



## May 2009

## From the President...

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AGA's mission is to serve professionals in the government financial management community by providing quality education, fostering professional development and certification, and supporting standards and research to advance government accountability.

Greetings to the Denver AGA members!

### Professional Development

It was really nice to see so many of you at the professional development conference this month. I hope you enjoyed the speakers as much as I did. I am amazed that after attending so many seminars over the years, that I still learn lots of new and useful information each time I attend a professional development conference like the one our chapter presented this month. If ever I get tired of learning new things that help me in my work, then it will be time to retire.

Speaking of retiring, I am now in the last month of my term as president of the chapter. It has been an enjoyable year and a half. I must admit that I was very reluctant to be president when I was asked in January 2008. But, when so many outstanding people stepped forward to be on the board, I realized that I would get all the support that I needed, and I did.

The people on the chapter board the past year and a half have given their time, effort and ideas to keep the chapter focused to provide services to its members. Because of them, we have presented two outstanding professional development conferences. We have been able to have interesting speakers and topics for our monthly meetings, and our attendance has averaged over 50 people per meeting. The board has approved scholarships to accounting students, has sponsored two people to go to New Orleans to build houses for Habitat for Humanity, has sponsored several public service projects that help the less fortunate, has facilitated continuous communication with the chapter members, has developed relationships with other professional organizations, and has done much more that I can even list here. These people are great! When you meet them, be sure to shake their hand and let them know you appreciate their efforts on behalf of the chapter.

*(Continued on page 2)*

## From the President, *continued* . . .

President-Elect Eric Johnson will be introducing himself in the next newsletter. I think you will find that he brings a wonderful level of energy and creativity to the leadership of our chapter. He has identified a number of people who will help him deliver services to our members. If he calls upon you to assist, I encourage you to say “yes.” If you are inclined to get more involved in our chapter, I urge you to contact Eric and see what role you might play in serving your fellow financial professionals.

Thank you all for your support and assistance during the past year and a half. I will still be available if you wish to contact me for any reason. Best wishes to you all for a good summer and a successful career.

Doug Griffin  
Denver AGA Chapter President



## Upcoming Training Events . . .

### AGA Audio Conferences—Summer 2009

***NOTE: The Denver AGA Chapter will no longer be holding the audio conferences at Simms Landing. A new location will be announced before the July 15 audio conference.***

- » **July 15**—Using Performance Measures to Manage Government Services
- » **August 12**—Stimulus Spending: Are the Internal Controls in Place?



## AGA Denver Chapter 2009 Professional Development Conference

### *“MANAGING & MONITORING PUBLIC FUNDS IN TODAY’S ECONOMY”*

Our chapter’s 23<sup>rd</sup> annual Professional Development Conference offered an abundance of quality speakers on topics including Ethics, the American Recovery and Reinvestment Act, Forensic Accounting, Auditing Interview Techniques, computer software tools for auditing, forensic accounting, investigative reporting, dealing with the media, Gutsphah communications and more. One of the highlights of this year’s professional development conference was the presentation by Channel 4 Television investigative reporter Brian Maass on how to develop and follow investigative leads.



The Denver Chapter PDC always provides affordable and quality continuing professional education and this year was certainly no exception. The PDC was held at DeVry University’s campus in Westminster and the academic setting offered a relaxed and comfortable learning atmosphere. DeVry University, the Keller Graduate School of Business, and the Becker CPA Review were generous sponsors for the PDC and we are very thankful for their support. We also want to thank Elegant Catering LLC for providing plenty of excellent food. Special thanks go to the PDC Committee chaired by Debra Cooper-Clark and assisted by Gail Bruce, Jennifer Leone, Jeremy Cockrum, Kari Grimshaw, Cheri Frazell, Eric Johnson, Karla Gomez-Meyer, Jeff Hart, Glen Struempf and chapter President Doug Griffin.



## Denver AGA Chapter Sponsors Volunteers for National Service Project in New Orleans

The Denver AGA Chapter sponsored three AGA members to participate in the Habitat for Humanity service project in New Orleans. This was the 3rd Annual National Service Project to take place in New Orleans. This year the members who participated through AGA Denver's scholarship were Erin Koksall, Yong-He, and Thanh Le.

Erin Koksall wrote the following about the trip:

I really must express my gratitude to the AGA for sponsoring my trip to New Orleans for the service project in April. I had never been to New Orleans before, but always wanted to, and this trip was a non-stop view of authentic New Orleans culture and cuisine packed into the incredibly rewarding adventure of building houses with Habitat for Humanity. This was not my first time volunteering with Habitat, but the gracious New Orleans chapter's contributions of catered lunches made the hard work even more worthwhile. I especially appreciated the delicious sweet chili ribs and corn grits during the concert at Musician's Village – what a treat!

The actual work on the houses was a great break from my usual work days filled with answering emails and phone calls. I really appreciated using my hands, being outside, and seeing the immediate fruits of our labor as the siding went up or the trim was freshly painted. Although I spent most of my days there crawling around in the dust and dirt underneath each of the houses installing insulation under the flooring, the backache and irritated eyes were totally worth the barbeque shrimp, live music, and camaraderie from the fellow AGA members that I got to experience at night. I was really impressed with the graciousness and willingness to share from all the AGA members, and I am proud and excited to begin my affiliation with the Denver chapter of AGA (as I just recently joined to go on this trip)! If anyone is considering going next year, I recommend packing sunscreen, clothing that is able to get dirty, and a hearty appetite. Thank you very much and I hope to join again next year!

Yong-He wrote the following about the trip:

September 11, war in Iraq, hurricane Katrina (actions of FEMA), financial meltdown, financial bailout, AIG, GM and other bad news changed me and the history of America. All these events made me angry. Each event took away my trust in leaders and their moral reasoning. Since year 2005, I have been intentionally seeking out virtue to ease my emotional connection with others. At last, the AGA Habitat for Humanity trip rebuilt trust within me and my faith in the human spirit again.

Thanh Le wrote the following about the trip:

I had a really good time! It was nice to be able to meet the other chapter members, whom were all really nice and were such hard workers! Having been raised in Vietnam for the first 8 years of my life, I've seen and have been exposed to poverty. Since I've lived in the U.S, I haven't really seen that, until the recent trip to New Orleans. During Hurricane Katrina I saw the horrific images on TV and although I sympathized for the people, I wasn't able to empathize with them. Seeing other peoples' dilapidated homes and businesses really allowed me to be grateful for what I have and to have the opportunity to help build a home for a family is just amazing!



--Submitted by Cheri Frazell,  
CGFM, US Fish and Wildlife Service, Office of Financial Management



**Past National President Jeffrey S. Hart, CGFM, CFE,  
to Receive Robert W. King Memorial Award**



Humbled, inspired and prouder than ever to be a member of AGA. That's how Past National President **Jeffrey S. Hart, CGFM, CFE**, describes his reaction to earning AGA's highest honor, the Robert W. King Memorial Award.

Named after AGA's founding president, a gold medal is awarded annually to an Association member who has greatly enhanced AGA's national prestige and stature through distinguished service. AGA's 56th National President said the award touches him more than any other. "After all, your professional colleagues are keenly aware of what you really know and what you have really contributed, more so than any outside group."

"Jeff Hart is an outstanding choice for the Robert W. King Memorial Award," said Past National President Mitch Laine, CGFM. "He has been an incredible contributor to AGA with his vision, hard work and dedication for many years."

For more information on Jeff's contributions to the AGA over the years, please see the complete article at <http://www.agacgfm.org/publications/topics/060109/Hart.aspx>.



**Job Openings at the National Business Center**

Announcement Number: HRMC Merit-2009-0037

Position: System Accountant

Series & Grade: GS-0510-13/13

Salary Range: 86,171.00 - 112,025.00 USD per year

Open Period: 04/08/2009 - 09/30/2009

Duty Locations: This position is located in the National Business Center, Division of Business Services, Branch of Fiscal Systems at the Denver Federal Center.

Position Information: A Few full-time permanent positions

<http://jobsearch.usajobs.gov/ftva.asp?seeker=1&JobID=80358564>

Announcement Number: HRMC DEU-2009-0020

Position: System Accountant

Series & Grade: GS-0510-13/13

Salary Range: 86,171.00 - 112,025.00 USD per year

Open Period: 04/08/2009 - 09/30/2009

Duty Locations: This position is located in the National Business Center, Division of Business Services, Branch of Fiscal Systems at the Denver Federal Center.

Position Information: A Few full-time permanent positions

<http://jobsearch.usajobs.gov/ftva.asp?seeker=1&JobID=80358533>

Current vacancies throughout the BLM can be found at:

<http://jobsearch.usajobs.opm.gov/a9blm.asp>

For questions contact: Jeffrey S. Hart, CGFM, CFE

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## Performance-Based Management in Government

Public officials can speed up and enhance government reforms and transparency through performance-based management (PBM) right now with modest changes to existing information systems. PBM integrates existing financial, operations and other data into eye-opening and actionable facts for enlightened decisions. It is able to consistently track cost and performance over time and improve predictive ability. PBM is flexible, so that different entities can tailor it to their needs and still give top leaders consistent, cross-government views of performance and the cost of creating societal value. Government leaders without PBM (or something very like it) will miss opportunities to lower costs while improving performance. Their decisions will be based more on management experience and intuition than facts, instead of the right mix of all three. The chance of poor performance will be higher. Should fact-poor decisions continue to dominate, it will be harder to achieve an adequate return on investment (ROI) and other measures of achievement.

**PBM a success at federal entities.** In 2008, seven federal government entities started piloting the development of PBM reports to take a fresh look at their financial and management data. Because of their experience, pilot participants and the advisory group (see Appendix A of the full report for a list of advisory group members) said that PBM delivers the following benefits:

- Integrates financial, internal control and performance data to provide insightful, multiple views of operations.
- Provides a structured way of combining all management and operations improvement initiatives.
- Links performance to specific line-item costs, not just overall program costs.
- Affords predictive and forward-looking support for performance-based budgeting.
- Helps assess risk, cost and performance and enables an agile response to changes in demand or environment.
- Enables elements in the enterprise architecture to be better understood and classified.
- Enhances transparency through multidimensional reporting that lets officials and citizens see cost, performance and internal control information in one snapshot.
- Improves communication among entity leaders and managers, policy makers, oversight groups, elected officials and citizens.
- Delivers what pilot participants call integrated awareness—the big picture information that decision-makers need to keep their organizations steering in the right strategic direction—and provides the data that managers need to detect and solve performance problems.

“With new information comes the opportunity to break old paradigms,” said one pilot participant. Others pointed out how PBM uses statistical analysis to red-flag areas in need of low- or no-cost improvements that increase productivity. It facilitates “rolling up” or “drilling down” to different levels of cost and performance for root-cause analysis leading to successful change. PBM’s fresh insights will inspire a creative approach to organizing and operating programs, help implement them, and document their progress and success. It is the ideal tool for achieving higher levels of performance, particularly in government.

**Getting Past a Compliance Mindset.** Too often, government entities view reporting on financial, performance and other related matters as burdensome compliance with outside rules. PBM overcomes this compliance mindset by making financial reporting relevant to both the providers and the users of the information.

*(Continues on page 7)*

**Integrated awareness plus transparency.** This Phase II report is being published as a seemingly endless worldwide financial crisis affects all sectors of the economy. Federal, state and local governments have already begun to scale back on services and programs because they are experiencing or anticipating revenue shortfalls. At least one local government has declared bankruptcy, and some states are asking the federal government for bailout loans similar to those proffered to major corporations.

As with the failures of WorldCom and Enron, part of the problem is a lack of transparency. For governments, this is embodied in the current model of financial reporting, which—based as it is on the private sector model—provides little information of use in making management decisions.

Improved transparency will only become a reality when:

- Data are freely available and independent of applications.
- Financial reporting incorporates more use of statistical tools to detect weaknesses and fundamental changes in the data.
- Universal intrinsic processes are recognized and management principles understood.
- Information is presented in an easy-to-understand format for nonfinancial people.
- Processing complexity is hidden within computer systems.
- Data are analyzed and audited independently of the user.
- Financial information and performance information are linked.
- A common logical framework is developed to use statistics to anticipate future performance if the current processes are not changed.
- Value to society and risk profiles are reported to taxpayers, legislative branches and watchdog groups.

**The data challenge.** The data and technology are available today for the advanced management analysis advocated in this report. Almost all the information needed already exists in myriad databases. However, finding and integrating the data are expensive so the data often go unused. The U.S. Coast Guard and the Federal Transit Administration said that it was harder than expected to find and align the internal data needed for their pilot tests. This is symptomatic of isolated, application-specific information systems, a problem common to far too many government entities. XBRL (eXtensible Business Reporting Language) can solve the problem. XBRL is an international industry standard for publishing, exchange and analysis of financial reports and data. Now required for standardizing the private sector financial reports to several federal regulatory entities, XBRL is a powerful way to achieve the same goal within and across government entities themselves. The return on investment will be excellent: PBM supported by XBRL provides the reason and an affordable means to take advantage of the 21st-century management tools. These include dashboards, scorecards, strategy maps, statistical process controls, activity-based costing and sophisticated analytics. Such tools enable entities to:

- Articulate and communicate agency goals and link their initiatives to societal value.
- Monitor performance of programs, tactics and activities and their support of goals and mission.
- Provide context or relevance to programs, performance and resource use.
- Anticipate problems and alert management to needed action.
- Ascertain program effectiveness, using outcomes, outputs and societal value measurements.
- Increase accountability, collaboration and transparency of all program aspects.

Governmentwide PBM? We asked pilot project participants what they thought about expanding PBM throughout the federal government. Some of their responses: *(Continued on page 8)*

- “A governmentwide PBM model would provide a clearer understanding for the agency and taxpayer alike of ‘this is how we spend our money, and here is the impact on society.’ In a rapidly changing world, you need to know if your processes are succeeding in ultimately meeting your stakeholders’ needs.”
- “We believe that PBM has value for our agency, and thus it would likely have value for all federal agencies. Further, there would be some opportunities for comparing the results of agencies across government, in that the reporting format would be similar. Finally, improved transparency would be of great value to the public, in a similar manner to the citizen-centric reporting initiative.”

Many wanted to keep PBM voluntary until federal leaders start supporting this approach and deal with some of the obstacles to its adoption. Said one, “PBM should be at the entity’s discretion unless top-level management buys in and takes a leadership role.” Until now, the call for government to “do more with less” has been more of a slogan than an actual management policy. Most governments in the world are going to have to do exactly that because for the next few years, there is going to be less: Revenues will be down while demand in many areas will go up. Seriously managing government performance, along with other leadership actions, will help mitigate the fiscal crisis while building a foundation for a new, more effective and more respected public service. Leaders need PBM or something very much like it, and the time to start is now.

–*Read the complete report on Performance-Based Management at: <http://www.agacgfm.org/research/downloads/CPAG20PerfBasedMgt.pdf>.*



## AGA Denver Chapter Officers and Directors for 2008-2009

<u>Elected Officer Positions</u>	Name	Office	email	phone
PRESIDENT	Doug Griffin	DOL	dgriffin@ix.netcom.com	720-264-3235
PRES-ELECT	Eric Johnson	CO State Auditor's Office	<a href="mailto:eric.johnson@state.co.us">eric.johnson@state.co.us</a>	303-869-2854
VP-PDC	Debra Clark		<a href="mailto:debraclark73@hotmail.com">debraclark73@hotmail.com</a>	303-437-9199
VP-COMMUNICATIONS	Sally Symanski	CO State Auditor's Office	Sally.Symanski@state.co.us	303-869-2800
VP-PROGRAMS	Gwenna Zacchini	DOI-MMS	Gwenna.Zacchini@mms.gov	303-231-3513
SECRETARY	Gail Bruce	WAPA	<a href="mailto:gbruce@wapa.gov">gbruce@wapa.gov</a>	720-962-7481
TREASURER	Jeremy Cockrum	GAO	cockrumj@gao.gov	303-572-7342

### Appointed Board Positions

DIR- AWARDS	Jennifer Leone	GAO	leonej@gao.gov	303-572-7346
DIR- CGFM PROGRAMS	David O'Farrell	Boulder	ofarrelld@bouldercolorado.gov	303-441-3871
DIR- COMMUNITY SERVICE	Cheri Frazell	DOI-FWS	Cheri_Frazell@fws.gov	303-984-6845
DIR- EARLY CAREERS	Jeremy Cockrum	GAO	cockrumj@gao.gov	303-572-7342
DIR- EDUCATION	Julia Shively	CO State Auditor's Office	juliashively@juno.com	303-869-2826
DIR- EMERGING ISSUES	James Herbic	DoD OIG	<a href="mailto:james.herbic@dodig.mil">james.herbic@dodig.mil</a>	303- 676-3280
DIR- MEMBERSHIP	Michelle Dimodica	Clifton Gunderson CPA	michelledimodica@yahoo.com	303-241-3522
DIR-PUBLICITTY	Laverle Kepler	NBC	<a href="mailto:laverle_e_kepler@nbc.gov">laverle_e_kepler@nbc.gov</a>	303-969-5327
DIR-RECOGNITION	Gail Bruce	WAPA	<a href="mailto:gbruce@wapa.gov">gbruce@wapa.gov</a>	720-962-7481
DIR-SCHOLARSHIPS	Debra Haynes	City/County of Denver	Debra.Haynes@ci.denver.co.us	720-913-6336
DIR-EMPLOYMENT	Kari Grimshaw	FWS	<a href="mailto:kari.grimshaw@fws.gov">kari.grimshaw@fws.gov</a>	303-984-6807
DIR-AGENCY COORDINATION	Jennifer Leone	GAO	leonej@gao.gov	303-572-7346
DIR-INTERGOV. RELATIONS	Brad Gunther	City/County of Denver	<a href="mailto:Brad.Gunther@Denvergov.org">Brad.Gunther@Denvergov.org</a>	303-446-3493
Webmaster	Karl Greve	Colorado PERA	kgreve@copera.org	303-837-6218

### Other Leadership Members

Regional Vice President	Karla Gomez-Meyer	City/County of Denver	Karla.Gomez-Meyer@ci.denver.co.us	720-913-1544
Regional Vice President Elect	Glen Struempf	DFAS	<a href="mailto:Glennon.Struempf@dfas.mil">Glennon.Struempf@dfas.mil</a>	303-676-7264
Past National President	Jeff Hart	EPA	Hart.Jeff@epamail.epa.gov	303-312-6169

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