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## PRESIDENT'S MESSAGE

The beginning of the new AGA program year began May 1st, and with that came a lot of changes. First and foremost, I am both humbled and excited for the opportunity to serve as the new Greater Columbus Chapter President. I'm looking forward to the upcoming program year and all that we plan to accomplish.

In addition, I would like to thank each of the outgoing chapter officers and committee directors who were recognized at the May Installation of Officers & Awards Ceremony. Their hard work and dedication in helping our chapter continue to grow and provide the best value to our members was greatly appreciated. I would also like to extend a warm welcome to the new chapter officers: Nancy Zmyslinski, President-Elect; Heather Drake, Treasurer; and John Yerkey, Secretary.

During the month of June, we held our annual Member Appreciation Luncheon where we recognized those individuals who made contributions to the chapter during the past program year. Almost one hundred individual awards were distributed to various recipients. Again, thanks to everyone that made a positive impact on our chapter; you've helped to make our chapter even stronger. I would also like to encourage everyone to take advantage of the various opportunities available within our chapter. These opportunities not only benefit the chapter, but will benefit you as well. Please contact any of our chapter officers or committee directors for more information.

We also held our first joint social event with the Cleveland AGA Chapter on June 28. About 40 people attended a Cleveland Indians versus Cincinnati Reds game at Progressive Field in Cleveland. This was a great opportunity for all in attendance to network with other AGA members. The only down-side is that the Indians lost to the Reds!

Finally, the AGA National Professional Development Conference (PDC) will take place July 27-30 in Atlanta, GA. I encourage each member attending the conference to take full advantage of the training and networking opportunities that are available. Look for more information and highlights from the National PDC in next month's newsletter.

Hope you have a great month.

*Jim*

# CHAPTER OFFICERS

## PRESIDENT

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# MEMBER SPOTLIGHT

**Name:** Barbara D. Harris

**Length of AGA membership:** 5 years

**Certifications:** At the present, I am preparing to take the exam for the CDFM modules. In addition, I do plan to prepare for the CGFM modules in the future.

**Agency:** Defense Finance and Accounting Service (DFAS)

**Position:** I am an accountant in the General Ledger/Trial Balance Report, AM&C ACQ General Ledger Division. I produce monthly trial balance reports for the Air Force that are accurate and reconciled.

**Length of Service:** I served 3 years in the US Army and 26 years in the Federal Government as a civilian.

**Alma Mater:** Hampton University – Bachelor Science Degree in Finance and a minor in Accounting; Saint Leo University – Associate Degree in Liberal Arts and Continuing Education

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

As an accountant for General Ledger Division, it is my responsibility to produce monthly trial balance reports that are accurate, complete and timely. Also, I assist with researching and gathering data for the Enterprise Risk Management Processing (ERMP) functions for the General Ledger, General Funds and Working Capital Funds.

**How has AGA positively impacted you and your job?**

AGA is a great organization and keeps you informed with policies, procedures and changes within the government. Some of the ways in which you are kept informed are through conferences, news letters and monthly luncheons with speakers.

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

I truly appreciated the AGA/ASMC Professional Development Opportunity (PDO) conference which was very informative. Some of the topics helped me to gain a better understanding of risk management, internal controls and the various certifications which are available.

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

**Professional Goals:** I want to continue to grow and gain knowledge in the area of Enterprise Risk Management Program (ERMP). Continue to support the DFAS Mentor Program and the Combine Federal Campaign (CFC) Committee. Finally, I plan to keep studying and to pass the certification exams.

## CHAPTER OFFICERS (CONT)

### CERTIFICATION

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### BY LAWS DIRECTOR

BENJAMIN NOVOTNY, CGFM  
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## NEW MEMBERS

### Christal Harris – DFAS

*Sponsor: Justin Sponseller*

### Reva Pitts – DFAS

*Sponsor: Yulonte Merrell*

### Ella Graham, CGFM – DFAS

*Sponsor: Aubrey Martin, CGFM*

**Personal Goals:** I have a passion for mentoring, whether it is for DFAS Mentoring Program or just in every day life. I enjoy working with individuals to help them to manage their finances and better their credit worthiness. It is not always how much you earn, but how well you manage what you have. Finally, I want to continue to grow in my finances and to complete my business plan.

## CEC SPOTLIGHT

**Name:** Jim Gillenwater

**Length of AGA Membership:** 3 ½ years

**Certifications:** None

**CEC Position:** Chapter President

**Agency / Company:** Defense Finance and Accounting Service (DFAS) Columbus

**Current Position/ Rotation:** Staff Accountant, Audit Liaison, Site Support Office

**Length of Service (Provide military and civilian):** With almost 19 years of combined civil service at both the Defense Logistic Agency (DLA) Finance Center and DFAS Columbus, I have worked in Vendor Pay, Travel, DLA Accounting, DLA Reimbursables, Mechanization of Contract Administration Services (MOCAS) Reconciliation, Defense Commissary Agency (DeCA) Vendor Pay, Disbursing, and am currently working in the Site Support Office.

**Alma Mater:** I am currently working to obtain a Bachelors Degree in Management/Accounting from Park University.

**What are some current responsibilities and highlights from your CEC position?** I've served as the Programs Director where I was responsible for obtaining speakers for, as well as planning and organizing monthly luncheons and conferences, facilitating audio conferences, and planning and organizing social events. In addition, I've served as the past President-Elect and current Chapter President.

**What are some personal accomplishments or highlights you would like to share with other AGA members?** As a participant in and alumni of the Leaders in Motion (LIM) program, I encourage all employees to fully embrace the educational, work experience, and networking opportunities made available to you through the LIM, Mentoring, and Tuition Assistance programs. These opportunities and programs can provide you with experience and desired skill sets that can set yourself apart from everyone else and will be able to be used

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throughout your career.

**What are your future plans/goals (personal and professional)?** After completing my Undergraduate Degree at Park University, I plan to continue my education by beginning an MBA program at a yet to be determined institute. Afterwards, I plan to work towards obtaining certifications for both the Certified Management Accountant (CMA) and Certified Government Financial Manager (CGFM).

## CGFM SPOTLIGHT

**Name:** Aubrey N. Martin

**Length of AGA membership:** 2 years

**Certification(s) received:** CGFM

**Agency:** DFAS

**Position/ Rotation:** AM&C Acquisition-Staff Accountant

**Length of Service:** 2.5 years

**Alma Mater:**

Central Michigan University (MSA)

Wilmington College (BA)

**How has AGA positively impacted you and your job?**

AGA has definitely had a positive impact on me and has helped me in my position. I have met people from various areas of DFAS that I would not have otherwise met, and at times have needed them for work projects. I have felt welcomed to the chapter and enjoy attending the events to meet other people and network. Another area AGA has benefited me is the professional development opportunities such as the AGA/ASMC PDO, monthly meetings, and the audio conferences.

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

I passed my Certified Government Financial Management (CGFM) exam in September 2007. They were challenging exams, but that made passing the exams feel like a great accomplishment. I graduate with my Masters of Science in Administration (MSA) on May 10, from Central Michigan University.

**What advice can you give to other AGA members that may help them receive their certification?**

I truly recommend the exam for anybody who wishes to learn more about government financial management, and make themselves more marketable. My advice is to not shy away from a challenge, embrace the challenge and in the end you will feel great about your accomplishment. You should take the exams one at a time to not feel overwhelmed with information.

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

My future plan personally is to spend more time with my son, Trey, who is 2 and my family. Professionally I want to continue working on projects and develop my leadership skills so that I can be successful at DFAS in the future.

# UPCOMING EVENTS

## UPCOMING EVENT

### **AGA National Professional Development Conference (PDC)**

**Atlanta Marriott Marquis – Atlanta, GA  
27-30 July 2008**

Join us for AGA's Professional Development Conference & Exposition (PDC)—the premier education and networking event for government financial management and accountability professionals.

AGA has been a leader in providing the best training for more than 57 years, and this is the place where it all comes together: the profession's top leaders, the latest technological advancements, more than 1,700 practitioners and daily networking events.

Offering 24 CPE hours, timely topics and an impressive lineup of speakers, PDC 2008 promises to be one of the Association's best. With the theme, *Building on the Dream: Creating a Culture of Accountability*, this event will convene government financial managers and accountability professionals from around the country for three and a half days of knowledge building and networking.

The PDC is the authoritative source for the knowledge and contacts you need to succeed in today's constantly changing environment. Learn about the newest research in the field. Find out about tools and techniques that have advanced the profession. Hear dynamic speakers. Discuss hot topics and trends. Meet the top leaders from federal agencies, state and local governments, the private sector and academia. Take part in small-group discussions, explore current issues and find answers.

From the practical to the theoretical, sessions will help attendees hone their skills to bring greater efficiency and effectiveness to government operations. Exhibitors are available to demonstrate the newest products to help your agency achieve its mission, and the networking events should not be missed.

General sessions feature speakers of national prominence and encompass the overarching tracks of the conference; concurrent sessions address current issues and best practices in the field. Create your own curriculum from more than 90 educational sessions organized around the following tracks:

- Auditing Tips, Tools & Techniques
- Accountability and Ethics
- Financial Management Strategies
- Management Challenges

The PDC is also about networking. Take advantage of the many receptions and social events that are planned, and enjoy the historical landmarks, good food and fun that Atlanta has to offer. Bring your family and explore the Georgia Aquarium, Centennial Olympic Park, the new World of CocaCola®, The King Center, Atlanta Botanical Garden and other area attractions.

Add sizzle to your summer... Join AGA for PDC 2008 in Hotlanta! Please contact Diana Sponseller (3-0370) or Rachel Swartz (3-6907) if you should have any questions.

## **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.

**OTHER UPCOMING AUDIO CONFERENCES INCLUDE:**

- September 10 – Fraud Prevention and Detection
- November 12 – Internal Controls
- December 10 – 21st Century Financial Managers: New Mix of Skills and Education Levels

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.

These audio conferences will be held in the DFAS-CO Conference Center; exact room locations still to be determined.

Cost: FREE to members, \$25 for non-members.

Two (2) CPE credits will be offered in various fields of study.

Please contact Diana Sponseller (3-0370) or Rachel Swartz (3-0592) if you should have any questions.

## **AUGUST LUNCHEON**

**14 AUGUST 2008**

**11:30AM – 1:00PM**

The Greater Columbus Chapter will be pleased to hear Ray Waite from Franklin University speak on the subject of Successful Project Management.

The luncheon will be held in the DFAS-CO Conference Center in room C-153 (Columbus Room). The luncheon menu is yet to be determined and will be provided in the coming weeks. Please contact Diana Sponseller (3-0370) or Rachel Swartz (3-0592) if you should have any questions or dietary needs.

## **QUOTE OF THE MONTH**

I am not bound to win, but I am bound to be true. I am not bound to succeed, but I am bound to live by the light that I have. I must stand with anybody that stands right, and stand with him while he is right, and part with him when he goes wrong.

**ABRAHAM LINCOLN**

# CHAPTER NEWS

## Greater Columbus Chapter 3rd Annual Member Appreciation Luncheon a Success!!!

What do you get when you combine over 100 people with a nice day and lots of food? A lot of fun.

The AGA Greater Columbus Chapter held it's 3<sup>rd</sup> Annual Member Appreciation Luncheon at the DSCC Red Pavilion on 12 June 2008.

Jim Gillenwater, Chapter President, welcomed everyone to the event while various CEC members manned the Grill and food lines. The event was free

to all current AGA members and was only \$5 for nonmembers. The meal included hamburgers, hot dogs, pasta salad, chips, and much more.

After everyone had the opportunity to get their food and socialize, Immediate Past President, Ken George, CPA presented certificates of recognition to those who participated in a variety of chapter events over the prior program year. Prior to ending President Jim Gillenwater did a drawing for a number of attendee gifts.

If you missed the event we hope you'll plan to join us for next summer for our next member appreciation luncheon.



**Ken, Merle, and Jason man the grill**



**Members dine and socialize**



**Several award recipients are recognized for their service**

Photos Courtesy of Terry Roach

# TECHNICALLY SPEAKING

## GASB ISSUES STATEMENT NO. 53, ACCOUNTING AND FINANCIAL REPORTING FOR DERIVATIVE INSTRUMENTS

<http://www.gasb.org/>

Norwalk, CT, June 30, 2008—The Governmental Accounting Standards Board (GASB) today issued GASB Statement No. 53, Accounting and Financial Reporting for Derivative Instruments. Statement 53 is intended to improve how state and local governments report information about derivative instruments—financial arrangements used by governments to manage specific risks or make investments—in their financial statements. The Statement specifically requires governments to measure most derivative instruments at fair value in their financial statements that are prepared using the economic resources measurement focus and the accrual basis of accounting. The guidance in this Statement also addresses hedge accounting requirements and is effective for financial statements for reporting periods beginning after June 15, 2009, with earlier application encouraged.

"By requiring the fair values of derivative instruments to be reported on the face of financial statements prepared using the accrual basis of accounting, Statement 53 brings additional transparency to those transactions," said Robert Attmore, chairman of the GASB. "The application of the financial reporting standards required by this Statement gives the users of financial statements a clearer look into the risks their governments are sometimes exposed to when they enter into these transactions and how those risks are managed."

Governments often enter into derivative instruments as hedges of identified financial risks associated with specific assets or liabilities, or expected transactions

(that is, hedgeable items). Many of these hedges are intended to effectively offset changes in interest rates or commodity prices. While derivative instruments can be an effective risk management or investment tool, they also can expose governments to significant risks and liabilities.

The new standard provides specific criteria that governments will use to determine whether a derivative instrument results in an effective hedge. Changes in fair value for effective hedges that are achieved with derivative instruments will be recognized in the reporting period to which they relate. The changes in fair value of these hedging derivative instruments do not affect current investment revenue, but are instead reported as deferrals in the statement of net assets or the balance sheet. Derivative instruments that either do not meet the criteria for an effective hedge or are associated with investments that are already reported at fair value are classified as investment derivative instruments for financial reporting purposes. Changes in fair value of those derivative instruments are reported as part of investment revenue in the current reporting period. Statement 53 also improves disclosures, providing a summary of the government's derivative instrument activity, its objectives for entering into derivative instruments, and their significant terms and risks.

More information about GASB Statement 53—including a question and answer document, fact sheet, and plain language article—is available at [www.gasb.org](http://www.gasb.org).



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# THE BOTTOM LINE

## GOVERNMENT CONTRADICTS ITSELF OVER ITS OWN ID THEFT ADVICE

By Larry Margasak, Associated Press

[www.govexec.com](http://www.govexec.com)

WASHINGTON (AP) - When it comes to the risks of identity theft, the U.S. government isn't taking its own advice.

The nation's Medicare agency and the Pentagon compel at least 52 million Americans to carry their Social Security numbers in their wallets, contrary to warnings by the Federal Trade Commission that people should avoid doing so.

At least 44 million Medicare insurance cards include the beneficiary's full Social Security number.

Social Security numbers also appear on 8 million Defense Department identity cards used by active duty and reserve forces and their dependents, and on identification cards issued to military retirees. The Pentagon plans to remove the numbers but won't complete the effort until 2014.

And the Internal Revenue Service still tells taxpayers to write their Social Security number on checks used to make payments, a potential problem for those using the mail rather than filing electronically.

All this contradicts advice from the Federal Trade Commission, the lead federal agency for deterring identity theft.

"Protect your Social Security number. Don't carry your Social Security card in your wallet or write your Social Security number on a check," the FTC warned in a pamphlet sent months ago to every mailing address in the United States. The Social Security Administration offers similar advice.

Carrying a Medicare card with the full Social Security number is more of a problem than the Social Security card. People usually need the insurance card to visit a medical provider but can memorize their number and always leave their Social Security card at home.

The Centers for Medicare and Medicaid said it would be too expensive for the agency, and for medical providers linked to Medicare, to change their systems with new numbers. Medicare officials also said they know of no cases in which identity theft was traced directly to a lost or stolen Medicare card.

Charlene Frizzera, chief operating officer of the nation's Medicare agency, said it would cost half a billion dollars to make the change for the government alone. Medicare's budget is \$466.1 billion for the current financial year.

"Our advice is, don't carry it with you unless you know you're going to need it," Frizzera said of the government insurance card. But that advice contradicts the message on the back of the card: "Carry your card with you when you are away from home."

The president's Identity Theft Task Force recommended last year that U.S. agencies reduce the unnecessary use of Social Security numbers, which it called "the most valuable commodity for an identity thief."

Arnold Werner, 84, a retired chemical engineer from Scott Depot, W.Va., was so upset over his Medicare card that he blacked out the two middle numbers of his Social Security number. His physician's office said he needed to write the number back so it could copy it for billing purposes.

Werner gave up his attempt to change the system. By the time he needed the card for a hospital visit, he had obtained a new card with his full Social Security number printed on it.

"The government doesn't know what it's doing," he said. "I don't think they do anything right these days."

# GOVERNMENT NEWS

## CENSUS RE-EXAMINES USING INTERNET FOR 2010 COUNT

By Gautham Nagesh

*www.nextgov.com*

The Census Bureau is re-examining the possibility of allowing citizens to respond to the 2010 decennial census via the Internet, a reversal from its earlier assertion that it did not have the time to develop an application and could not adequately protect information from cyberattacks.

Comment on this article in The Forum. The bureau is analyzing methods for the public to answer questions for the decennial census online, according to a congressional source. Tom Mesenbourg, acting deputy director at the Census Bureau, told lawmakers during a briefing on June 27 that he was comfortable with providing an Internet application to the public because the bureau already conducts a number of surveys online, a source said. But Mesenbourg said he could not guarantee that Census could develop an online response feature for use in the 2010 count, but he said the bureau was seriously studying it.

The bureau is revamping how it is conducting the 2010 census since it announced on April 3 that it was dropping its plan to use handheld computers to collect data from the 108 million households it estimates will not mail in the paper census forms. The bureau scrapped the plan after coming under sharp criticism that the project was behind schedule, over budget and might not work as planned. Census now is developing what it calls a replan, which will include reverting to using paper forms when visiting those households that have not returned their forms.

The bureau did not respond to a request for an interview, but did provide a comment via e-mail: "As part of the replan, we're revisiting all data collection operations, and looking again at the Internet. We're simply considering it as another tool in our toolbox of collection methods. The objective is not to divert scarce resources into an Internet option, so [information technology], which has extensive Internet data collection expertise, will take the lead in testing and security. If feasible, they will integrate the Internet with our already existing data capture."

The decision to consider online submissions is Census' latest reversal on using the Internet to collect responses for the 2010 count. The bureau originally included Internet functionality as part of its Decennial Response Integration System contract, a system that will collect data from all sources -- census forms, telephone interviews, the Internet and, at one time, handheld computers -- and provide the information to other bureau systems for analysis and processing. The bureau said DRIS will improve accuracy and timeliness by standardizing the data.

Lockheed Martin Corp. won the DRIS contract in September 2005 for \$553 million. At the time, Census seemed in favor of using the Internet to supplement paper and telephone responses. In a 2004 report on the contract, the bureau estimated that 25 percent of respondents would go online to submit their census forms. The Government Accountability Office testified in March 2006 that 9 million households would submit forms via the Internet.

In May 2006, however, the bureau announced that the Internet response option was no longer a requirement of the DRIS contract, which was facing delays. Louis Kincannon, former Census director, told a Senate committee in June 2006 that based on research, the bureau did not believe Internet data collection would significantly improve the response rate or reduce the number of households temporary Census employees would have to visit to collect data. Kincannon said tests conducted in 2003 and 2005 (before the DRIS contract was awarded) showed that the Internet did not appreciably increase the response rate. He also cited concerns that securing the Internet application would be difficult.

But Brenda Farrell, acting director of strategic issues at GAO, told the same Senate panel that the security risks could be mitigated, noting that other agencies had managed to successfully use the Internet to

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# TECHTALK

## A HOME CONNECTION: TROOPS IN IRAQ RECEIVE FREE INTERNET ACCESS FOR INDEPENDENCE DAY

By William Jackson

*www.gcn.com*

Two Internet cafés serving about 15,000 U.S. troops stationed in Iraq are offering free Internet service for the 4th of July holiday, which starts for them at 5 p.m. EDT/2 p.m. PDT.

Arkel International of Baton Rouge, La. — a logistics, construction and support contractor operating in Iraq — established the CamoCafés about a year ago. They have 80 desktop PC kiosks and support wireless access for laptop PCs. Single Digits Inc. of Manchester, N.H., provides infrastructure and technical services.

“We are honored to provide Internet connectivity to foster Web-based communications between our troops and their loved ones half-way around the world,” said Steve Hartsuff, Arkel’s vice president of Iraq operations.

Troops can use the connections for videoconferencing, e-mail, Web access or any other Internet service.

Single Digits provides wireless access in the cafés via a 6 megabits/sec satellite link, along with authentication, accounting, remote monitoring, security and around-the-clock support services. The company also designed, configured and supported installation of the equipment. Hardware is from Proxim Wireless Corp., of Milpitas, Calif.

“We get about 2,000 log-ins a day,” said Bob Goldstein, chief executive officer of Single Digits. Most are from privately owned laptop PCs via wireless access, although kiosk use turns over every three or four hours.

The cafés also provide coffee, snacks and other goods. There are two operating now, and several more are under construction.

Fees for Internet use are in the neighborhood of \$5 an hour or less than \$100 for a monthly subscription. Users can sign up with a credit card and authenticate their identities with a user name and password, or they can pay at the café for an access code. For the holiday weekend, the system will switch to a click-to-connect option with no authentication required for signing on.

“We expect it will double the usage for the day,” Goldstein said. Although most troops interested in using the Internet are probably already customers, many of them limit their online hours to save money. With free access, “we expect some more will come out of the woodwork.”

Goldstein said the access points are capable of supporting thousands of laptop PCs using their own wireless interface cards.



AGA's Fourth Annual  
NATIONAL PERFORMANCE  
MANAGEMENT CONFERENCE  
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# CERTIFICATION CONNECTION

## TAKE THE CGFM EXAMINATIONS BEFORE THE PDC

AGA is once again offering a great opportunity to take the CGFM Examinations and earn your CGFM before the 57th Annual Professional Development Conference (PDC) in Atlanta, GA. We are offering a two-day Intensive Review Course on Thursday, July 24, and Friday, July 25, 2008, and an opportunity to take the CGFM Examinations on July 26-27, 2008.

The cost of the course is only \$249 for qualified participants, and it offers 18 CPE hours. Special Bonus: The CGFM Examinations are offered at no cost to course attendees.

This Intensive Review Course will cover the updates to the CGFM Examinations, and this event will be the first opportunity to take the updated examinations. While the core of the examination content remained the same, the three examination content outlines were updated, refreshed and streamlined. This is your opportunity to get the most up-to-date information and earn your CGFM right at the PDC!

More information and a registration form for this event are available on the AGA website - [http://www.agacgfm.org/pdc2008/cgfm\\_exams.htm](http://www.agacgfm.org/pdc2008/cgfm_exams.htm). If you have any questions, please contact Crystal Vanison at [cvanison@agacgfm.org](mailto:cvanison@agacgfm.org) or 800.AGA.7211, ext. 316.

# NATIONAL AGA NEWS

## REGISTER FOR THE PDC GOLF TOURNAMENT!

Join us for a day of networking and friendly competition on Saturday, July 26, at the PDC Golf Tournament. Stone Mountain Golf Club's Lakemont Course features impressive elevation changes and a brilliant design for any skill level. Incredible views of the world's largest exposed granite mountain make the front nine a memorable experience. Jumpstart your conference experience and enjoy a bit of networking, camaraderie and fun. Space is limited, so sign up today!

## THE AGA BLOG NOW OPEN!

Join the fun as we welcome a wide variety of government financial management experts who will share their wisdom and insight with readers. Each of our "celebrity" bloggers will check back during their day with us to answer questions and comments posted by readers. It's a fun way to interact with some of the top names in the profession.

Bookmark <http://aga.typepad.com/aga>—the place for government finance professionals to share ideas and dialogue with some of the top names in the business.

# TREASURER'S REPORT

By Heather Drake, Treasurer  
*As of 9 June 2008*

Checking Account	
Beginning Balance	\$ 3,229.38
Deposits	\$ 497.00
Expenditures	\$ 3,459.89
Transfer from Savings	\$ 2,000.00
Ending Balance	\$ 2,266.49

Savings Account	
Beginning Balance	\$ 8,523.41
Transfer to Checking	\$ 2,000.00
Interest Earned	\$ -
Ending Balance	\$ 6,523.41
<b>Total Balance</b>	<b>\$ 8,789.90</b>

## GOVERNMENT NEWS

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collect data from the public. Farrell added that the bureau did not develop a formal business case outlining why it removed the Internet requirement from the response integration contract.

The Senate Homeland Security and Governmental Affairs Committee again raised the issue in July 2007 when Sen. Tom Coburn, R-Okla., asked the bureau why it was not pursuing an Internet option. At the hearing, former Census deputy director Preston Jay Waite said the Internet might discourage people from responding to the census if they feared that their personal information might be compromised by hackers.

At the hearing, Judie Dunlap, Lockheed Martin's program director for the 2010 census, said it was possible to add Internet capability and an online application would be fairly easy to develop. But Kincannon repeated his assertion that the risks of doing so would outweigh any benefits.

In April, Sen. Tom Carper, D-Del., asked Steve Murdock, director of the Census Bureau, to re-examine the possibility of using the Internet, along with other options for increasing the response rate. Murdock promised that the bureau would take it under consideration.

In June, at a joint hearing of the House Oversight and Government Reform Committee and the Subcommittee on Information Policy, Census and National Archives, Rep. Carolyn Maloney, D-N.Y., questioned the idea of experimenting with online responses with so little time before the decennial census kicked off. Maloney said the Commerce Department was acting in an unprofessional, unscientific manner to reduce the number of households requiring nonresponse follow-up because of the failure of Census' handheld computer contract.

Murdock said the bureau should consider the Internet option only if it did not affect the timing and accuracy of the census.

## BUT I DIGRESS

Don't you love summer!?!?! It's such a wonderful time of year. The sun is out, the birds are singing, the kids are playing in the sprinkler. It's the kind of weather that makes you long for a nice tall glass ice cold lemonade or ice tea. Or a picnic of chicken, potato salad, and watermelon. It makes you want to take the motorcycle out for a ride; or put the top down on the convertible and enjoy the simple pleasure of having the wind blow through your hair. What a rush!

Or there's that other favorite summer activity. Watching movies. What a summer this is turning out to be!!!! I mean when you start the summer with such great movies like Iron Man, the Hulk, Sex

and the City, then add Wall-E, Batman II, Hellboy II, and Kung Fu Panda, and end the summer with anticipated hits like Tropic Thunder, Star Wars: Clone Wars, and Swing Vote and you've got a lot of selection to satisfy a diverse number of appetites. So buy a bucket of pop corn, a large coke, and some candy and kick back with a friend and enjoy a great summer movie.

As for me I think I'll take the critters to see Wall-E and then go with the spouse to see the new Batman movie. Then on the way home perhaps I'll put the top down and feel the rush of wind through my hair while sipping a nice big glass of lemonade. But I digress . . .



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# THE AUDITOR'S PERSPECTIVE

## LAYING THE FOUNDATION FOR ERP IMPLEMENTATION SUCCESS

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Implementation of an ERP system can be long, costly, and labor-intensive and can affect an organization's bottom line if done incorrectly. This is exactly what happened to American LaFrance (ALF), a manufacturer of custom-made firefighting and rescue vehicles. The company declared bankruptcy in early 2008, blaming IBM and a failed ERP implementation project that cost the company millions of dollars. To ensure the success of any ERP implementation project, a project team consisting of an ERP consultant, internal auditing, and IT staff familiar with the company's business operations should be established before the system's implementation. As part of the team, auditors can play a proactive role in helping the organization gather the necessary resources and information before the consultant's arrival.

### **PART OF THE TEAM**

Internal auditors can help organizations lay the foundation for an initiative's success with their knowledge of internal control practices, compliance requirements, and business processes. More specifically, auditors can help a project team find a consultant who is knowledgeable in areas the team is not. This will enable the team to identify a consultant with the right expertise and determine the consultant's necessary level of involvement in the project.

When it comes to an ERP implementation initiative, for example, it is not uncommon for organizations to hire consultants who are knowledgeable in ERP implementation best practices, while the project team provides information on the business processes, units, and functions impacted by the system. In addition, the consultant must be able to recommend the right solution — one that meets the organization's business needs — while keeping in mind the product's requirements, functionality, and performance. The consultant also needs to communicate effectively with the project team and collaborate with other company personnel, including

the application's users and senior executives.

Besides identifying the right ERP consultant, auditors can help the project team in other areas, such as documenting project information and testing the efficiency of ERP controls. In particular, internal auditors can provide much needed advice in five key steps.

### **1. Document abbreviations and their function.**

Every organization uses documents to record business transactions and track the flow of business process cycles, such as external documents (e.g., customer orders or shipping supplier forms), internal documents (e.g., production orders for plant manufacturing and quality control documents used in the testing of finished products), procedural documents (e.g., policies and procedures), and work instructions (e.g., routing sheets for floor activities). Because these documents evolve over time and become more structured in form and content, many companies assign them codes or numbers — or abbreviations — for easy and quick reference. For example, an order received from a customer can be referred to as sale order with an abbreviation of SO. Understanding document nomenclatures and abbreviations will benefit consultants during their initial interactions with employees and project team members, as they will be able to correlate abbreviations to the ERP application's terminology. A receipt from a vendor, for instance, may be referred to as store receipt voucher, while it is called goods receipt in the ERP system. Similarly, this list enables project team members and the consultant to speak the same language.

### **2. Identify documents used in the organization's daily operations.**

IT departments usually keep a list of documents that contain commonly used information. The

## THE AUDITOR'S PERSPECTIVE

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documents can include items such as customer order notebooks and vendor invoice files. Internal auditors can provide the project team with a list of the documents to show how internal functions, groups, or departments use them. For example, a customer order can be used by:

The engineering department to identify the requested product performance.

The finance department to identify payment terms.

The shipping department to determine packaging needs and the location to which the product will be shipped.

The quality department to identify customer-specified mandatory inspection points.

As the example illustrates, providing consultants with a list of documents and their functions will enable them to know which documents are referred to during each stage of a business process, as well as how transaction data is generated, validated, and captured before it is incorporated in the ERP system.

### **3. Compile a list of the organization's master data sets.**

Master data sets are synchronized copies of core data elements and associated attributes. These data sets are used in analytical applications, which are often subject to governance policies. Because every organization uses master data differently, internal auditors can help the project team identify how data sets are used, digitized, and maintained. For example, a foreign customer will not be invoiced certain local taxes based on how the finance department codifies the data in the billing system. As a general rule, master data needs to be identified with its corresponding database to facilitate the generation of business documentation, while data maintenance should be assigned to a particular function depending on the data's purpose.

Identification of the master data to be incorporated in different databases will help the ERP consultant configure the ERP system faster. Consequently, an internal auditor who has a holistic view of business processes will be aware of each process' documentation flow and provide this information to the consultant and other project team members. For instance, the auditor's knowledge will enable him or her to identify risks to the master data arising from a lack of internal controls in each process, as well as

how transactional data is used by middle management in the operational system or by top management for analytical purposes. The ready availability of master data also helps the consultant understand the client's data requirements and the ERP system's software requirements.

### **4. List the internal controls that are applied and adopted during each business process stage.**

Every organization has its own set of internal controls for organizational requirements. As part of the implementation process, auditors can help the project team document the control processes and related policies and procedures that management would like replicated in the ERP system. When doing so, auditors need to describe the role of each business function and the controls that pertain to their function. Auditors also need to ensure the consultant understands the existing control environment and its level of efficiency and effectiveness. For instance, an organization that manufactures made-to-order products might not permit acceptance of high-value materials from vendors without a valid purchase order, while permitting low-value common materials to be received without a purchase order.

### **5. Create a list of currently used and recently generated management information reports (MIRs).**

Besides using key performance indicators, senior executives rely on MIRs provided by middle management to evaluate their function's performance. As the organization digitizes process documents through electronic data flows and captures and updates data on a real-time basis, incident exception reports should decrease in frequency. In addition, while middle management desires a seamless navigation among all electronic documents, senior executives want all MIR analyses to be automated and available online. Internal auditors, therefore, need to prepare a list of MIRs that management needs daily. Creating the list will help the consultant and project team identify the kinds of data to be captured and compiled by the system on a regular basis to facilitate exception reporting.

## THE BOTTOM LINE

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Military forces, their dependents and retirees must carry their ID cards for a range of services and benefits. Army officials at Fort Bragg, N.C., mistakenly issued to an identity thief a military ID card in July 2001 in the name of retired Army Capt. John Harrison with Harrison's Social Security number.

The thief, Jerry Wayne Phillips, was later convicted and sentenced to 41 months in prison after running up more than \$260,000 in charges, including two trucks and a \$25,000 Harley Davidson motorcycle. Harrison has testified to Congress about the need for tougher identity theft laws.

Combined with other personal information -- such as a victim's full name, birth date and home address -- a Social Security number can be used to open fraudulent credit accounts using a victim's identity. With just a Social Security number, a clever thief can fraudulently obtain a victim's credit report for as little as \$50, an important step toward ultimately impersonating a victim.

"The underground is using different pieces of information to put together a picture of you, and a key piece of the puzzle is your Social Security number," said Dan Clements, president of CardCops, which sells services that monitor consumer accounts for identity theft.

Medicare has no plans to change or revise its insurance cards.

The Pentagon will begin eliminating the Social Security number in stages starting at the end of this year.

The IRS said in a statement it would not return a check that was missing the Social Security number, but it has no plans to change its instructions.

"At the surface level, they're working at cross-purposes. There's a reason for that," said Joel Winston, the Federal Trade Commission's director of the division of privacy and identity protection. "They've historically used this as an identifier because it works very well. But there's a widespread recognition that it's not a good idea anymore."

The Defense Department said it doesn't have the money, people, equipment and work stations to replace the cards all at once.

By 2014, the number will not be printed on any of the Defense Department cards except those for retirees who fail to request new IDs. There is no expiration for retiree ID cards -- used for access to base facilities and services such as the library, gym, bowling alley and golf course.

The Veterans Affairs Department, state governments, private companies and educational institutions already have acted to eliminate visible Social Security numbers:

- Private insurers covering roughly 200 million people issued new cards in recent years that replaced Social Security numbers with different identifiers. "I don't know of private insurers who use a Social Security number on the card," said Susan Pisano, spokeswoman for America's Health Insurance Plans. "Industry practice is, where Social Security numbers are used at all, they are used internally." Byron Hollis, national anti-fraud director for the BlueCross BlueShield Association, said the 39 independent companies in the trade group spent about four years replacing insurance cards for more than 90 million customers by the start of 2006.
- The VA spent roughly \$6 million to replace about 4 million benefit cards to remove the Social Security number and birth date and placed all sensitive information on a bar code and magnetic strip. The only visible information on the new VA health cards is a color photo and identification of a special status, such as a Purple Heart recipient or former prisoner of war.
- Most universities have eliminated use of Social Security numbers.
- Forty-seven states have enacted laws to prevent identity theft, although their scope varies widely. In many instances, the laws ban use of the number for driver's licenses and other official state documents, student ID cards and cards issued by private health insurers. "States have really forged out ahead," said Richard Hamp, an assistant attorney general in Utah. "I'm disappointed that the federal government isn't more on top of it."