

# CPAG *News*

## AGA's Research Program What a Difference a Year Makes!

Last year, at the Professional Development Conference & Exposition (PDC) in Washington, D.C., AGA highlighted two research projects: A CFO survey, *What Keeps a CFO Awake at Night?* sponsored by Grant Thornton, and *Audit Federal Financial Controls: Sooner Rather Than Later?* sponsored by Kearney & Company.

As we approach this year's PDC, we are planning to showcase a total of eight research studies. The report sponsored by Kearney & Company will be distributed at the PDC, and sessions are scheduled on a total of seven ongoing research projects. The topics run the gamut of interests for proponents of good government and accountability.

One cooperative project is led by PricewaterhouseCoopers and six other projects are sponsored by American Appraisal Associates, Computer Sciences Corporation, Grant Thornton, IBM, KPMG and Visa. The two most recent additions to the CPAG Research Program are projects to evaluate best practices in Shared Services Financial Management Operations, sponsored by

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

IBM, and a study of Information Technology Trends in Supply Chain and Financial Management, sponsored by CSC. The other projects are the Annual CFO Survey (Grant Thornton), Evaluating the Usefulness of the Performance and Accountability Reports (PWC), Current State and Local Government Practice in Audit and Internal Controls (KPMG), Best Practices in Federal Real Property Management Improvement (AAA) and Use of the Government Purchase Cards in the Federal Government (Visa).

More detailed information on each project can be found under CPAG Research Program Update on page 2.

## PDC Set For Sunny Orlando—Don't Miss It!

AGA's annual Professional Development Conference & Exposition (PDC) is just around the corner. Set for July 10 - July 13 in Orlando, FL at the Orlando World Center Marriott Resort & Convention Center, a few exhibit booths and sponsorship opportunities are still available. Contact Ada Phillips, CMP, at [aphillips@agacgfm.org](mailto:aphillips@agacgfm.org) for details. To advertise in the conference program, contact Marie Force at [mforce@agacgfm.org](mailto:mforce@agacgfm.org). Remember, discounted rates apply to AGA Corporate Partners for exhibiting and advertising. Complete program information can be found at [www.agacgfm.org/pdc](http://www.agacgfm.org/pdc). As an AGA Corporate Partner, your staff is eligible to receive member registration rates for the conference. Register by May 28 to receive early-bird rates.

**Save the Date—Corporate Partner Business Meeting Set For May 4 Please reserve May 4 to attend an important Corporate Partner business meeting at the Tower Club in Tyson's Corner, VA.**

**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 Opinion, included an article describing the project, titled Audit Federal Financial Controls: Sooner Rather than Later? Would Sarbanes-Oxley Benefit Federal Financial Management? The final research report is now being printed.

### **KPMG—Current Practice in Audit and Internal Controls of State and Local Governments**

KPMG is sponsoring a related study to assess current practice in state and local governments concerning audit, management responsibility and internal control provisions. The study will survey what states, cities, counties and other organizations (with more than \$10 million in total revenues) are doing and have already done to strengthen their internal control framework. It will survey what other risk management policies and procedures are in place to ensure that assets are protected and that errors and inaccuracies are prevented or detected in a timely manner. These will then be compared to the provisions of the Sarbanes-Oxley Act (SOX). The National Association of State Auditors, Comptrollers and Treasurers (NASACT) is partnering with AGA to administer the survey and compile the results. AGA and NASACT, together with KPMG representatives, are working with an advisory group of state and local auditors, controllers and preparers of financial statements. The report will include recommendations to ensure that any new requirements the federal government may consider imposing on the states are well planned, carefully considered and necessary to ensure accountability and good management control.

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

The 2005 CFO Survey, sponsored by Grant Thornton, 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 the PDC.

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

This research study, sponsored by American Appraisal Associates, 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. The survey is being developed and will be sent out shortly and interviews with subject matter experts will be held during the next few months.

### **Visa USA, Inc.—ProCard Phase 1: Project to Evaluate the Benefits Derived from Federal Agency Use of Government Purchase Cards**

This project, sponsored by Visa USA Inc., will attempt to describe the costs and the benefits that agencies derive from providing purchase cards to employees. These can include streamlining of purchasing processes, elimination of paperwork, and utilization of third-party record keeping 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, will be conducting the research.

An advisory group of stakeholders, including agency representatives, OMB and GAO, has been set up and meetings have been held to develop and refine the survey instrument, which will be sent to agency representatives. The report will include identification of those 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, 3 and 4 will focus on state and local governments' use of the purchase card; use of government travel cards in the federal government community; and use of government travel cards in the state and local government community. We expect to complete Phase 1 within a year. Phases 2, 3 and 4 will be worked on during 2005. Advisory group meetings have been held and the survey is expected to be sent out in March, followed by more advisory group meetings and if necessary, follow-ups with those surveyed.

### **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 should play in advocating good governmental financial management and accountability as well as attempting to develop a suggested format for effective national reporting. The research itself may focus on one facet of good government such as standard-setting to minimize the risk of fraud.

*CPAG Update, continued on next page*

# CPAG RESEARCH PROGRAM UPDATE

CPAG Update, continued from previous page

## Computer Sciences Corporation—Information Technology Trends in Functional Management

This project, sponsored by CSC, focuses on the trends forecasted for government and industry, and the associated impact on government accountability and functional management identified by such leading industrial analysts as the Gartner group and Forrester research. Building on the white paper released in July 2003 addressing IT and IT Management Trends, the objective of this project is to provide an assessment of the emerging or existing information technology that will prove critical to federal management. In addition to exploring general technology trends, the 2005 report will highlight specific emerging and existing technologies that will impact Financial and Supply Chain Management. Human Resources Management and Acquisition Process Management will be highlighted in future efforts.

## IBM—Shared Services of Federal Agency Financial Management Operations

IBM is sponsoring an AGA CPAG research project to identify best practices in shared services of federal agency financial management operations. The objective of the research is to provide recommendations on best practices in shared services in financial management operations. The project will identify best practices in selecting services to share, selecting the best model, managing the transition, setting up service arrangements, governance, service level agreements, pricing approaches and other aspects of the business arrangement. The project has three phases: research of existing literature; interviews with selected subject matter experts and surveys sent out to other interested parties; and finally, a report summarizing recommendations and containing suggestions as to best practice. The research is to be conducted by Irwin T. (Ted)

David, CGFM, with the assistance of IBM and AGA's Director of Research & CPAG Liaison.

## 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 PricewaterhouseCoopers (PwC) taking the lead and other CPAG partners volunteering staff time. The list of CPAG members who have volunteered to help with the project include AOC Solutions, Booz Allen Hamilton, Deloitte., Grant Thornton and IBM. PwC intends to dedicate staff to the project, to direct the work and divide up the work into different work streams, with a project manager and steering committee to guide the research and consolidate the findings. On March 21, 2004, the National Academy for Public Administration (NAPA) hosted a special discussion forum (sponsored jointly by NAPA, AGA and PwC) on The Performance Accountability Report: How Can We Make It Better? The forum included opening comments from Robert Shea, counselor to the Deputy OMB Director for Management, presentations from a preparer panel including agency executives and GAO, and from a user panel including Mike Hettinger, staff director, Subcommittee on Government Management, Finance and Accountability, the Under Secretary, Department of Education, and OMB's Office of Federal Financial Management. The question and answer periods were very helpful to the AGA research study. The interview and survey phase is about to start, and there will be periodic briefings with stakeholders.

Please contact Anna Miller, AGA's 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 Opportunity

### Research Assistant

The CPAG Research Program's expansion has created the 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, director of research, at [amiller@agacgfm.org](mailto:amiller@agacgfm.org) or fax to 703.548.9367, ext. 203.

## Scholarships Available

Are you or a family member pursuing undergraduate or graduate studies in disciplines such as accounting, auditing, budgeting, economics, finance, information technology, public administration, etc.? If so, apply for an AGA National Academic Scholarship today. The deadline for receipt of applications is April 1, 2005.

Each year, AGA National awards:

- Up to six \$1,000 full-time merit scholarships to AGA members and their family members;
- Up to two \$500 part-time merit scholarships to AGA members and their family members; and
- Up to one \$1,000 community service scholarship.

Download a copy of the application at <http://www.agacgfm.org/membership/awards/> or contact Rosanna Ortiz at [rortiz@agacgfm.org](mailto:rortiz@agacgfm.org).

# AGA'S CERTIFICATE OF EXCELLENCE PROGRAMS

## Help Your Clients Produce Top-Quality Performance Reports

**Federal—Certificate of Excellence in Accountability Reporting Program (CEAR)  
State and Local—Service Efforts and Accomplishments Program (SEA)**

Through AGA's Certificate of Excellence Programs, your Association is raising the bar for reporting performance. AGA encourages regular issuance of high-quality, user-friendly performance reports. This program provides recognition of strengths and recommendations for improvements to help effectively communicate performance to the citizenry and other stakeholders. As you are probably assisting various entities to prepare or are auditing performance reports, ask yourself this question:

### **Have we contributed sufficiently for our client to receive a Certificate of Excellence/Achievement?**

Demonstrate to your client how much you have or could help in achieving the publicity of receiving a Certificate of Excellence/Achievement.

### **AGA is looking for CPAG members to:**

- Promote this program with your clients;
- Identify possible participants and reviewers;
- Contact potential participants and reviewers;
- Display marketing materials at meetings;
- Publish program ads on your website;
- Participate on conference technical teams; and
- Provide speakers when appropriate.

### **Participants receive:**

- Complimentary in-depth report evaluation by a team of expert advisers;
- Recommendations for improving your report's structure and/or content;

- Opportunity to work with the program's Review Guidelines;
- Recognition as a program participant and/or award recipient;
- Opportunity for your clients' report to be among those awarded AGA's Certificate of Excellence/Achievement.

### **Volunteer Reviewers Receive:**

- Opportunity to evaluate various performance reports;
- Opportunity to help shape the future of performance reporting;
- Free training (CPE), and the opportunity to decide if a report merits formal recognition and publicity.

Visit the AGA website for detailed information at [www.agacgfm.org](http://www.agacgfm.org) and/or contact Julie Bryant, Director of Performance Reporting, at [jbryant@agacgfm.org](mailto:jbryant@agacgfm.org) or 800.AGA.7211, ext. 212.

## CPAG 2005 Calendar of Events

### **April 12 - SOLD OUT**

Corporate Partner Dinner featuring John Argodale, Deputy Assistant Secretary of the Army for Financial Operations, Office of the Assistant Secretary of the Army for Financial Management and Comptroller. Ritz Carlton Pentagon City Hotel, Arlington, VA

### **May 4**

ALL Hands Business Meeting  
3 - 4 p.m., Tower Club Tyson's Corner, McLean, VA

### **May 10 - SOLD OUT**

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

### **May 11, 2005**

Audio Conference - Yellow Book Update—What You

### **Need to Know**

2 - 3:50 p.m. EST

Unlimited attendance for only \$249.

### **June 14 - SOLD OUT**

Corporate Partner Dinner featuring Ken Donohue, IG, U.S. Department of Housing and Urban Development (HUD). 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

10:50 a.m. - noon, Orlando World Center Marriott



## Spotlight On AGA Corporate Partner... Perot Systems

Perot Systems Government Services, Inc. is a leading provider of consulting, technology-based solutions and program management support. Working primarily with federal defense and civilian agencies, our 2,000+ associates deliver trusted information technology, engineering support, environmental, and financial management services. Through innovation and a focus on customer confidence, we drive quality results for our clients.

The principal goals of our financial management services are to establish, improve, or validate the integrity of your financial and business operations. We have participated in more than 35 CFO Financial Statement Audits and are well versed in current regulations. Our government accounting and financial analysis services strengthen regulatory understanding and

introduce operational improvements that directly impact your bottom line. We analyze and test financial systems in commercial and private sectors and offer practical financial and integration solutions. Capital planning services identify strategies for investment growth.

A clear understanding of the ever-increasing management demands placed on government allows our experienced associates to deliver proven services that aid in meeting these demands. When the outcome matters, agencies turn to Perot Systems Government Services.

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## Yellow Book Audio Conference Set for May 11

AGA, NASACT and NALGA invite you to attend an audio conference titled, "Yellow Book Update—What You Need to Know," set for 2-3:50 p.m. EST Wednesday, May 11, 2005. Speakers will be **Jeanette M. Franzel, CGFM**, director, Auditing Standards and Corporate Issues, U.S. Government Accountability Office (GAO), and **Marcia B. Buchanan, CGFM**, assistant director for Auditing Standards, GAO; and **Sam McCall, CGFM**, city auditor, City of Tallahassee, FL, and AGA National President-Elect.

Two CPE hours in the area of accounting and auditing will be offered. The cost is \$249 per site (UNLIMITED ATTENDANCE) if you register on or before Friday, May 6, 2005, and \$299 afterward. Visit the AGA website at [www.agacgfm.org](http://www.agacgfm.org) to register. If you have questions regarding registration, please contact Julie Cupp, CMP, at 800.AGA.7211 or [jcupp@agacgfm.org](mailto:jcupp@agacgfm.org).

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