



Association of Government Accountants Denver Chapter

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From the President . . .

A Salute to the Denver Chapter Members!

January 2008

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Let me introduce myself. My name is Doug Griffin. The board has appointed me as the interim chapter president. I have been an AGA member for 27 years. I am a District Director with the Department of Labor, supervising investigations and audits. I am a CPA and CFE, and have taught the Becker CPA Review Course for over 10 years. In fact, two of our committee chairs are former students of mine. I am a big proponent of professional development, and I hope to do a good job of serving you, the chapter members.

In December our Secretary, Glen Struempf, asked members to step up and volunteer to fill the vacant chapter positions in order to “save our chapter.” Well, you did just that! You not only volunteered to fill all the vacant positions, you volunteered to serve on committees and to support those who were taking over the vacant officer positions. Bravo to all of you who volunteered and to those who provided encouragement to the volunteers! We all owe many thanks to Glen for his persuasive communications!

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 (CONTINUED):

I, like many of you, volunteered to help. I did not volunteer to be president. But, when asked if I would serve in the role, I said “Yes, if other members would fill the openings on our committees and as officers. You did!

Thank you also to all the officers and committee members who have been working since last summer, and ever earlier, to keep the chapter running. You are a great group, and we really appreciate your work.

I am pleased to report that the planning for the Professional Development Conference is off to a super start under the guidance of Debra Clark. Sally Symanski has put the “pedal to the metal” to make sure that the newsletter gets to all of the members with information that is important to us. The other officers and committee chairs have also been busy and will be reporting to us in this and subsequent newsletters.

Now, many of you are probably breathing a sigh of relief that you “escaped” this call to serve, and now you think you can settle back and be “consumers” of the chapter offerings. I know the feeling. I was tempted to not volunteer myself. Well, I am going to ask you to read what each committee chair writes about what their committee is doing and to think if you can help them, in even the smallest way. I am also asking each committee chair to not hesitate to ask other members to help them. Many of us, who are reluctant to volunteer, will gladly help if someone just asks.

I will conclude by saying how excited I am about our upcoming meetings and training sessions. I look forward to meeting many of you at the February 6 meeting.

Did you hear about the accountant who was checking into a hotel? The desk clerk asked if the accountant would like a room with a shower or just a bath? The accountant asked, “What’s the difference?” The desk clerk answered, “In the shower you stand up.”

Doug Griffin
President-Denver AGA



In view of all the new Board members and Directors we have in the AGA Denver Chapter, the newsletter is bringing you a brief update from each one on activities in their respective areas. The next newsletter will include the additional Directors not listed this month. Please find a complete listing of all Board members and Directors on the final page of the newsletter.

From the Board Members and Directors

Debra Clark, VP for the Professional Development Conference

We have established a PDC Committee for our spring conference, and we'd like to invite anyone interested to join us as there is much to do. In addition to help with developing the program we need assistance with registration, audio/visual, sponsors/booths, and gratuities. Since I will be out of town for several weeks, please contact Miriam Banach at miriam.banach@dfas.mil or Glen Struempf at glennon.struempf@dfas.mil if you are interested in helping with the PDC.

Gwenna Zacchini, VP Programs

The Denver AGA Chapter has the following audio conferences scheduled:

February 6, 2008: Using Internal Controls to Improve Operations

March 5, 2008: How Fraud can Undermine the Integrity of Environmental Programs and Create Environmental Risks

March 26, 2008: Emerging Issues at FASAB and GASB: The Landscape is Changing Meetings will be held at Simms Landing, 11911 W 6th Ave., Lakewood, CO. If you have program ideas for upcoming meetings, or if you have speaker or subject ideas, please feel free to contact me at gwenna.zacchini@mms.gov, or 303-231-3513. I am always looking for new and exciting program suggestions.

Sally Symanski, VP Communications

I'll be working to keep Denver AGA members informed of the various activities that your Chapter is sponsoring and ways that you can participate. I'll be sending out notices about newsletters posted on the Denver AGA web site and flyers about upcoming events. If you are interested in writing an article for the newsletter, please let me know. My contact information is: 303-869-2800 and sally.symanski@state.co.us.

Glen Struempf, Secretary

From the Secretary's post: Much of my effort this past month was dedicated to our 'Save Our Chapter' project. I'm very gratified and thankful to report we've had a very supportive response from our members to our call for help. At our Chapter Board meeting 7 January 2008 we ratified Doug Griffin as our new Chapter President and appointed a full slate of officers and directors. I encourage all members to extend their support to the Chapter in the months ahead. Members wishing to volunteer a few hours of helping support may contact me or any Chapter officer or director. With the continued support of our Chapter members I'm optimistic the Chapter will emerge stronger than ever. Glen Struempf, 303-676-7264 (email glennon.struempf@dfas.mil).

From the Board Members and Directors, Con't.

James E. Caldwell, Treasurer

The Chapter remains strong financially. The Chapter's checking account balance is \$18,058.84 as of January 21, 2008. We had to subsidize the cost of our December meeting due to a last minute site change. The fee to attend our monthly meetings was also reduced this year, for members and non-members, resulting in lowered receipts. Adequate funding for our remaining monthly meetings as well as the PDC is available. Please feel free to contact me if you require reports for any past financial data. 303-231-3314 James.E.Caldwell@mms.gov or caldwell.james@comcast.net.

Cheri Frazell, Director of Community Services

Hello, my name is Cheri Frazell and I am the new Community Service Director. I have many community service ideas for the upcoming year and am looking forward to volunteering with you all. If you have any volunteer projects that you would like to see AGA participate in let me know. AGA will be collecting food donations at our monthly meetings to be given to the Jeffco Action Center Food Bank. If you are able to bring nonperishable items or cash donations for February's meeting that would be appreciated. 303-984-6845, cheri_frezell@fws.gov

David O'Farrell, CFGM Liaison

CGFM Examinations Update: In 2007, AGA undertook a psychometric review and update of the three CGFM Examinations. To ensure the examinations' content reflects the current industry practices, AGA conducted a full-scale Job Analysis Study of the role of the Certified Government Financial Manager. While the core of the examination content remained the same, the three examination content outlines were updated, refreshed and streamlined. The weighting among the sub-content areas within each examination was adjusted, and the language of the content outlines was revised to provide additional depth and detail to support candidates preparing for the examinations. The new CGFM examination is scheduled to be implemented effective August 2008. My contact information is: 303.441.3871 and ofarrelld@bouldercolorado.gov.

Miriam Banach, Director for Employment

If you're in need of a job or just looking to see what's out there, we have a link on the home page (<http://www.denveraga.org/>) where jobs in governmental accounting, budget, and financial management are periodically listed. If you are interested in positions outside of Colorado, check out AGA national's site: <http://aga.careerbank.com/>. If you know of positions that are opening in your agency and would like to advertise them on the site, please send an email with details or a link to miriam.banach@dfas.mil.

From the Board Members and Directors, Con't.

Jeremy Cockrum, Director of Early Careers

I plan to tap into the current Early Careers members to spread the word about our association. We will be reaching out to local colleges and universities regularly to make contact with future members of AGA through faculty and professional student organizations. As the Early Careers Liaison I will personally energize other young people to get involved with AGA. My contact information is: 303-572-7342 and cockrumj@gao.gov.

Calendar of Winter/Spring 2008 Meetings

February 6, 2008 Using Internal Controls to Improve Operations- 2 CPEs

A broad-ranging discussion of internal controls from the perspective of the COSO framework, human behavior, and enterprise risk management. (Audio conference)

- WHERE:** Simms Landing Restaurant, 6th & Simms (11911 West 6th Avenue), Lakewood
- TIME:** 11:00 – 11:30 a.m. Check In; 11:30 a.m. Lunch; 12:00 – 2:00 p.m. Presentation
- COST:** \$25 for AGA Members; \$35 for Non-Members
- MENU:** All you can eat buffet offering soups, salads, entrees, & desserts.

NOTE: We will be collecting nonperishable items and cash donations for the Jeffco Action Center Food Bank.

Please **RSVP** to Glen Struempf at 303-676-7264 or glennon.struempf@dfas.mil by **COB Monday, February 4, 2008.**

- March 5, 2008** Environmental Fraud (Audio Conference)
- March 26, 2008** Emerging Issues at FASAB and GASB (Audio Conf.)
- April 2008** TBD
- May 19 & 20, 2008** Denver AGA PDC (tentative)
- May 2008** Awards/Live Speaker

GCFM Training

Upcoming CGFM review courses in the Denver area: February 11 -15, 2008, open only to DFAS employees. Contact David O'Farrell for information: ofarrelld@bouldercolorado.gov.

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Single Audits Found to be Deficient by Sefton Boyars, CPA, CGFM

On June 21, 2007, the President's Council on Integrity and Efficiency released the "Report on National Single Audit Sampling Project." Despite its innocuous name, the report contains important findings and recommendations.

The President's Council on Integrity and Efficiency (PCIE) is comprised of the presidentially-appointed federal Inspectors General. It decided to test the quality of a statistical sample of single audits because of long-standing concerns that single audits were often deficient, particularly in the work on compliance.

In 2002, the House of Representatives held hearings on single audits. During those hearings, the Office of Management and Budget testified that several federal agencies had found many deficiencies when reviewing the quality of single audits. However, the agencies had not selected the audits on a statistical basis, and therefore could not reliably estimate the proportion of audits that were deficient.

The PCIE assembled a team of auditors from a number of federal Inspectors General to review a statistical sample of 208 single audits from the universe of all single audits submitted and accepted during the twelve months ended March 31, 2004. The PCIE invited some non-member to participate in the planning of the project and to conduct some of the quality reviews: three State Auditors and one federal Inspector General who was not presidentially appointed.

The audit team reviewed the fieldwork and reporting relating to internal control over compliance and compliance with laws and regulations for selected major federal programs. They did not review the fieldwork and reporting of the general purpose financial reports.

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Single Audits Found to be Deficient, Con't.

The results were appalling. The report concluded that 35.5% of all single audits were unacceptable and an additional 16.0% were “of limited reliability.” Overall, just under one-half of the reports were estimated to be acceptable. Had the PCIE review also considered the audit quality of general-purpose financial statements, the results could have been even worse.

While the larger audits (those covering over \$50 million in federal funds) fared somewhat better, those results were also well below what one would expect: 24.0% were unacceptable and an additional 12.5% were “of limited reliability.” Only 63.5% were considered acceptable.

There are some logical reasons why the larger audits would have had better, but still unacceptable, statistics. First, government auditors conducted a higher proportion of the larger audits, and government auditors performed higher quality compliance audit work than CPAs. That is not surprising, as government auditors are experienced in reviewing compliance with federal, state and local requirements. Second, the larger audits generally be performed by larger CPA firms, who had more experience in conducting Yellow Book audits.

The most prevalent deficiencies included:

Not documenting the understanding of internal controls over compliance requirements [56.5% overall]

Not documenting testing internal controls of at least some compliance requirements [61.0% overall]

Not documenting compliance testing of at least some compliance requirements [59.6% overall]

The report recommended a three-pronged approach to dealing with this problem:

Revise and improve single audit standards, criteria and guidance - Revise and improve standards, criteria and guidance applicable to single audits.

Establish minimum requirements for training on performing single audits - Require comprehensive training on performing single audits as a prerequisite for conducting single audits and continuing professional education that provides current information on single audits as a prerequisite for continuing to perform single audits.

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Single Audits Found to be Deficient, Con't.

Review and enhance processes to address unacceptable single audits - Review the suspension and debarment process to identify whether (and if so, how) it can be more efficiently and effectively applied to address unacceptable audits. Enter into dialogue with the AICPA and State Boards of Accountancy to identify and implement ways to further the quality of single audits and address the due professional care issues noted in this Project. Identify, review, and evaluate the potential effectiveness of other ways (existing or new) to address unacceptable audits.

The U.S. Senate held hearings on this report on October 25, 2007. Given the significance of the report findings and the attention that the report is generating, I expect that single audits will be under the microscope in the coming years. In particular, as the report was issued by the PCIE, federal Inspectors General may review single audits with greater scrutiny than they did previously.

You can access the full report at:
www.ignet.gov/pande/audit/NatSamProjRptFINAL2.pdf

Submitted by: Sefton Boyars, CPA, CGFM, CIA, CFS, retired in 1996 from a 35-year career as a government auditor and audit manager. He had been the Regional Inspector General for Audit for the U.S. Department of Education for 16 years at the time of his retirement. He currently teaches continuing education classes for many organizations, including federal, state and local governments, professional associations, the USDA Graduate School, and Management Concepts, Incorporated. He received AGA's National Education and Training Award for 1998.

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Spring 2008 Executive Board

President	Doug Griffin	dgriffin@ix.netcom.com
President-Elect	Vacant	
Vice President, PDC	Debra Clark	dclark78@mscd.edu
Vice President, Programs Education	Gwenna Zacchini	gwenna.zacchini@dfas.mil
Vice President Communications	Sally Symanski	Sally.symanski@state.co.us
Secretary	Glen Struempf	glennon.struempf@dfas.mil
Treasurer	James Caldwell	James.Caldwell3@mms.gov
Past President	Jean Reynolds	jean.reynolds@dfas.mil

Spring 2008 Directors

Agency Coordination	Paris Thomas	paris.thomas@state.co.us
Awards	Jennifer Leone	leonej@gao.gov
CGFM Liaison	David O'Farrell	ofarrelld@bouldercolorado.gov
Community Service	Cheri Frazell	Cheri_Frazell@fws.gov
Early Careers/Mentoring Program	Jeremy Cockrum	cockrumj@gao.gov
Education	Cheryl Thomason	Cheryl_R_Thomason@nbc.gov
Emerging Issues	Eric Johnson	eric.johnson@state.co.us
Employment	Miriam Banach	miriam.banach@dfas.mil
Membership	Michelle Dimodica	Michelle.Dimodica@cliftoncpa.com
Publicity	Debra Haynes	Debra.Haynes@ci.denver.co.us
Recognition	Tiffany Epperson	eppersont@gao.gov
Scholarships	Debra Haynes	Debra.Haynes@denvergov.org
Student Liaison	Vacant	
Webmaster	Karl Greve	kgreve@copera.org