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PRESIDENT'S MESSAGE

I just returned from AGA's National Professional Development Conference (PDC) that was held July 27-30 in Atlanta, GA; where this year's conference theme was "Building on the Dream: Creating a Culture of Accountability." Offering 24 CPE hours, timely topics, and an impressive lineup of speakers, the PDC consisted of three and half days of knowledge building opportunities for conference attendees. The PDC was also about networking. There were various receptions and social events that provided attendees with opportunities to make new connections and increase their AGA and professional network. In addition, I attended the National Board of Directors meeting where I learned of results for the 2007-2008 program year and discussed plans for the current 2008-2009 program year.

Throughout the conference, formal award presentations were held where AGA recognized both chapters and individuals who have made outstanding contributions to both AGA and the government financial management profession throughout the 2007-2008 program year. Our chapter and/or members received the following awards:

- Chapter Recognition Program, Platinum Award Recipient - The Greater Columbus Chapter was recognized for our chapter's performance by maintaining a well-rounded operation for the professional growth of our members.
- Highest Overall Growth - Each year, AGA establishes membership goals for each chapter in the areas of overall growth, new member acquisition and retention. With a 42 percent growth, the Greater Columbus Chapter won this award and was recognized for achieving the highest overall growth.
- Chapter Website Award - The Greater Columbus Chapter was awarded first place in this category. Merle Robinson, Communication co-Director and Webmaster, was recognized for his efforts in producing an outstanding chapter website.
- Chapter Service Award - President-Elect Nancy Zmyslinski was the winner of this award and was recognized for consistently making important contributions to the development and enhancement of our chapter as well as AGA.
- Early Career Recruiter of the Year - Each year, AGA develops a membership recruitment campaign to encourage chapters and members to recruit and retain a diverse membership. Top honors are given to those individuals who recruit

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the most early career members. Justin Sponseller, Membership co-Director, was recognized as AGA's Top Recruiter of Early Career Members with 14 new members.

These achievements would not have been possible without our members and their commitment and participation. Congratulations!!!

Finally, a reminder for those that are currently preparing to take the CGFM exam. Due to the issuance of new material, August 14th will be the last day to take the exam prior to being revised. If you should have any questions or concerns regarding exam registration, please contact one of our Certification co-Directors for assistance.

Jim

MEMBER SPOTLIGHT

Name: Ryan J. Carlson

Length of AGA Membership: 1.5 years

Agency: DFAS-Columbus/JAFB

Position: Departmental Reporting-AFS/CFO Office

Length of Service: 2 Years Civilian Service

Alma Mater: The University of Dayton

What are some of your responsibilities and highlights from your current position?

- Complete quality assurance tests and checks within Departmental Reporting on Internal Control procedures in accordance with OMB Circular A-123.
- Ensure financial statements are prepared in compliance to the Federal Financial Management Improvement Act (FFMIA).
- Write and review coordination memos to DLA proposing funding for the elimination of stabilized Undistributed Disbursements and Reimbursements.
- Support Quarterly (21-Day) Agency Reporting.

How has AGA positively impacted you and your job?

AGA has given me the opportunity to enhance personal and professional skills during the monthly luncheons. The luncheons are also a prime place to meet current co-workers as well as new AGA members. AGA has provided me the opportunity to build an extended network of relationships here at DFAS.

What are some of your future plans/goals (personal and professional)?

- Obtain Masters in Business Administration, Finance, or Accounting.
- Obtain a certification.
- Become a homeowner and buy a pug.

CHAPTER OFFICERS (CONT)

CERTIFICATION

BOB OSBORNE, CGFM
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WAYS AND MEANS

KEVIN BRUNS, CPA
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BY LAWS

BENJAMIN NOVOTNY, CGFM
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NEW MEMBERS

Ronaldo Caychingco- DFAS

Sponsor: Lyndsey Foell

John Eldridge- DFAS

Sponsor: Jessica Carse

Nicholas Rangel-DFAS-

Sponsor: Aubrey Martin

USAJOBS
"WORKING FOR AMERICA"

CEC SPOTLIGHT

Name: Ken George

Length of AGA Membership: 6 Years

CEC Position: Communications Co-Director

Agency: DFAS

Position: Chief, Air Force Production Branch

Length of Service: 6.5 years

Alma Mater: Brigham Young University

What are some current responsibilities and highlights from your CEC position? As one of the Communications Directors I am responsible for the production of the monthly newsletter. Additionally, I provide support on an as needed basis to my Co-Director, Merle Robinson, to insure the chapter web site remains current. The Communications team is tasked to insure that all communications from the chapter are consistent in appearance and style, professional in nature, and in keeping with the image the chapter officers want to portray.

What are some personal accomplishments or highlights you would like to share with other AGA members?

I am the father of two beautiful (not identical) twin daughters and love to spend time with them as much as possible. I began my Graduate year of college the day they came home from the hospital. How I managed to pass my classes and earn my Masters with premies is still a mystery to me.

Additionally, I was one of the members of the original chapter organization team that helped create our chapter. I am currently beginning my second term as Communication Director after having stepped away from the position for two years to serve as President-Elect and Chapter President. In the past four years our communications team has won four awards, two for the newsletter and two for the web site.

What are your future plans/goals (personal and professional)?

AGA Goal – I have a goal of seeing our chapter win an award for our newsletter and web site in the same year.

Professional Goal – I have a goal of making my Branch even more efficient by utilizing Lean 6 methodologies to identify areas for improvement and then by making the requisite changes happen.

Personal Goal – I have a goal of eventually earning my Doctorate. This is a real long term goal, as my focus is currently on doing my job better and helping my twins make their way through school.

UPCOMING EVENTS

AUGUST LUNCHEON

14 AUGUST 2008

11:30AM – 1:00PM

DFAS CONFERENCE CENTER C-147

It is our pleasure to welcome Mr. Raymond Waite as our guest speaker at the Greater Columbus AGA Chapter's August luncheon. Mr. Waite will be giving a presentation on "What makes a successful project manager?"

This presentation explores the question, "What makes a successful project manager?" Aside from the many tools and techniques that project managers use, the interpersonal skills are often over-looked and under-practiced. Tips and techniques are discussed to help improve communication, motivation, recognition and ownership, helping you to get the most out of your team and deliver a successful project!

The luncheon will be held in the DFAS-CO Conference Center in room C-147 (Buckeye room). Lunch menu is still to be determined. Please contact Diana Sponseller (3-0370) or Rachel Swartz (3-0592) if you should have any questions or dietary needs.

ABOUT OUR SPEAKER:

Ray Waite is a manager of Network Software Development for Alcatel-Lucent, responsible for a global team providing software and support of common network products and platforms in various telecommunication products. He has also served as a Customer Support Engineer for Lucent Technologies as well as a Project Manager, Lead Software Developer/Tester and Quality Engineer for AT&T Bell Laboratories.

Ray is a member of the Computer Science faculty at Franklin University. He holds a Master of Science in Computer Science from The Ohio State University and a Bachelor of Science in Computer Science from the University of Pittsburgh.

AUDIO CONFERENCE – EVERYTHING YOU WANTED TO KNOW ABOUT PERFORMANCE REPORTING, BUT WERE AFRAID TO ASK!

20 AUGUST 2008, 2:00PM – 3:50PM

AGA, in conjunction with the National Association of State Auditors, Comptrollers and Treasurers (NASACT) and the Association of Local Government Auditors (ALGA) is pleased to announce a new and increasingly important topic to our audio conference schedule: Everything You Wanted to Know About Performance Reporting, But Were Afraid to Ask!

Is your government thinking about producing a performance report for internal and external use? Do your constituents want to know more about the government's activities and accomplishments? Does your legislative body need information that can help make the tough budget decisions? Does internal management need performance measures to gauge the success or failure of its programs? With transparency and accountability as the watchwords for effective, efficient and honest government, performance reporting should be on the political agenda of any official who wishes to convey how and on what government is spending tax dollars.

To share their practical experiences in performance reporting, three performance report preparers will explain the positive results achieved with their use of a performance report. Join Drummond Kahn, CGFM, CIA, Director, Audit Services, Portland, Oregon; Rebekah Stephens, Planning and Performance Coordinator, Metro Nashville, TN; and Mike Taylor, CPA, CIA, City Auditor, Stockton, CA, as each of them discuss how their governments are using the performance reports. First time AGA Certificate of Achievement in Service Efforts and Accomplishments award recipients, Ms. Stephens and Mr. Taylor, will also explain why their municipalities needed a performance report to drive changes within government. Mr. Kahn will share how the Portland, Oregon performance report has matured over the past 17 years and how it is being

used to improve government services today.

Please join us for two hours of lively discussion about each of these important and timely topics. In addition to the speaker's commentary, there will be approximately 20 minutes for Q & A so that the participants can ask the speaker questions and share their own experiences.

The audio conference will be held in the DFAS-CO Conference Center in the room C-146 (Kansas City Room). Cost: FREE to members, \$25 for non-members. Two (2) CPE credits will be offered in the Accounting (Governmental) field of study. Please contact Diana Kaufman (3-0370) or Rachel Swartz (3-0592) if you should have any questions.

WAYS & MEANS

The Ways and Means Committee would like to thank all of those who contributed to the AGA candle fundraiser. Overall, we sold a total of 50 candles and had a profit of \$283.99. These funds will be used to support member participation events throughout the year. We appreciate the support!

BUT I DIGRESS

Can you believe Summer is almost over? Where have the "dog days" gone?

Well, at least football season is almost here and for the sports fanatic buried in each of us we still have baseball, not to mention the Summer Olympics. Woo hoo!!!

What a wonderful event. The whole world gets together, ironically in a communist country, to compete for the gold. I personally prefer the water sports – swimming, diving, etc. Though I do enjoy watching a good beach volleyball game. Something about the fierce competition of two on two mixed with the possibility of a faceplant in the sand adds to the excitement.

I'm also hoping the "Redeem Team" can do

exactly that. I think it's interesting that a sport that's been dominated by the USA for quite some time, like basketball will continue to remain an Olympic event; but they're doing away with softball. How sad. Just because we out scored all teams by some 50 runs last time doesn't mean that someone can't actually come around and beat us. I mean no one expected the USA to beat the USSR in hockey. No one expected Jamaica to have a bobsled team. And no one expected the USA to actually not get the gold in basketball. However, isn't that what the Olympics are about? Some team pulling it all together to win big on the world stage?

Perhaps it's just me, but for all it's worth I love to cheer on the underdog. But I digress. . . .

QUOTE OF THE MONTH

Friendship is unnecessary, like philosophy, like art... It has no survival value; rather it is one of those things that give value to survival.

C. S. LEWIS

COMMUNITY SERVICE CORNER

COLUMBUS READS

Columbus Reads is a tutoring program for all kindergarten children in 17 selected schools.

The local AGA and ASMC chapters are supporting this program. Several volunteers are needed for one and a half hours per week. For DFAS employees there is no need to use your own leave to volunteer. There is an EBIZ code set up specifically for the tutoring program. However, supervisory approval is needed.

Currently, the program needs many tutors: some on Tuesday and some on Thursday. A school bus provides transportation and will pick up the tutors at 10:10 in front of Building 21 B pod, and return them to the same location. Tutoring is scheduled from 10:30 - 11:30.

Many Spanish speaking tutor are needed.

Once volunteers are identified, training will be provided which is 45 minutes to 1 hour and will be held here.

For more information, please contact Charles Miller @ 3-5315 or charles.miller@dfas.mil. If interested, please respond to Kortney Whiteman @ 3-0553 or kortney.whiteman@dfas.mil by September 19th, 2008.

DOG SHELTER/HUMANE SOCIETY DONATION DRIVE

During the months of August and September 2008, the Greater Columbus Chapter of the Association of Government Accountants (AGA) will be sponsoring a Dog Shelter/Humane Society Donation Drive

The purpose of service project is to collect donations for the local dog shelters and humane societies so that they can care for the abused, abandoned and neglected animals in our community.

Most Popular Requests:

- Newspapers (start saving them NOW)
- New or used (but clean) towels
- New or used (but clean) sheets
- New or used (but clean) blankets
- Dog and cat toys

Please see the two websites below for more donation ideas.

http://www.franklincountyohio.gov/commissioners/ancl/programs/shelter_donations.cfm

http://www.cahs-pets.org/get_involved/wish_list.htm

More information to follow about drop off locations.

POCs:

Kortney Whiteman	3-0553
Beth Winsor	3-8340
Jennifer Tsimmerman	3-1286
Fon R. Holloway	3-6607



AGA's Fourth Annual
NATIONAL PERFORMANCE
MANAGEMENT CONFERENCE
Promoting Government Accountability through Performance Management

October 27-28, 2008 | Seattle, WA



THE BOTTOM LINE

WHITE HOUSE: BUDGET DEFICIT WILL REACH \$482 BILLION

By Humberto Sanchez

CongressDaily

The Bush administration Monday projected that the budget deficit for fiscal 2009 would be \$482 billion, more than the record \$413 billion deficit recorded for fiscal 2004.

The figure includes the \$151 billion economic stimulus package enacted in February and would total 3.3 percent of gross domestic product.

That compares with 3.6 percent in fiscal 2004. For fiscal 2008, the projected deficit is \$389 billion, 2.7 percent of GDP.

The projected fiscal 2009 deficit is roughly \$70 billion more than the \$410 billion fiscal 2009 deficit estimated in President Bush's budget proposal released in February and about \$320 billion more than the \$162 billion fiscal 2007 estimated deficit.

It does not include fiscal 2009 funding for the wars in Iraq and Afghanistan that Congress approved this year, totaling \$80 billion.

In a document released Monday on the midyear budget review, the White House said the exclusion of the tax rebates and other provisions in the stimulus package would lower the fiscal 2008 figure to only 1.9 percent of GDP.

In addition, the paper said, the deficit is "expected to fall sharply after fiscal 2009," with the deficits in following two fiscal years only "slightly higher than projected in February." The paper concluded: "These projected deficits are both manageable and temporary if spending is kept in check, the tax burden remains low, and the economy continues to grow." The White House maintains the budget will be balanced by fiscal 2012.

Senate Budget Chairman Kent Conrad, D-N.D., slammed the new numbers and blamed the increase in part on the tax cuts Bush pushed through in 2001 and 2003, which are scheduled to expire in 2010. Bush "squandered a record surplus on tax cuts for the rich and drove us deeply into deficit and debt," Conrad said in a press release. "And he has dramatically increased our indebtedness to foreign nations like China, Japan, and Saudi Arabia -- which is clearly unsustainable." Conrad added that the debt has pushed down the dollar, causing high gas prices, inflation, and worsening living standards.

"If they gave out Olympic medals for fiscal irresponsibility, President Bush would take the gold, silver, and bronze," Conrad said.

TREASURER'S REPORT

By Heather Drake, Treasurer

As of 17 July 2008

Checking Account

Beginning Balance	\$ 2,266.49
Deposits	\$ 310.00
Expenditures	\$ 0.00
Transfer from Savings	\$ 0.00
Ending Balance	\$ 2,024.85

Savings Account

Beginning Balance	\$ 6,523.41
Transfer to Checking	\$ 0.00
Interest Earned	\$ 10.01
Ending Balance	\$ 6,533.42

Total Balance \$ 8,558.27

TECHNICALLY SPEAKING

NEW GUIDELINES AIM TO REDUCE FRAUD

LEADING PROFESSIONAL ASSOCIATIONS: “SAYING YOU ‘DON’T WANT FRAUD’ IS NOT ENOUGH!”

www.aicpa.org

New guidelines for fighting fraud have been released jointly by three leading professional organizations.

“Managing the Business Risk of Fraud: A Practical Guide” is sponsored by the Association of Certified Fraud Examiners (ACFE), the American Institute of Certified Public Accountants (AICPA), and The Institute of Internal Auditors (IIA). Principles for establishing effective fraud risk management, regardless of the type or size of an organization, are outlined in the guide.

“Regulations throughout the world assign the responsibility for preventing fraud to management,” said ACFE President James D. Ratley, CFE. “But beyond regulatory requirements, organizations that value ethical behavior as a core principle and actively manage their fraud risks ultimately will be more competitive and earn and preserve a more positive corporate reputation.”

The new guidance provides a practical approach for companies committed to preserving stakeholder value. It can be used to assess or improve an organization’s fraud risk management program, or to develop an effective program where none exists.

Five key principles within the guidance address governance, risk assessment, fraud prevention and detection, investigation, and corrective action. Following the guidance will help ensure that there is suitable oversight of fraud risk management, that fraud exposures are identified and evaluated, that appropriate processes and procedures are in place to manage those exposures, and that fraud allegations are addressed in a timely manner.

“Many organizations need to do more to deter fraud,” said AICPA President and Chief Executive Officer Barry C. Melancon, CPA. “Preventing fraud requires a dedicated commitment from management. This guide provides best practices, tools, and

examples that organizations can use to help manage their fraud risks.”

The guidance outlines the relationship between fraud prevention and governance, pointing out that the board’s role is critically important because most major frauds have historically been perpetrated by senior management in collusion with other employees. The guidance further explains that personnel at all levels of an organization have responsibility for confronting fraud risk. Those from the board room to the mailroom should understand how the organization is responding to heightened regulations and public and stakeholder scrutiny; what form of fraud risk management program is in place; how fraud risks are identified; what is being done to prevent and detect fraud, and what processes are in place to investigate fraud and take corrective action.

“In many cases, boards of directors and management do not expect to have fraud in their organizations – and articulate that loudly,” said IIA President David A. Richards, CIA. “But just saying ‘we don’t want fraud’ or ‘we don’t tolerate fraud’ does not ensure that fraud will not occur. Organizations must take a proactive stance to ensure that effective fraud prevention and detection techniques are properly used in response to key risks.”

A team of more than 20 fraud management experts from the private and public sectors, as well as academia, worked to compile the guidelines over a two-year period. The guidance is endorsed by the Association of Chartered Certified Accountants, the Canadian Institute of Chartered Accountants, the Institute of Management Accountants, the Open Compliance & Ethics Group, the Society of Corporate Compliance and Ethics, and The Value Alliance.

According to the ACFE’s 2006 Report to the Nation

GOVERNMENT NEWS

AT DoD, RETIRED OFFICERS GAINING EDGE IN HIRING

By Stephen Losey

www.federaltimes.com

The Defense Department is increasingly turning to retired military officers to fill its top civilian ranks. And some experts worry that career civil servants without military experience are falling behind.

Retired service members are often viewed as more qualified than career civilians because the military provides them more education, training and leadership opportunities, experts say.

“No doubt there are some very fine retired military doing a great job,” said Carol Bonosaro, president of the Senior Executives Association. “But they certainly have a leg up. In the military, as you move up through the ranks, it’s pretty clear what you do to be successful. That’s not been clear on the civilian side, nor has it been fair.”

The Pentagon wants to try to level that playing field. It is preparing new programs to improve its civilian employees’ training opportunities and to increase their experience in other parts of the government as part of an effort to make career civil servants more competitive.

“We have not been as aggressive in making sure our civilians have access to the same kind of education, the same kind of training, the same kind of competency development as the military members,” Patricia Bradshaw, deputy undersecretary of Defense for civilian personnel policy, said in a July 14 interview. “We’re all about hiring veterans. I think the challenge for us is balancing that and ensuring that [career civil servants] are trained and educated and able to compete with their military colleagues.”

The Pentagon’s main new program — the Defense Senior Leader Development Program — will debut in February. It is expected to help hone the leadership skills of hundreds of Defense employees at GS-14 and -15 and at the new National Security Personnel System’s corresponding Pay Band 3. The Pentagon is reviewing applications to the program, and has not yet decided how many people will be able to participate.

And Bradshaw’s office continues to work on establishing joint-duty rules that will eventually require anyone who hopes to join the Senior Executive Service to have experience working with other government agencies, though this may not be fully implemented for several years.

These improvements will be vital to helping set a career path for career civil servants and keeping them from becoming an underclass in the Defense Department, SEA’s Bonosaro said.

The number of retired service members pursuing civilian jobs in Defense picked up after 2003, when former Defense Secretary Donald Rumsfeld waived a rule that forced retirees to wait six months before they could take a civilian DoD job. Retirees also found the department a more attractive employer after a 1999 law ended the so-called dual-compensation penalty at Defense. Repeal of the penalty allowed retirees who come back to work for Defense to draw both their full annuities and salaries; previously their salaries were docked.

Retired military at Defense’s GS-14, -15 and senior executive levels ranged from 12 percent to 16 percent in 2003. Now they range from 20 percent to 26 percent.

And retired military are becoming increasingly likely to become promoted to SES. In 2003, 16 percent of SES promotions went to retired military; by 2007, retired military promotions reached 19 percent.

One of Defense’s senior executives, who asked not to be identified, said career civil servants are going to have to improve their education and skills if they hope to compete with retired service members. Many retired military officers have commanded dozens or hundreds of people since their early 20s, he said, and have a wealth of management experience career civil servants usually lack.

TECHTALK

NSF TO REUSE SATELLITES FOR RESEARCH

By Joab Jackson

www.gcn.com

A project funded by the National Science Foundation will use Iridium satellites to study weather patterns in space.

Johns Hopkins University's Applied Physics Laboratory will lead the \$4 million project, in partnership with Iridium Satellite and the Boeing Co.

"Earth's space environment can completely reconfigure in as little as 30 minutes," said Brian Anderson, APL principal investigator for the project. "With this new ability to continually monitor these electric currents, we will be able to track the transformations of our planet's space environment for the first time and thereby gain a new understanding of how Earth reacts to the sun."

The idea behind the project is to measure the electrical currents in the Earth's atmosphere and in space. Instruments on Iridium's constellation of 66 satellites can detect the electric currents. The NSF grant will be used to develop software that can amplify the detection capabilities a hundredfold. Such heightened sensitivity will allow researchers and meteorologists to closely track supersonic blasts of plasma ejected from the sun, as well as the environmental reactions from such occurrences. Severe blasts could disrupt radio communications and global positioning system readings and damage

spacecraft electronics. On earth, they could cause power-grid disruptions.

Data gathered from the project, called the Planetary Electrodynamics Response Experiment (AMPERE), will also aid in theories and simulations that will help better understand the science of space weather forecasting.

"Presently, we do not have enough satellites making these measurements," said Anderson. "It's like trying to understand a hurricane with only a few weather stations measuring temperature. AMPERE will give us the first-ever global, real-time picture of what's really happening during these dynamic space-weather storms."

With its constellation of low-earth orbiting satellites, Iridium provides voice and data services to parts of the globe untouched by cellular phone coverage. Commercially launched in 1998, the global service had initial difficulty attracting subscribers, due to the then-burgeoning and lower-cost cellular telephone industry. After the founding company went bankrupt in 1999, the satellites were purchased by private investors and the resulting company concentrated on markets too remote for cellular coverage. The Defense Department uses the service.



**AGA's Third Annual National
Internal Control & Fraud Conference**

September 22-23, 2008 | Wyndham Phoenix | Phoenix, AZ

MEET THE NEW AGA NATIONAL PRESIDENT



**SAMUEL T. MOK,
CGFM, CIA, CICA**

Samuel Tinsing Mok is the Managing Member of Condor International Advisors, LLC, a Washington DC based management consulting firm providing innovative business relationship management and

business advisory services.

He served as the Chief Financial Officer of the U.S. Department of Labor from January 2001 to May 2007. He was confirmed by the U.S. Senate in January 2002 after being appointed to the position by President George W. Bush. Previously he served as Managing Member of Condor Consulting LLC, Comptroller and the first career CFO of the U.S. Department of the Treasury, U.S. Foreign Service Officer, and Captain in the U.S. Army. Additionally, he was the Director of Accounting for Time-Life Books and Treasurer of U.S. News and World Report.

In 2006, Mr. Mok received the Prestigious Donald L. Scantlebury Memorial Award for Distinguished Leadership in Financial Management Improvement. He was named as the “Fed 100” by Federal Computer Week and the recipient of the Association of Government Accountants (AGA) Washington, DC, Chapter Einhorn/Gary Award. In 2005, he received the AGA Distinguished National Leadership Award. Mr. Mok served on the Republic of the Marshall Islands Trust Fund Committee and the General Administration Board of the U.S. Department of Agriculture Graduate School. He was elected as a Fellow of National Academy of Public Administration (NAPA) in 2005 and serves on the Government Accountability Office Advisory Council on Government Audit Standards. He is the Vice Chairman of the Board of Trustees for the Academy for Government Accountability and is a

2006 Distinguished Practitioner in Residence at the University of Kentucky Martin School of Public Policy and Administration. Mr. Mok is also the recent Recipient of the 2007 Ellis Island Medal of Honor. In 2007, Mr. Mok became the National President Elect of the Association of Government Accountants and the Board Member of Monte Jade Science and Technology Association of Greater Washington, D. C. Area.

Mr. Mok received his B.S. in Accounting from Fordham University and a M.A. in Accounting from The Catholic University of America. He is a Certified Government Financial Manager (CGFM), and a Certified Internal Auditor (CIA), and a Certified Internal Control Auditor (CICA).

Mr. Mok and his wife, Nancy, reside in Maryland. They are the proud parents of two grown children, both attorneys, and five grandchildren.

AGA PUBLISHES ITS 2008 MEMBER CENTRIC REPORT

AGA is proud to distribute its 2008 Citizen-Centric Report to our Members. We hope you find this succinct, four-page report on the progress of our Association over the past year to be informative. It remains a work-in-progress, and we invite your feedback so our future reports will be even more useful to our members and other stakeholders. AGA is promoting the use of similar four-page Citizen-Centric Reports by entities at all levels of government. Read the AGA Member Centric Report at:

http://www.agacgfm.org/about/downloads/AGA_MemberCentricReport08.pdf.

Contact Susan Fritzlen with feedback.

GOVERNMENT NEWS

Continued from Page 9

“I’ve hired a lot of people, and typically the military guys are better educated,” the executive said. “You have [retired] lieutenant colonels who have PhDs, and have spent 20 years in the military doing their jobs. Then you have a GS-15 with a master’s degree and who doesn’t have as much experience. Who do you pick?”

The two-year leadership development program Bradshaw has planned is the right idea, the executive said.

Program participants will spend 10 months of the program honing their national security knowledge and leadership skills at a military school such as the National Defense University [NDU}. They will spend their second year working through a development plan crafted just for them that aims to plug gaps in their expertise, Bradshaw said. They’ll finish the program with a master’s degree in their field of study.

“If you go through this, you will get the competencies that will be required and be far more competitive for SES positions,” Bradshaw said. “It’s not the only way you can get these competencies, but this is intended to be the department’s premier program.”

But merely finishing the program does not guarantee entry into the SES, Bradshaw said.

The program will replace the old Defense Leadership and Management Program, which Bradshaw said was self-paced and often took five years or longer to complete.

That’s a good move, the executive said.

“DLAMP was terrible,” he said. “It was too long, it wasn’t focused enough. [Schools like NDU’s National War College] do a great job teaching leadership and strategic vision.”

And the joint duty requirements now being developed will also help create better senior executives, the executive said.

“An SES should be sort of a pentathlete — good at a lot of different things,” he said. “The best way to develop those skills is to have a history of diverse jobs. As we look to the future and the kind of

challenges we’ll face, they’re going to be more complex and require more interagency cooperation. We want people to have that background.”

Bradshaw said that while the Pentagon is trying to improve training opportunities and is watching how the demographics of its top civilian ranks are changing, it doesn’t think the shift has become a problem yet.

“We’re not concerned at this point, but we are tracking it to decide when we need to be concerned,” Bradshaw said. “We need to be attentive to the issue.”

TECHNICALLY SPEAKING

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on Occupational Fraud, U.S. organizations lose an estimated 5 percent of their annual revenues due to fraud. When applied to the estimated 2006 GDP, those losses added up to approximately \$653 billion. The report also concluded that organizations without anti-fraud programs - such as fraud hotlines, internal audit departments, and anti-fraud training - lost approximately twice the amount of revenue to fraud when compared to organizations with anti-fraud programs. For example, organizations without an anonymous fraud hotline suffered a median annual loss of \$200,000, whereas organizations with hotlines suffered a median annual loss of only \$100,000.

“Managing the Business Risk of Fraud: A Practical Guide” can be downloaded for free from the sponsoring organizations’ Web sites at <http://www.acfe.org>, <http://www.aicpa.org>, and <http://www.theiia.org>.

THE AUDITOR'S PERSPECTIVE

AUDITORS CRITICIZE DHS' FINANCIAL MANAGEMENT IT

By Ben Bain
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Information technology systems used to manage the Homeland Security Department's finances have security weaknesses that could threaten the integrity of the department's financial data, according to a report recently released by DHS' inspector general.

According to the results of an investigation by the accounting firm KPMG, despite "significant steps" taken by DHS component agencies to improve the security of financial management systems during fiscal 2007, weaknesses remain.

Hundreds of access control, change control, integration and continuity-of-operations issues that could affect DHS' financial data were identified by the IT management letter released by the department's IG July 25. The annual report was done by KPMG and is dated Dec. 14, 2007.

KPMG identified 200 outstanding issues for fiscal 2007 that were also mentioned in a similar report for fiscal 2006, as well as more than 60 new IT findings. The firm said more than 30 percent of the previous year's findings had been resolved.

"The effect of these Information Technology General Controls (ITGC) weaknesses limits DHS' ability to ensure that critical financial data is reliable and is maintained in a manner to ensure confidentiality, integrity, and availability," the latest report said.

"Many of these weaknesses, especially those in the area of change control, may result in material errors in DHS' financial data that are not detected, in a timely manner, in the normal course of business," KPMG auditors also said.

To improve the financial management systems' controls, continuity of operations, and departmentwide integration, the firm had a long list of recommendations that included:

- Enforcing controls that meet DHS' password requirements on all financial systems.
- Requiring a review of operating system logs for suspicious activity and conduct audit log reviews.
- Finalizing procedures regarding Voice over Internet Protocol, wireless technologies and sharing data with external parties.
- Removing excessive access on all DHS financial system software and support files.
- Implementing an operational alternate processing site.
- Finalizing an IT security awareness training program for all contractors and employees.
- Implementing policies and procedures for the review of suspicious system software activity.

KPMG said many of the weaknesses listed came about from legacy systems inherited from DHS component agencies. Those systems did not always incorporate strong security controls, the report said.

The audit blamed DHS for not having a departmentwide method for tracking corrective actions at component agencies and an overall insufficient testing of corrective activities.

"The most prevalent reason as to why these weaknesses are present is the lack of prioritization in taking the necessary actions to improve the IT control environment around the department's financial management systems," the report said.

In a response letter, DHS' chief information security and chief financial officers said they concurred with the recommendations, and had already completed several initiatives in fiscal 2008, including providing field support to components for remediation activities and updating DHS information assurance tools.