



September 2008

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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.

From the President...

September 17, 2008

What would Economics be without assumptions? Accounting!

Congratulations! Whether this is your 1st or 30th year working in accounting, auditing or finance, you made a great career choice!

The Bureau of Labor Statistics, an agency under the U.S. Department of Labor, defines government accountants and auditors as follows:

Government accountants and auditors work in the public sector, maintaining and examining the records of government agencies and auditing private businesses and individuals whose activities are subject to government regulations or taxation. Accountants employed by Federal, State, and Local governments ensure that revenues are received and expenditures are made in accordance with laws and regulations. Those employed by the Federal Government may work as Internal Revenue Service agents or in financial management, financial institution examination, or budget analysis and administration.

Whether you work for a Federal, State or Local government entity, some of these activities probably apply to you. The definition certainly is not detailed enough to cover all the things government accountants and auditors do. Because we tend to be a picky, very few of us would be totally satisfied with this definition. We know that we do so much more.

We also know that the importance of our work is probably not appreciated as much as it should be in our organization. After all, how many times have we been told that we brought "wonderful news?" Probably not very often.

However, surveys of government employees often show that accountants and auditors are among the most satisfied with their work. It turns out that as a group, we like what we do, and we recognize the value of our work, even when others do not. How fortunate we are to have arrived at this mature attitude toward our daily activity.

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From the President, *continued* . . .

So, when things get a little stressful at work and those deadlines seem all too often and too short, remember to take a minute and smile. You made a good career choice!

Doug Griffin

President, Denver AGA Chapter



Upcoming Training Events . . .

Denver AGA Chapter Events

When: Tuesday, October 21, 2008 (2 CPE)

Topic: "Interviewing Techniques for Auditors, Accountants, Investigators, and Just Plain Everybody."

Speaker: Doug Griffin, Office of Labor-Management Standards, U.S. Department of Labor; President, Denver AGA Chapter

Where: Simms Landing Restaurant, 6th & Simms (11911 West 6th Ave.), Lakewood

Time: 11:00 Check in; 11:30 Lunch; 12:00 – 2:00 Presentation

Cost: \$25 for AGA members; \$35 for Nonmembers (all you can eat buffet)

RSVP: Glen Struempf at 303-676-7264 or glennon.struempf@dfas.mil by **Noon, Tuesday Oct. 14, 2008**

Upcoming AGA Audio Conferences Sponsored by the Denver AGA Chapter:

- Wednesday, November 12, 2008: Internal Controls
- Wednesday, February 11, 2009: Fraud
- Wednesday, March 11, 2009: Internal Controls
- Wednesday, April 8, 2009: Auditing
- Wednesday, May 13, 2009: Ethics

Location, time, and cost will be the same for these as for the October 21, 2008, training.

Colorado Chapter of the Association of Certified Fraud Examiners

The Colorado Chapter of the Association of Certified Fraud Examiners is hosting a two-day seminar on October 21 & 22, 2008. The speaker will be Don Rabon, who will give a presentation on Written Discourse Analysis: An In-Depth Class on How to Detect Deception in Written Documents. The seminar will be held at the Inverness Hotel & Golf Club in Englewood and offers 16 CPE. The cost is \$275 for Chapter members and \$375 for nonmembers, and the registration deadline is October 10, 2008. For additional information, go to <http://www.cocfe.org/2008%20Seminar%20COCFE%20-%20info.pdf>



Two Denver Chapter Members Transformed By Second Annual AGA National Community Service Project in New Orleans

By Jeffrey S. Hart, CGFM, CFE, AGA Past National President

Jeremy Cockrum, Denver Early Careers Director, myself, and about twenty other AGA members, family and friends representing 13 chapters spread from Washington, D.C. to Washington state and Northern



Michigan to the Mississippi Delta, participated in our Second Annual National Community Service Project in New Orleans. We were joined by a dozen local chapter members and represented various federal, state and local agencies throughout the local area. Some participants joined us for a day, and some for the whole week of April 28–May 2, 2008. Some came a day early for the AGA Sectional Leadership Meeting (SLM) held May 2–3. And some came early or stayed late to enjoy the New Orleans Jazz and Heritage Festival the week-end before and after our project.

Why did we go back again this year? Some New Orleans Chapter members told me they are still not back in their homes. By one estimate, as many as 20,000 buildings in the city remain uninhabitable. In fact, 27,500 families, mostly from New Orleans, are still living in tiny, 300-square-foot, government-issued travel trailers across the state, waiting for their homes to be repaired or for some kind of affordable housing to become available.

This year we spent the first day working in St. Bernard Parish, one of the areas adjacent to New Orleans that was among the hardest hit by Katrina. Some of us spent the morning helping out at a food and clothing bank. The rest of us spent the whole day (joined in the afternoon by the rest of the group) working on the home of Kenneth and Jenny Ford. Ken and his extended family grew up in St. Bernard, and Ken had just celebrated his 71st birthday the day before we arrived. He said we were the best birthday present he had!



[Volunteers with Ken and Jenny](#)

Ken only has one lung, and therefore can't do a lot of the physical work required to get his home rehabilitated. Katrina's water was up over the rafters (about 10-12 feet high) and his house sat in that water for weeks after Katrina. As a result, his modest brick home and garage had to be gutted. We removed heating ducts, wallboard, insulation and siding, and jackhammered out an old concrete porch and steps, among other things. Ken and Jenny could not have been more gracious and appreciative.

The next four days we worked on two Habitat for Humanity homes simultaneously, both in what they call "Musicians' Village" in the infamous Ninth Ward of New Orleans. Much like last year, we did a lot of measuring, cutting and installing. We built and installed front porch steps and railings. We worked on soffits and fascia (exterior trim), roofing, interior baseboard molding and closet shelving. We installed kitchen and bath cabinets. We also painted and scraped and puttied the nail holes throughout one house.

Like last year, some chapters sponsored one or more members from their chapter by paying some of the travel expenses. Jeremy was already attending the AGA Sectional Leadership Meeting in New Orleans, and the Denver Chapter sponsored him to arrive a day early to work with us. Boston stepped to the plate big time by sponsoring four members! In the end, 20 people volunteered from around the country including my wife, Roxy Hart. Members of the New Orleans chapter also joined us at the work site. I asked Jeremy to convey his experience with the Habitat project and he shared the following.

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AGA National Community Service Project, *continued* . . .

"I am very grateful that the Denver AGA Chapter sponsored me to join Jeff Hart and other AGA members to help Habitat for Humanity in New Orleans. Before the trip I had heard about the devastation in New Orleans but the magnitude of the destruction did not become real until I saw it with my own eyes. After spending a hot, humid day on a construction site working with a team filled with very motivated, kind people it became much clearer what it means to help others. I am still humbled by the heart-felt devotion and selflessness shown by the other volunteers and to hear the gratitude of the New Orleans



Volunteers sporting their AGA/Habitat T-shirts donated by National Capital Region Chapters

residents. I am very excited to help out next year and I encourage others to come with us because after this trip I know that the only thing greater than the amount of work left to do in New Orleans is the kindness of others. I guarantee it will change your life."

For me, it is so uplifting to be working with my own hands, alongside like-minded people, knowing that we were making a difference with every hour we spent there. As last year, one of the highlights of the trip was the big "crawfish boil" that Past National President Clyde McShan, CGFM, and his lovely wife Debbie threw at their home for everybody who contributed.

daughter Maureen said, "I learned a lot, met a lot of great people and had a terrific time. This experience was certainly eye-opening and gratifying. I definitely would love to come back and help out again." Billy Morehead said, "...the Habitat project was great fun; meeting new AGA-ers and spouses was delightful; making new friends—priceless!" Delores Kendrick-Foster, who came back again this year, said, "The group was awesome...learning was fun...and the spirit of cooperation genuine." Delores's husband, Mack Foster, who also came last year, said, "This was a very rewarding trip...and I look forward to seeing the team next year." Fred Hoover said, "Thanks also for organizing this memorable Community Service event, with all the food and extra activities. The Louisiana hospitality is second to none."

Here's what some of the others had to say, in their own words. Kathy Cushing said, "I had the time of my life!" Her



Tom Wieberg, who came to work with us while his wife was attending the SLM, said, "It was a wonderful and memorable experience that I hope to be able to repeat in the future."

Community service and helping those that are less fortunate than us is an important part of what AGA is about. The dates for our 3rd Annual National Community Service project are April 27–May 1, 2009, again sandwiched between the two weekends of the New Orleans Jazz and Heritage Festival. We will seek lodging in the beautiful, new University of New Orleans dormitory (actually two bedroom furnished apartments) at a rate of only about \$20/night/person. Due to popular demand, we have created a second opportunity next year to experience what it's like to work with Habitat in New Orleans. Since AGA's National PDC is in New Orleans June 21–24, 2009, we will also have a 1-day community service event with Habitat on Thursday, June 25th, the day after the PDC ends. For this event, we will seek to extend AGA's special hotel rate to include this extra night. I hope you will pencil in these dates on your calendar and join us for some of the fun!



Emerging Issues

By Jim Herbic, Director, Emerging Issues, Denver AGA Chapter

There is no shortage of new issues trying to crowd their way into our already overloaded thought processes. From intergenerational workforce coordination (conflict is such a harsh word) to exactly what reports governments should issue to most effectively communicate with their constituents, the list goes on and on. But having said that, I encourage members and other readers to submit issues they know have a direct effect on their and their coworker's daily work environment. From those, I can provide information with a focus on our world.

For examples of some general emerging issues, we need look no farther than the 2008 AGA Annual CFO Survey (www.agacgfm.org/homepage). Federal financial executives (a total of 239) from 70 departments, departmental agencies, and independent entities and commissions were interviewed. Their views provide us insight into the broad issues affecting their management of financial reporting for the federal government.

Most of the respondents agreed that the way the federal government prepares, presents, and audits annual financial statements is "broken". Designed for industry, that way is a no-way highway. The current model costs too much and delivers little useful information for government decision makers. They also say more should be done to improve and monitor program controls for effectiveness and efficiency versus the effort placed on the current model of annual financial statement reporting. As a by-product of the survey interviews, AGA editorializes that all signs point toward a bleak fiscal future for the Feds. Our large spending deficits and the cost of overseas conflicts mean fewer budget resources. That can mean program decisions that become true emerging issues.

Additional emerging issues related to new standards for service efforts and accomplishments performance reporting, fair value accounting, the continuing alignment of U.S. GAAP and international accounting standards, inter/intra governmental transactions accounting, and fund balance reporting will be the subjects of future newsletter articles. The next newsletter emerging issue will be "Four Generations Merge (clash is such an ugly word) in the Workplace".



Employment Opportunities

By Kari Grimshaw, Director of Employment, Denver AGA Chapter

Are you looking for a well qualified accountant, auditor, or budget analyst? Do you want to recruit the most qualified professionals? If you answered "yes" to either of these questions, then send a link for the job announcement to Kari_Grimshaw@fws.gov, the new Employment Director for the Denver Chapter of the AGA. Your announcement will be posted on the AGA website. *(Continued on page 6)*

Employment Opportunities, *continued* . . .

- This is a great opportunity for a New Professional or Mid-Career Professional to become an Accountant for the Office of Surface Mining, Reclamation and Enforcement Team:

Department: Department of the Interior
Agency: Office of Surface Mining, Reclamation & Enforcement
Job Announcement Number: OSM-2008-0227

ACCOUNTANT, GS-0510-9/11/12 (SLM-DEU)
SALARY RANGE: 48,164.00 - 90,803.00 USD per year
OPEN PERIOD: Thursday, August 28, 2008 to Tuesday, September 30, 2008
SERIES & GRADE: GS-0510-09/12
POSITION INFORMATION: Full-Time Permanent
PROMOTION POTENTIAL: 12
DUTY LOCATIONS: 1 vacancy - Denver [Includes Lakewood], CO

A few of the major duties include:

As an accountant in the Division of Financial Management (DFM) in Denver, Colorado the selectee will help to improve the efficiency and effectiveness of the branch's \$300 million collection and accounts receivable operations. Analyze accounting and debt collection operations, including computerized systems and work processes, practices and procedures, and make recommendations on needed changes. Develop user-acceptance test plans to test and evaluate system changes. Develop and help implement system, process and procedural improvements. Also, helps maintain the account structure and key tables in the subsidiary accounts receivable system.

- This is a great opportunity to look at several companies all at once:

General and Sales Job Fair

When: Wednesday, September 24, 2008 - 10:00am to 3:00pm
Where: INVESCO Field at Mile High, 1701 Byrant St

Full Exhibitor List

Adams County Government, Alliance Data, Brinks Home Security, Burt Automotive Group, Colorado Christian University, Colorado Tech University, Denver Newspaper Agency, Denver School of Nursing, DeVry University, DISH Network, First Advantage, Recruiting/Citi, Global Career Mgmt, Moneytree, Inc, Primerica, Safeway, Inc, Stevens Transport, University of Phoenix, US Army, US Bank, Walgreens, Westwood College.

To see the full announcements go to the Denver AGA website www.denveraga.org and click on job opportunities.



Excellence in Government Fellows Program

AGA and The Council for Excellence in Government (CEG) have combined their strengths to create a financial management careers focus of the Excellence in Government Fellows Program. A special area of emphasis has been added for mid-level managers with responsibility in financial management specialties. Specific occupations include budgeting, accounting, auditing and investigations, financial systems and program management.

The Excellence in Government Fellows Program is CEG's flagship program. This hands-on, results-based leadership development program is central to the missions of both CEG and AGA: to improve the performance and accountability of government. *(Continued on page 7)*

Excellence in Government Fellows Program, *continued* . . .

Who Should Apply

The Financial Fellows Program is for exceptional individuals in federal, state and local government financial management and related careers who are committed to enhancing their leadership skills and accomplishing significant results in their organizations. Financial Fellows should:

- Have a record of strong accomplishment and demonstrate high potential.
- Rank at the GS-14 or GS-15 level (or equivalent in the military or other pay systems). Exceptional individuals at the GS-13 or equivalent level are also encouraged to apply.
- Find a sponsor in their organization that will support them throughout the program year.

Time Commitment

During the course of a year, Fellows will meet every six weeks or so for three or four days. The program consists of large group meetings, small coaching team meetings, and financial management and leadership benchmarking site visits.

Register Today

The next Financial Fellows program begins Oct. 20, 2008. ***We strongly encourage early applications (before Oct. 10) to ensure a space in this exciting program.*** CEG may request an interview during the application process.

Applicants are encouraged to apply online or printed applications may be requested via email. Fax your application to 202.728.0422 or mail to The Council for Excellence in Government, 1301 K St., NW, Suite 450 West, Washington, D.C. 20005, Attn: Financial Fellows. If you have questions, contact Joe Jozefczyk, AGA, at 703.562.0088 or Chris Wingo, CEG, at 202.728.0418.

To read more about this program, go to: <http://www.agacgfm.org/downloads/FinancialFellowsProgram0908.pdf>.



Innovation Is Missing from Internal Control Systems

News Release from the Internal Control Institute

According to a recent survey of financial executive 92% of all US public companies use spreadsheets for critical accounting activities in their revenue reporting processes. The research, which involved 685 companies, was conducted by www.RevenueRecognition.com and IDC and sponsored by Softrax Corp. Only 8% of all responding companies say they are able to complete their revenue reporting process without having to take data offline and into spreadsheets. Revenue recognition restatements increased 42% from 2002 to 2006 leading to speculation about the underlying causes. With all the hype about Sarbanes-Oxley, increased auditor scrutiny, and complex guidelines it is surprising to learn that mundane internal errors were the leading cause of restatements from 2003 to 2006. That's the conclusion of a new report entitled "An Analysis of the Underlying Causes of Restatements" by Marlene Plumlee, University of Utah and Teri Lombardi Yohn from Indiana University. According to the study over half of all revenue recognition restatements were avoidable if companies had better procedures for performing, monitoring, and controlling their revenue processes.

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Innovation Is Missing from Internal Control Systems, *continued . . .*

Spreadsheet failures can be largely attributed to the lack of innovation in the development of integrated control functionality in central systems. Spreadsheet failures are just one example of the lack of innovation in the development of Internal Control Systems. Innovation is simply defined as doing something new. Innovation can only occur when an organization recognizes that the way they are doing things is hampering their effectiveness. As these studies show improperly implemented internal control systems have a negative impact on many organizations. Following the “old way of doing things” is thought to be safe, many employees believe if they do not do anything different, they will not do anything wrong. In reality, following “the old way of doing things” can become increasingly costly, time consuming, and ineffective.

Part of the problem in integrating innovation into internal control is the limited definition many people have for internal control. The definition of internal control used by ICI and defined by COSO has three parts. First internal control is defined as a “process” not a single check point. Second it is defined as a process to assist an organization in accomplishing its objectives; and third it lists the three key objectives that internal control should be designed to achieve which are: 1) effective and efficient business operations; 2) reliability of financial reporting, and 3) compliance with applicable laws and regulations. It is this broad definition that makes it essential to use innovative techniques in improving internal control and using internal control to improve the organization’s business systems. If internal control supports accomplishing the above three objectives internal control can become a profit center.

Innovation in internal control must be driven by management. Management must make innovation a high priority objective of the organization and reward employees for being innovative. Employees must be trained in innovative practices, and organizations must move thru various phases of innovation. The Internal Control Institute has defined these four stages of innovation: Phase one-random but not encouraged, Phase two-continuous process improvement, Phase three-develop new solutions to existing problems, and Phase four-radical change.

The challenge organizations face in using internal control to drive innovation is the lack of internal control expertise in their organization. Most of today’s employees with internal control training are taught the strict definition of internal control and are not trained in the true practice of internal control. For the latest information on today’s internal control practice visit internalcontrolinstitute.org.



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	eric.johnson@state.co.us	303-869-2854
VP-PDC	Debra Clark		debraclark73@hotmail.com	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	gbruce@wapa.gov	720-962-7481
TREASURER	Cheryl Thomason	NBC	Cheryl_R_Thomason@nbc.gov	303-969-7377
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	Pat Nelson	NBC	Pat_I_Nelson@nbc.gov	303-969-5419
DIR- EMERGING ISSUES	James Herbic	DoD OIG	james.herbic@dodig.mil	303- 676-3280
DIR- MEMBERSHIP	Michelle Dimodica		michelledimodica@yahoo.com	303-241-3522
DIR-PUBLICITIY	Laverle Kepler	NBC	laverle_e_kepler@nbc.gov	303-969-5327
DIR-RECOGNITION	Tiffany Epperson	GAO	eppersont@gao.gov	303-572-7340
DIR-SCHOLARSHIPS	Debra Haynes	City/County of Denver	Debra.Haynes@ci.denver.co.us	720-913-6336
DIR-EMPLOYMENT	Kari Grimshaw	DOI-FWS	kari.grimshaw@fws.gov	303-984-6807
DIR-AGENCY COORDINATION	Jennifer Leone	GAO	leonej@gao.gov	303-572-7346
DIR-INTERGOV. RELATIONS	Brad Gunther	City/County of Denver	Brad.Gunther@Denvergov.org	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	Glennon.Struempf@dfas.mil	303-676-7264
Past National President	Jeff Hart	EPA	Hart.Jeff@epamail.epa.gov	303-312-6169