 1986. He directs the planning and execution of all GAO work related to defense and international affairs.

Mr. Conahan joined GAO in 1955 and was assigned to the former Division of Audits. He served in the U.S. Navy from 1956 to 1958. Upon his return to GAO, he was assigned to the former Civil Division. In 1963, Mr. Conahan joined the newly-created International Division in which he held successively more responsible positions. He was designated director of that division in 1981. In 1983, he was designated director of the newly-created National Security and International Affairs Division. Between August 1974 and July 1976, he served as Director of the European Branch in Frankfurt, Germany. For the 3-year period 1982-1985, he also served as Chairman, Board of External Auditors to the Organization of American States. He has traveled extensively throughout the world.

Executive Development Program at the University of Michigan's Graduate School of Business Administration. For the academic year 1972-73, he was a member of the Senior Seminar in Foreign Policy at the Foreign Service Institute. In 1978, he completed an Advanced Study Program at the Brookings Institution and in 1980, he completed the Executive Program in National and International Security at Harvard University's John F. Kennedy School of Government.

Mr. Conahan is a member of the American Accounting Association, the American Society for Public Administration, the United Nations Association of the United States of America, the Institute of Certified Professional Managers, and the American Academy of Political and Social Science. He has received numerous awards for his work in the General Accounting Office.

JOB OPPORTUNITY AT INTERIOR

The Office of the Assistant Inspector General for Auditing, U.S. Department of the Interior, has career opportunities for audit professionals at grade levels GS-511-9 through 13. Positions are located at Arlington (VA), Denver, Sacramento, the Virgin Islands, and Guam. The Office also has two openings at the GM-511-14 level in Denver and Sacramento. Call Joe Ansnick on (202) 343-3832 for details.

UPCOMING EVENTS

It isn't too late, if you hurry, to register for this year's Joint Financial Management Improvement Program (JFMIP) Conference to be held March 19 at the J.W. Marriott Hotel on Pennsylvania Avenue. The deadline is March 5. See page 7 of this Newsletter for the conference program. For information on registration call Tom Tate, Tom Utley, Ed Murphy, or Sam Smith on 632-5600.

On Tuesday, March 3, the JFMIP is sponsoring a half-day seminar on "Implementing Off-the-Shelf Financial Systems." The seminar is the second in a series of seminars on the topic and will feature presentations by representatives of the U.S. Department of Housing and Urban Development and the Interstate Conference of Employment Security Agencies. The seminar is free; it will be held at the Department of Commerce Auditorium, 8:30 a.m. to 12:00 noon. There is no registration; however, space is limited to 500 attendees.

Be sure to read the notice opposite this page on Washington Chapter's Federal Employment Retirement System (FERS) Workshop planned for March 27.

William Kendig, Interior's Director of Financial Management, will address the AGA Northern Virginia Chapter on "Auditing of Computer Software" at the Chapter's March 17 monthly dinner meeting, at the Ramada Inn (I-395 & Seminary Road) in Alexandria. Call JoEllen Kowalski, 275-9412, for details and reservations.

Montgomery-Prince George's Chapter and the Maryland Association of CPA's will host an afternoon workshop on Perspectives on Government Contracting. The workshop will precede the Chapter's March 11 monthly dinner meeting at the Greenbelt Hilton. The dinner speaker is Dr. John C. Landon, President of BIOQUAL, Inc. Call John Oliphant, 475-4480, or Dick Pellitier, 453-1232, for details.

March 29 through April 1 marks the date for the Marshal D. Sokol "1987 Ninth Annual Government Financial Managers' Conference and Senior Financial Executive Forum". The theme for this year's conference is "Managing Government as a Business". The conference will be held at the Key Bridge Marriott in Arlington, Virginia, 9:00 a.m. to 4:30 p.m. Call Joan Plavin at MDS on (301) 565-2270 for registration and other information.

WASHINGTON CHAPTER EXECUTIVE COMMITTEE MINUTES

By Jean Bowles, Chapter Secretary

The Washington Chapter Executive Committee met at noon on January 29.

Terry Conway announced the slate of candidates for 1987-1988 (see February Newsletter for

listing). five directors are to be elected for two-year terms and two for one-year terms.

Ken George has resigned as director due to other pressing activities.

The timing of the receipt of the Newsletter by Chapter members was discussed, particularly the effect on monthly luncheon attendance in situations where the Newsletter is slow reaching members. Having the printer address the Newsletter, using a printout of addresses provided by National, would speed up the process and get the Newsletter to its addressees faster. Distribution of a flyer by Chapter liaisons was recommended also to get earlier notice of monthly luncheon meetings to members. However, the agency liaison network needs to be updated first.

Paula Rubin will promote our participation in the tax assistance program (VITA) this year.

Anna Wilson will get a blurb on the Chapter slogan contest into the Newsletter.

In a general discussion on places with potential for our luncheon meetings, the Army/Navy Club, the Touchdown Club, and the Foreign Service Club were mentioned.

National has requested reaction to their suggestion that National dues be raised from \$35 to \$45 in that membership expenses are not covered by membership income. There was some support for not incurring a deficit, but still the need for a \$10 jump is questionable. The President will respond "No" with qualifying remarks.

National has apparently not amended its chapter dues collection to our current schedule:

Full member	\$7.50
Retiree	5.00
Associate member	5.00
Special associate	5.00

A note will be sent to National confirming our current schedule of dues.

Doris Chew reported on educational events planned.

A draft proposed student awards policy was discussed by Joe Rothschild who requested suggested criteria from Board members, such as, intern student, relative of AGA member, focus on only one school, etc.

The Public Employees Roundtable (PER) will be discussed at the 2/12 National Executive Committee. Joe Rothschild recommended that we use \$360 of scholarship funds from prior year for our chapter dues if National doesn't join. It was moved, seconded and passed that Bill Kendig can offer, at the NEC meeting, \$360 from our chapter toward National's first year dues if they join PER.

Dan McGrath requested an acknowledgment of appreciation for the gracious contributions his former secretary, Vanessa Bowie, had made to the Chapter.

AGA WASHINGTON CHAPTER

PRESENTS

A WORKSHOP ON THE NEW

FEDERAL EMPLOYEES RETIREMENT SYSTEM

Objective: The workshop is intended to assist Federal employees in making the decision to switch to the new Federal Employees Retirement System or remain under the old system. General considerations in making a decision, the advantages of switching to FERS, and the advantages of staying in the old system will be discussed.

Speakers:

Frank Titus
Director, FERS
Office of Personnel Management

Thomas Eickmeyer
Group Director for Civilian Personnel
General Accounting Office

Cost: \$15.00 AGA Washington Chapter Members
\$17.00 Nonmembers

Date: Friday, March 27, 1987

Time: 11:30 a.m.--1:30 p.m.
A hot buffet lunch will be served from 11:30 a.m. to 12 noon.

Location: George Washington University
University Club, Marvin Center
800 21st Street NW
Washington, D.C.
Foggy Bottom Metro Stop

There is limited seating for this session, so reservations will be accepted on a first come first served basis. For more information, please contact Diane Bray 695-0839.

Come and find out which retirement system is best for you!

WELCOME NEW MEMBERS

Rein Abel (Sponsor—Luise Summersett)	GAO	Larry E. Murchison	HHS
Judy C. Baker (Sponsor—Jean Lewis)	Navy	Robin B. Murphy (Sponsor—Elena Pappas)	Price Waterhouse State—AID
William R. Barton (Sponsor—Charles Gillum)	GSA	R.D. Newman (Sponsor—Robert Clark)	Hampton U. Student
John J. Benda (Sponsor—Daniel Drechsel)	MSA, Inc.	Carl G. Nixon (Sponsor—Lenwood Keyes)	Treasury—FMS
Carol A. Boitano	CPSC	Olivia H. Nixon (Sponsor—Lenwood Keyes)	Treasury—FMS
Julia E. Carlson (Sponsor—Dan McGrath)	SEC	Jane F. O'Brien (Sponsor—Lenwood Keyes)	Treasury—FMS
James A. Chambers (Sponsor—McGrath/Lokeman)	Treasury—FMS	Judith T. Parson	Treasury—FMS
Robert P. Clark (Sponsor—Dan McGrath)	State—AID	Marcus D. Perro (Sponsor—L.A. Isenberg)	EPA
Patrick J. Conklin	OPM	Esther P. Ray (Sponsor—Lillie Hale)	Computer Science Corporation
George M. Corbett (Sponsor—Lillie Hale)	Computer Science Corporation	Nathaniel L. Roscoe (Sponsor—Lillie Hale)	Computer Science Corporation
Fiona E. Coughenour	Air Force	Katherine A. Simmonds (Sponsor—Susan Lee)	OMB
Vernessa B. Coxon (Sponsor—Edward Rouse)	Navy	Dennette B. Smith (Sponsor—Lillie Hale)	Computer Science Corporation
Bryan Craig	USDA	Willie D. Stamp	Ex—Im Bank
Ingrid L. Davis (Sponsor—Alice Thomas)	HUD	David H. Stout	Environmental Law Inst.
Celeste A. DeFiore (Sponsor—Joe Rothschild)	VA	Joyce Tabbs (Sponsor—Judith Boyd)	Treasury—FMS
William H. Eargle (Sponsor—Joyce Shelton)	DOT	William R. Teebo (Sponsor—Gary Palmquist)	U.S. Courts
Thomas A. Egan (Sponsor—Gary Palmquist)	U.S. Courts	James W. Twiford (Sponsor—Joe Perricone)	HHS
Linda Gibbs (Sponsor—June Brown)	Sys. Develop. Corporation	Homer L. Wilkes	USDA
Kenneth L. Green (Sponsor—Lenwood Keyes)	Treasury—FMS	Cynthia B. Wooten (Sponsor—Ken George)	ACTION
Edward P. Henderson (Sponsor—Luise Summersett)	GAO	Joseph F. Zimmer (Sponsor—Dan McGrath)	OMB
Barbara J. Jackson (Sponsor—Joyce Charles)	Labor	Charles E. Zlamal (Sponsor—Ken Winne)	JFMIP
Deborah H. Kirk (Sponsor—Gary Palmquist)	U.S. Courts		
William H. Kitt	Riggs Bank		
Sharon S. Linville (Sponsor—John Cherbini)	GAO		
Angela M. Mattison (Sponsor—Lillie Hale)	Computer Science Corporation		
John McNamara	Justice		
Graham P. Mulligan	VA		

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
627 South 23rd Street, Suite 120
Arlington, Virginia 22201

JFMIP CONFERENCE PROGRAM
FINANCIAL MANAGEMENT REFORM: A KEY TO BETTER GOVERNMENT

9:00 A.M. MORNING SESSION

Opening Remarks: CHARLES A. BOWSHER
Comptroller General

Keynote Address: JAMES C. MILLER III
Director, Office of Management and Budget

10:15 A.M. *Plenary Highlight Session on Budgeting Reforms*
Moderator: GERALD MURPHY, Department of the Treasury
Panel: HARRY HAVENS, General Accounting Office
PETER WALLISON, Executive Office of the President
KATHRYN EICKHOFF, Office of Management and Budget
BRUCE MEREDITH, House of Representatives

12:00 NOON LUNCHEON SESSION

Donald L. Scantlebury Memorial Awards Presentation and Remarks
CONSTANCE HORNER, Director, Office of Personnel Management

AFTERNOON SESSION

1:30 P.M. *Plenary Highlight Session on Central Agencies' Agenda for Improving
Financial Management*
Moderator: JOHN CARSON, Department of Agriculture
Panel: DENNIS BOYD, Office of Management and Budget
GERALD MURPHY, Department of the Treasury
THOMAS SIMON, Office of Personnel Management
FREDERICK WOLF, General Accounting Office

3:00 P.M. *Concurrent workshops:*

Controllership in Government

Leader: EDWARD HALLER, Price Waterhouse
Panel: ROLAND BURRIS, State of Illinois
JOHN QUETSCH, Department of Defense
GERALD RISO, Department of the Interior

Meeting the Information Needs of Executives and Program Managers

Leader: WILLIAM HENDERSON, Environmental Protection Agency
Panel: JOHN CHERBINI, General Accounting Office
GEORGE SUMMERS, IBM
A.C. ARTERBERY, General Services Administration

Standardizing the Government's Financial Systems

Leader: JIMMIE BROWN, Department of Commerce
Panel: DENNIS FISCHER, Department of Health and Human Services
VIRGINIA ROBINSON, General Accounting Office
LAWRENCE STOUT, Department of the Treasury

DID YOU KNOW . . .

By Charles McAndrew

This month we are featuring two of the most significant initiatives of the Veterans Administration's (VA) Office of Budget and Finance. These are (1) on-line recording and access to receiving reports and invoices, and (2) implementation of the U.S. Government Standard General Ledger (USGSGL). Some recent accomplishments in these areas are summarized below:

— Automated Matching of Payment Documents.
In response to requirements of the Prompt Payment Act and a continuing increase in workload with diminished resources, VA's centralized payment center in Austin developed the Computer-Assisted Payment Processing System (CAPPS). Prototyped on an ALTOS microcomputer in 1982, the first phase of the current system went live on the AMDAHL mainframe in Austin in October 1985. The software for the system was developed in-house, using Cullinet's IDMS data base package. The conversion of approximately 225 field stations processing to CAPPS was completed in August 1986. The system electronically matches receiving reports and invoices, accomplishes money management, takes discounts, and calculates interest for any late payments. Payment transactions are then processed through the Centralized Accounting for Local Management (CALM) System that provides highly integrated fund control and accounting for appropriations and funds. Expansion of on-line access to accounting data collected at the Austin Finance Division has permitted handling of vendor inquiries in an

accurate and timely manner. In addition, lost discounts and interest penalties have been minimized by the prevention of payment backlogs. From 1988 through 1992, it is estimated that CAPPS will save \$1.5 million in such discounts and penalties.

— U.S. Government Standard General Ledger (USGSGL).

As soon as the USGSGL became available to the VA in October 1986, project leaders began assessing how to conform the agency's six major accounting systems to the government-wide requirements. The *GL Chart of Accounts Plus* software package, acquired from Price Waterhouse, is being used to revise the agency chart of accounts. Each project leader will be instructed to incorporate the revised chart of accounts into the general ledger for their respective system. Complete revisions of large accounting systems are a major undertaking involving rewriting of manuals and computer program development, testing, conversion and training. Because such a process can consume several years, in the interim, bridge programs will be considered which will translate current account numbers into those required by the USGSGL.

For additional information on these financial system initiatives, please contact Jeff Barnes at VA's Central Office, 233-2865.

—Don't forget to call me on 695-1070 with your financial management, systems development projects or innovations, audit techniques, or similar items of interest.

NEWSLETTER

PUBLISHED BY THE WASHINGTON CHAPTER
ASSOCIATION OF GOVERNMENT ACCOUNTANTS

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MARCH 1987

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