

# CPAG *News*

## Looking Forward to Another Dynamic Year: A Welcome From AGA's Executive Director

**I** thank you for your support over the past year and look forward to continuing our partnership into the future. I have enjoyed meeting personally with many of AGA's Corporate Partners over the last year and have listened carefully to your ideas about how you can be more involved in promoting AGA and its mission of advancing government accountability.

In just one year, we have institutionalized a technical program at AGA. I hired Anna Miller, technical manager and director of research, in January 2004 to spearhead our efforts. Thanks to your support we now have upwards of six research projects under way. In addition, AGA is now responding to ALL relevant standards, rules, regulations and other

**It's Renewal Time: 2005-2006 Corporate Partner renewals will be mailed in mid-February. Please renew by March 31, 2005 to avoid interruption in benefits. Thanks!**

pronouncements promulgated by the various standard-setting bodies and other organizations.

We held a successful Executive Session at the 2004 annual conference where leaders in government financial management identified four critical issue areas—Human Capital, Performance Reporting,

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## AGA Welcomes Five New Companies to Corporate Partner Advisory Group



**W**e are pleased to welcome our newest Corporate Partners to the AGA family—Cognos, CSC, DecisionPath Consulting, Pragmatics and Watkins, Meegan, Drury & Company LLC. Welcome! In this photo, Long Nguyen, Ph.D., CEO of Pragmatics, is presented with its Corporate Partner Certificate at the January CPAG dinner featuring Sam Mok, CGFM, CFO, U.S. Department of Labor. Making the presentation is AGA National President Bobby A. Derrick, CGFM, and AGA Executive Director Relmond Van Daniker.

**COGNOS**

**CSC**

**DECISIONPATH**  
CONSULTING

  
**pragmatics**

 **Watkins, Meegan, Drury  
& Company, I.T.C.**  
Certified Public Accountants  
Business and Financial Advisors

**AGA**  
**Corporate**  
**Partners**  
44 Members  
Strong!

# CPAG RESEARCH PROGRAM UPDATE

AGA's CPAG Research Program creates research projects of value to governments, industry and the AGA membership. Two major types of research are conducted under the program: sponsored and cooperative, with cooperative tending to have a short (90-day) timeframe, and sponsored being of a longer, continuing nature. Here's an update:

## Sponsored Research Projects

### **Kearney & Company—Potential Impact of Sarbanes-Oxley on the Government Community**

The first research project in this area was Kearney & Company's Audits of Internal Controls of Federal Agencies. The Winter 2004 issue of AGA's *Journal of Government Financial Management*, with the theme, "Beyond a Clean Audit Opinion," includes an article describing the project, titled *Audit Federal Financial Controls: Sooner Rather than Later? Would Sarbanes-Oxley Benefit Federal Financial Management?* AGA will publish the final research report shortly.

### **SOX for the States?**

KPMG is sponsoring a study to evaluate the current state of internal control and management's related responsibilities in the state and local governmental environment. Recently, there has been discussion as to whether SOX-like provisions should be applied to state and local governments. This study will look at what states and local governments are currently doing in the areas of internal control and risk management. The study will look at what states, cities, counties and other organizations are doing to strengthen their internal control and related management responsibilities.

The National Association of State Auditors, Comptrollers and Treasurers (NASACT) is partnering with AGA on the study. An advisory group has been set up with representatives from state and local auditors and preparers of financial statements. A survey instrument is being developed that will be sent out to state auditors, state comptrollers and local government representatives. NASACT will administer the survey and process the results. AGA will then analyze the results of the survey and develop the report, which will include a set of recommendations to ensure that any set of new requirements that the federal government might consider imposing on the states is well planned, carefully considered and necessary to ensure accountability and good management control. There will be a presentation on the topic in the Emerging Issues Panel at AGA's National Leadership Conference in early February.

### **Grant Thornton LLP—Annual CFO Survey**

The 2005 CFO Survey explores the impact of emerging issues on CFO operations, discusses issues candidly with peers and related functional communities, and shares findings within the federal community. This year's survey will focus on internal controls and performance measurement including integration with other management improvement initiatives within agencies. Completion is timed to coincide with AGA's Professional Development Conference in July.

### **American Appraisal Associates—Real Property Best Practices and Performance Measures**

This research study will survey federal agencies, states and major private sector organizations with significant real property holdings. The research will seek to identify best practices and relevant performance measures related to the real property management process. Stakeholders who will be consulted include OMB, GSA, the Federal Real Property Council and others who have an interest in the work. A meeting with GSA and the Federal Real Property Management Council stakeholders was held in December and the data-gathering phase will begin shortly.

### **Visa USA, Inc.—Project to Evaluate Present and Possible Benefits from Federal, State and Local Governmental Use of Purchase and Travel Cards**

Phase 1 of this project will attempt to quantify and/or describe the present and possible benefits that federal agencies derive from providing purchase cards to employees. These can include streamlining of purchasing processes, elimination of paperwork, and utilization of third-party recordkeeping and built-in audit trails. It will assess whether agencies see improved cycle time for service delivery, better controls

to prevent or detect waste, fraud and abuse, and greater effectiveness as well as greater efficiency of mission accomplishment.

Merl M. Hackbart, Ph.D., University of Kentucky, is conducting the research. An advisory group of stakeholders, including agency representatives, has been set up and meetings have been held to develop and refine the survey instrument. Data gathering through the survey and interviews will begin shortly. The research will attempt to identify best practices, which minimize risk of waste, fraud and abuse. Interviews and updates will be held with other stakeholders as applicable. AGA staff will coordinate and manage the study and develop the report, working with the researcher, the advisory group and other stakeholders.

The ProCard Project has four phases: Phase 2 will focus on government travel cards for the federal community; Phases 3 and 4 will be a follow-on purchase card study, this time for state and local governments, and then a follow-on travel card study for the state and local community. We expect to complete Phase 1 within a year. Phases 2, 3 and 4 are expected to start in March, June and September 2005, respectively. Advisory group meetings were held in December and January, and the survey will be administered in February, followed by interviews.

### **Reporting to Citizens on the State of the Nation**

Some years ago, an AGA Task Force developed *Toward a Report to Citizens on the State of Their Nation and the Performance of Their Government*, a report of the proceedings of the AGA Task Force on a Report to Citizens on the State of Their Nation, published in November 1992. The new research study will build on the findings in this report. AGA hopes that the new research project will explore the role AGA

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# CPAG RESEARCH PROGRAM UPDATE

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should play in advocating good government financial management and accountability as well as attempting to develop a suggested format for effective national reporting.

**IT Trends Survey**—CSC is sponsoring the annual Information Technology Trends in Functional Management Survey. It will provide an assessment of information technology application software, hardware, and communications available for management of resources. For the 2005 survey they will focus on Supply Chain Management and Financial Management.

## Current Cooperative Research Projects

### **PricewaterhouseCoopers (PwC) LLP—Evaluation of Performance and Accountability Report (PAR) Reporting**

This research study is on the audience and usefulness of federal agency PARs. It is a cooperative project, with PwC taking the lead and other CPAG partners volunteering staff time. CPAG members who have volunteered to help with the project include AOC Solutions, Booz Allen Hamilton, CheckFree, Deloitte., Grant Thornton and IBM. PwC intends to dedicate staff to the project, to direct the work and divide the work into different work streams, with a project manager and steering committee to guide the research and consoli-

date the findings. The group will seek advice from other organizations such as NAPA. There will be periodic briefings with stakeholders to ensure that the research remains on track. The project is expected to take about six months. The literature phase of the project is almost completed.

## Other Potential/Planned Projects

AGA is interested in a research project on financial systems development implementation. The objectives would be to ascertain the areas in which the federal government seems to lag the private sector in acquisition of and implementing COTS solutions. The study would contrast the life cycle approaches of the federal and commercial sectors especially concerning costs and time to acquire and implement the financial systems. Best practices would also be identified. The project is envisaged as having two stages, the first from the point of view of the manufacturers, the second from the point of view of the integrators, followed by a wrap-up phase.

*Please contact Anna Miller, AGA's technical manager and director of research, if you would like more information about any of the projects listed above at [amiller@agacgfm.org](mailto:amiller@agacgfm.org).*

## AGA Career Opportunities

### **Research Assistant**

The CPAG Research Program's expansion has created a need within AGA for a research assistant. The ideal applicant would be someone with experience in public accounting, auditing or government financial management, with a keen interest in research and strong computer skills and statistical/research evaluation ability. Requirements: an accounting or business administration degree; preferred qualifications: a CPA or a CGFM. AGA offers a competitive salary/benefits package and a team environment. Located in Alexandria, VA. Send resume and salary requirements to Anna Miller at [amiller@agacgfm.org](mailto:amiller@agacgfm.org) or fax to 703.548.9367.

### **Director of Performance Reporting**

AGA is seeking an enthusiastic self-starter to fill its director of Performance Reporting position. AGA is dedicated to improving performance and accountability of federal, state and local governments for the benefit of the American people. Through the Certificate of Excellence in Accountability Reporting (CEAR) Program and the Certificate of Excellence in Service Efforts and Accomplishments Reporting (COE in SEA Reporting) Program, AGA helps governments produce more effective performance reports.

This position manages all aspects of the certificate programs to include identifying and building relationships with key government professionals to encourage the development of accountability reports,

identifying and working with technical experts to oversee the evaluation of the reports, coordinating training workshops and the annual awards ceremony, and all other aspects of the programs' administration.

Requirements: A master's degree in Public Administration is preferred and three years related work experience. Knowledge of and interest in government performance reporting. Must also have strong interpersonal skills and the ability to work effectively with a wide range of constituencies in the federal and state and local government community. AGA offers a competitive salary/benefits package and a team environment. Located in Alexandria, VA. Send resume and salary requirements to Susan Fritzlen at [sfritzlen@agacgfm.org](mailto:sfritzlen@agacgfm.org) or fax to 703.548.9367.

## AGA's CGFM Demonstrates Expertise to CSC's Government Clients



Russell Roberts, CGFM

Many of the professionals in the federal consulting practice of Computer Sciences Corporation (CSC), a new AGA Corporate Partner, have former lives as civil servants.

Russell Roberts, CGFM, an industry expert on federal financial systems, has worked for the Federal Aviation Administration as a systems accountant developing a quality assurance program for property, plant and equipment. At the Defense Finance and Accounting Service, he

helped develop a financial system called the Defense Cash Accountability System, designed to marry millions of unmatched disbursements. He also spent a few years in between as a consultant, helping federal agencies meet the requirements of the CFO Act and the Federal Financial Management Improvement Act.

With his background, Roberts is keenly aware that the rules are constantly changing. Federal agencies are being required to improve financial reporting and accountability under tight deadlines, and because CSC helps agencies re-engineer their business processes, install ERP systems, etc., it is critical that CSC consultants stay current.

There's no question that change will come, Roberts said. The question is when, how much and how to deal with it. "Technology is continually changing the way we provide financial services. We must stay current with both the technology and the government environment. This process ensures we provide the tools and guidance to our clients that allow them to work effectively and efficiently while maintaining public trust."

That's why Roberts did not have to be convinced that earning the CGFM certification was a valuable tool to stay up-to-date—in fact, he wishes he had done it sooner. "I spent most of my professional career as a civil servant so I already knew the value of the CGFM before I even went into contracting work."

He passed all three examinations in November. Rather than study on his own, he decided to take the three AGA-sponsored preparatory courses in government financial management. "I was confident once I acquired the material from AGA and studied it in a very disciplined manner I could do well, however, there's nothing like having classroom instruction."

The instructors, one a former federal CFO among other experts in the field, have experienced the dramatic changes in financial management, bringing more depth and meaning to the information. Roberts said, "That extra dimension is important to make what has occurred over the past 10-20 years more applicable to what you're doing today."

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*"My employer is very supportive of professional education and certification because those are the qualifications used to express the value this company can bring to the federal sector," —Russell Roberts, CGFM, industry expert on federal financial systems, CSC*

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The experience broadened Roberts' knowledge of state and local government finances, introduced him to other professionals in his field, and helped him in his work supporting federal agencies that choose CSC to implement or integrate their federal financial systems. The CGFM also gives him and his firm a credential that shows he is a qualified expert in his field, and the CFOs and CIOs who hire CSC are well aware of the value of the CGFM.

"The certification is critical for qualifications on working in federal financial systems because the federal government is continuing to value the CGFM certification, above even the CPA, because it focuses on governmental operations," Roberts said.

Roberts' supervisor also did not have to be convinced that allowing him to pursue the CGFM was a good idea.

"My employer is very supportive of professional education and certification because those are the qualifications used to express the value this company can bring to the federal sector," Roberts said. Roberts' supervisor, Greg Bitz, CGFM, who heads up the financial management division of the federal consulting practice, concurs.

"The CGFM and the CPE that goes with it is something we believe in because the CGFM attests to others the levels of experience and knowledge that we purport to have," Bitz said. "It's one thing for me to tell you I'm smarter than a stump, but it's another thing to test it and carry the accreditation." He added, "We need to do more than say, 'Trust us, we know what we're doing.'"

CSC is so committed to continuing professional education that it dedicates more than 3 percent of its budget to its training program. In Roberts' case, CSC paid for the three government financial management classes and for all the required CPE (80 hours every two years), not to mention access to one AGA-sponsored conference a year.

Roberts encourages government financial managers to consider the CGFM. "If you plan on staying in government financial management it's going to become more and more a basic necessity to compete."

For more information on the CGFM Program, access the AGA website at [www.agacgfm.org](http://www.agacgfm.org). —by Christina Camara

## CPAG Hears Research Update

We were pleased that so many of you were able to join us for the CPAG business meeting held Dec. 9 at the Tower Club in Tyson's Corner, VA. We listened as CPAG Chair, Hank Steininger, CGFM, reviewed the mission of the CPAG as well as the benefits of Corporate Partnership.

Anna Miller, AGA's technical manager and director of research, reviewed the process for participating in research, which is distinguished between sponsored and cooperative projects. She provided an update on the research projects that are under way (see page 4).

We also heard an address by AGA Executive Director Relmond Van Daniker, who discussed AGA's role as the thought leader for government financial management.

The next business meeting of the CPAG is set for May 5, 2005 at 3 p.m. at the Tower Club in Tyson's Corner, VA.

## Corporate Partner Dinners—Limited Seats Available

The Corporate Partner dinners continue to be an important benefit and continue to sell out each month. The schedule includes: Susan Grant, CFO, U.S. Department of Energy on Feb. 8 (SOLD OUT); Zack Gaddy, director, Defense Finance and Accounting Service on March 8 (SOLD OUT); Ken Donohue, inspector general, U.S. Department of Housing and Urban Development on May 10 and Lisa Fiely, CFO, U.S. Agency for International Development on June 14.

We'll pass along new dinner dates/speakers as they are confirmed. If you are interested in participating, contact Susan Fritzlen at [sfritzlen@agacgfm.org](mailto:sfritzlen@agacgfm.org). Remember, these dinners are an exclusive benefit for AGA Corporate Partners.

## Still Time to Register for NLC

### Earn 14 CPE Hours at AGA's Third Annual NLC in D.C.

Join AGA on February 7-8, 2005, for the Third Annual National Leadership Conference (NLC) at the Ronald Reagan Building in Washington, D.C. NLC 2005 will bring together the top leaders in federal, state and local government financial management. The NLC sets itself apart from other conferences with its distinct emphasis on accountability and innovation, affecting everything from government financial management to public-private partnerships.

Speakers include:

- N. Anthony Calhoun, CGFM, Deputy CFO and Treasurer, District of Columbia
- William H. Hudnut III, Mayor, Chevy Chase, MD; Former Mayor, Indianapolis, IN
- Andrew B. Maner, MBA, Chief Financial Officer, U.S. Department of Homeland Security
- Samuel T. Mok, CGFM, CIA, Chief Financial Officer, U.S. Department of Labor
- Paul Tibbits, Director of Business Modernization and Systems Integration, U.S. Department of Defense
- Paul C. Light, Ph.D., Senior Fellow Governance Studies and Director, Center for Public Service, The Brookings Institution

Register today at [www.agacgfm.org/nlc\\_2005/registration/index.aspx](http://www.agacgfm.org/nlc_2005/registration/index.aspx). Remember, AGA Corporate Partners receive discounted registration rates.

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Education and Research and Citizen-Centric Government. As a result, these issue area groups are on the forefront of developing new approaches to enhancing accountability in the government community—federal, state and local.

What this all boils down to is that AGA is an organization that is involved in trying to make a BIG difference! But, we cannot do this important work alone. Our valued Corporate Partners provide the support we need to advance government accountability at all levels. In return, we hope you have benefited from the enhanced exposure to AGA's membership, through which you gain access to the

top decision-makers in the government financial management community. We hope you have found the discounts for advertising, exhibiting and sponsoring to be helpful to you and we know many of you have taken advantage of opportunities open only to AGA Corporate Partners, such as the monthly CPAG dinners.

The mission of the Corporate Partner program is to bring industry and government executives together to exchange information, support professional development, improve communications and understanding, solve issues and build partnership and trust, thereby enhancing AGA's focus on thought leadership for government financial management. After all, we

need each other. We share common goals, and we can learn from each other's mistakes and successes.

Some of you have heard me say that I am just the drum major leading the band down the field. I want to be able to look back over my shoulder and see you with me, leading the way to governments that are more accountable to the people they serve. I know I can count on you, and I look forward to working with you toward another dynamic year.

Sincerely,



**Relmond Van Daniker**  
AGA Executive Director



Watkins, Meegan, Drury  
& Company, I.L.C.  
*Certified Public Accountants  
Business and Financial Advisors*

## Spotlight On AGA Corporate Partner... Watkins, Meegan, Drury & Company, LLC

Watkins, Meegan, Drury & Company, LLC is the 11th-largest certified public accounting and consulting firm in the D.C. metropolitan area. With more than 180 accounting and technology professionals, located in four regional offices, we have the resources and experience to provide highly tailored solutions. Our Government Services Group specializes in providing auditing, accounting, forensic accounting, information technology and management consulting services to the federal government. Watkins, Meegan offers services through the GSA Consolidated Schedule, FABS Schedule and other contracting vehicles.

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## Fraud Audio Conference Set for March 2

AGA has scheduled an exciting audio conference for 2 – 3:50 p.m. EST March 2 titled, “Key Reasons Why the Breakdown of Internal Controls Contribute to Fraud.” For just \$249 a telephone line, you can provide 2 CPE hours to as many people as you can fit in a room.

This audio conference will describe how specific “soft control” failures contribute to internal controls not working as intended. It will also focus on where sometimes “strong controls” can be the wrong controls, thereby leaving the door open to fraudulent activities. Included will be specific case examples and suggestions.

Speakers are John Hall, a private consultant and nationally known speaker, and David Hancox, CGFM, a state audit director and nationally known speaker and writer.

About 20 minutes will be set aside for questions. Other than a basic understanding of internal controls, no advanced preparation is required to participate in this audio conference.

To register, contact Julie Cupp at 800.AGA.7211 or [jcupp@agacgfm.org](mailto:jcupp@agacgfm.org). Questions regarding the program should be directed to Raymond Harris, CGFM, at [rharris@agacgfm.org](mailto:rharris@agacgfm.org).

## Corporate Partner Advisory Group Leadership

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703.684.6931, ext 203

## CPAG 2005 Calendar of Events

### February 7 - 8

Third Annual National Leadership Conference, Ronald Reagan Center, Washington, D.C.

### February 8 - SOLD OUT

Corporate Partner Dinner featuring Susan Grant, CFO, U.S. Department of Energy, Ritz Carlton Pentagon City Hotel, Arlington, VA

### March 8 - SOLD OUT

Corporate Partner Dinner featuring Zack Gaddy, director, DFAS, Ritz Carlton Pentagon City Hotel, Arlington, VA

### May 5

ALL Hands Business Meeting, 3 p.m.,  
Tower Club Tyson's Corner, McLean, VA

### May 10

Corporate Partner Dinner featuring Ken Donohue, IG, HUD, Ritz Carlton Pentagon City Hotel, Arlington, VA

### June 14

Corporate Partner Dinner featuring Lisa Fiely, CFO, USAID, Ritz Carlton Pentagon City Hotel, Arlington, VA

### July 10 - 13

54th Annual Professional Development Conference & Exposition, Orlando World Center Marriott, Orlando, FL

### July 11

ALL Hands Business Meeting  
Orlando World Center Marriott