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PRESIDENT’S MESSAGE

*By Lori Mikesell
Chapter President*

When asked what the theme of my year as president would be it caused me to pause and really consider what message I am trying to convey to the members of the Greater Columbus AGA Chapter. After much thought and consideration, I have decided that the theme of my presidency will be “For the Members.” I want the chapter leaders to keep the members foremost in their minds when making all decisions.

At our last Chapter Executive Committee (CEC) meeting, I challenged each officer and committee director to rise to the challenge of exceeding our members’ expectations. It is my belief that our members are the most precious asset we have. They deserve to receive the very best from each of their leaders. Additionally, when we are recruiting new members and they ask, “What will I receive for my \$90 in annual dues?” I want each recruiter to be able to quickly, and without hesitation, recite the tangible benefits of being a Greater Columbus AGA chapter member.

I am preparing to leave for the National Professional Development Conference (PDC) in San Diego. I will be attending the National Leadership meeting where I expect to learn new and exciting information that I can share with the members and leaders upon my return. I encourage each member attending the conference to take full advantage of the training sessions and to leverage each opportunity to further their financial management knowledge, increase their AGA and professional network, and to have a little fun.

I am looking forward to an exciting year and, with the theme of “For the Members,” I believe we will have that very year.

Have a great month,

Lori



About The Federal Focus

The Federal Focus of the AGA Greater Columbus Chapter is provided as a service to our members to keep them informed of events and news affecting our lives in the government accountability profession. Views expressed in articles are those of the author and may not necessarily represent the views of the chapter leadership. Article content is copyrighted to the author/source from which it was received.

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The AGA Greater
Columbus Chapter
welcomes its newest
member *Rachel Bosch!*

GOVERNMENT NEWS

OPM Orders Bigger Bonuses for Better Ratings

*By Karen Rutzick
www.govexec.com*

A year after the Bush administration first floated a legislative proposal to implement a pay-for-performance system in every federal agency, the president's personnel advisers are continuing to take steps toward such a system, despite failing so far to win congressional support for the comprehensive package.

A new draft regulation published by the Office of Personnel Management in the *Federal Register* Wednesday will require agencies to tie cash awards directly to performance ratings.

Bonuses, already by their nature doled out to employees based on performance, will now be allocated so that employees with higher performance ratings must receive more money than lower rated peers.

"These revisions clarify the use of performance-based cash awards by providing that such awards programs, as designed and applied, must make meaningful distinctions based on levels of performance," the regulation said. "This proposed change is designed to ensure that better performers receive greater recognition."

OPM officials said, in companion notes to the regulation, they realize many agencies already follow this procedure in granting bonuses, but the principle of more sophisticated merit-based awards is important enough to warrant a regulation.

The regulation also clarifies that all employees receiving cash awards must be rated at least at the "fully successful" level. The changes do not affect the Senior Executive Service, which is governed by its own performance management system in which all pay raises are tied to performance evaluations.

Thomas Richards, the government affairs representative for the Federal Managers Association, said the regulation would not work in many agencies still operating on a pass-fail performance review system.

"How do you tier performance bonuses when you have a performance appraisal and review system, when it is based on a two-tiered model?" Richards asked. "Short of actually enacting legislation, I'm not sure how you would do that."

National Treasury Employees Union President Colleen Kelley said she wants to retain the ability to negotiate awards programs with the individual agencies.

"We do have concerns about any system that might discourage teamwork and about whether managers have the

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UPCOMING EVENT

GREATER COLUMBUS AGA MEMBER APPRECIATION LUNCHEON

DATE: THURSDAY, JULY 13, 2006

LOCATION: DSCC RED PAVILLION

MENU: HAMBURGERS, GARDEN
BURGERS, HOT DOGS, PASTA SALAD,
POTATO CHIPS, FRUIT SALAD,
WATERMELON, BROWNIES, PIE, AND
ASSORTED BEVERAGES

MEMBERS: FREE

NON-MEMBERS: \$5

TICKETS CAN BE OBTAINED
THROUGH 7 JULY 2006 FROM:

HEATHER DRAKE (3-1148)

MARGARET MOOTZ (3-7418)

MELISSA LUDOVISSIE (3-0856)

JIM GILLENWATER (3-6907)

BEN NOVOTNY (3-2227)

TECHTALK

Expert: Cybersecurity Lapses Could Cost Public Trust

By Dibya Sarkar

www.fcw.com

An information security expert warned that attacks on computer systems will continue to escalate and become a public trust issue until governments, industry and other organizations implement and enforce better security policies and invest more money and employees in cybersecurity.

Eugene Spafford, a computer sciences professor at Purdue University, painted a grim picture during a June 19 teleconference hosted by the National Association of State Chief Information Officers (NASCIO). He said information security research has been underinvested in and national and international law enforcement have few resources and employees to fight cybercrime.

"Things don't look at all rosy," he said.

Organized crime - increasingly from Eastern Europe and Africa - is responsible for data breaches. Cybercriminals have resorted to extortion, demanding money in exchange for not erasing an agency's or organization's data or instituting denial-of-service attacks. They employ people to write spyware, botnets and other types of surreptitious software that hide in computers and capture keystrokes and other data, Spafford said.

The cost of identity theft exceeds \$100 billion annually, he said.

However, the federal government doesn't seem particularly concerned about cybersecurity, Spafford said. For example, Homeland Security Department officials have yet to fill an assistant secretary for cybersecurity and telecommunications position created last fall, and DHS' budget for information security research is less than 1 percent of the agency's budget, he said. More money is spent to keep cigarette lighters off airplanes than to address the fundamental problems of information security, he added.

Earlier this year, NASCIO and the Metropolitan Information Exchange released a joint survey that shows state governments have varying degrees of technologies, policies, education, budgets and staffing regarding cybersecurity. State officials previously said they would like better guidance and cooperation with federal officials on the matter.

Spafford, who also runs Purdue's Center for Education and Research in Information Assurance and Security (CERIAS), said agencies and organizations haven't kept pace with good security measures as they have moved into telecommuting and wireless environments and have begun using new technology



AGA
FIRST NATIONAL INTERNAL CONTROL
& FRAUD CONFERENCE

**AGA's First National
Internal Control & Fraud Conference**

**Fraud Prevention & Detection:
The Newest Tools & Techniques**

September 25-26, 2006 | Atlanta, GA | 14 CPE Hours

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CHAPTER CALENDAR

13 July 2006

Member Appreciation Luncheon
Location: DSCC Red Pavilion

August

Monthly Luncheon
Earn 1 CPE
Speaker: Mr. Paul Poast
Date: TBA

September

Monthly Luncheon
Earn 1 CPE
Speaker: Mr. Tom O'Brien
Date: TBA

25-26 September 2006

AGA National Internal Control
and Fraud Conference
Location: Atlanta, GA

October

Monthly Luncheon
Earn 1 CPE
Speaker: Mr. Ron Cox
Date: TBA

30-31 October 2006

AGA National Performance
Management Conference
Location: Schaumburg, IL

THE BOTTOM LINE

GSA Report Finds More Benefits than Costs for Telework

By Wade-Hahn Chan
www.fcw.com

Savings from infrastructure investment in telework would greatly offset the costs, according to the General Services Administration's Telework Technology Costs Study, which was completed with the support of Booz Allen Hamilton.

An agency with 50,000 employees that invests \$15.6 million in a telework infrastructure would receive \$31.1 million in cost benefits, according to the study.

"It's not costing as much as everyone thinks because costs are not visible at the upper management levels," said Theresa Noll, senior telework program analyst at GSA.

Noll presented the findings today at a Town Hall Meeting sponsored by the Telework Exchange in Washington, D.C.

"Departments are not making telework part of the strategic vision for their organizations, but rather leaving telework decisions to the individual agencies and offices," she said.

The seven-month study, begun in September 2005, based its savings projections on the assumption that various types of solutions would be used to allow half of an agency's employees to telework.

Many federal workers already are successfully telecommuting thanks to Internet access and secure connections, the report states. It includes several recommendations to speed the

adoption of telework policies, including melding the initiatives with other information technology programs to make a stronger case for funding.

The report also finds that one of the major reasons agencies have been slow to adopt telework programs is because managers are sometimes reluctant to embrace it. They like to see their employees at work throughout the day, said Raymond Kent, an associate at Booz Allen.

Telework is a key plank in the Federal Emergency Management Agency's continuity of operations planning initiatives, which require agencies to have remote work infrastructures and policies in place before disaster strikes.

Noll believes telework is enough of an issue that it should be considered a major aspect of IT funding. "I'd like to see telework as an item in the IT capital planning process," she said.

QUOTE OF THE MONTH

It is a paradoxical but profoundly true and important principle of life that the most likely way to reach a goal is to be aiming not at that goal itself but at some more ambitious goal beyond it.

Arnold Toynbee
English historian & historical philosopher (1889 - 1975)

TECHNICALLY SPEAKING

GAO Issues Proposed "Yellow Book" Changes

www.nacubo.org

The Government Accountability Office has issued proposed changes to Government Auditing Standards, commonly known as the "Yellow Book." The overall focus includes an increased emphasis on audit quality and ethics, an update of performance audit standards, and modernization of GAGAS to reflect developments in the accountability and audit environments. In many cases, GAGAS terminology has been revised to be consistent with standards recently adopted by the Public Company Accounting Oversight Board and the American Institute of Certified Public Accountants (AICPA). For example, the definitions of significant deficiency and material weakness as defined in AICPA Statement on Auditing Standards (SAS) No. 112 will be incorporated into GAGAS.

When issued in final form, the 2006 revision will supersede the 2003 revision of the standards. The GAO anticipates that the standards will become effective for financial audits for fiscal years ending on or after July 1, 2007 and for performance audits beginning on or after July 1, 2007. For financial audits, certain standards issued by the Auditing Standards Board of the AICPA have earlier effective dates. For financial audits performed under GAGAS, the effective dates of the new ASB standards will apply.

QUOTE

All who have meditated on the art of governing mankind have been convinced that the fate of empires depends on the education of youth.

~Aristotle

training, time and ability to fairly evaluate employees," Kelley said. "It appears to us, based on our initial reading of the proposal, that there is great potential for the disparate treatment of similarly situated employees as well as an adverse impact on certain groups of employees."

Last July, OPM, along with the Office of Management and Budget, publicized the Working for America Act, draft legislation that would require money now used for within-grade step increases and, to some extent, annual across-the-board raises, to be tied to a beefed-up performance rating system.

The Defense and Homeland Security departments, which together employ about half of the total federal civilian workforce, already received congressional authority to implement similar pay-for-performance systems. But the systems have been delayed by union-initiated lawsuits and internal challenges in designing them. Some members of Congress have said they want to wait until Defense and DHS implement their systems before extending any part of them to the domestic agencies.

But momentum for government-wide personnel reform has not stopped completely. In addition to this bonus regulation, the administration also recently required every agency to begin small test-runs for new performance management systems.

Sen. George Voinovich, R-Ohio, introduced a bill last month that would require enhanced evaluation systems and training for federal managers, but would not tie pay raises to those ratings yet. (Voinovich's proposal, however, would tie bonuses to ratings.) Administration officials embraced Voinovich's bill as a first step on the road to Working for America Act-like legislation.

This week's regulation has only a 30-day comment period, until July 21, instead of the traditional 60-day period. OPM said that was to ensure the final regulation is in effect in time for bonus season.

TREASURER'S REPORT

Checking Account

| | |
|-----------------------|-------------|
| Beginning Balance | \$ 652.96 |
| Deposits | \$ 276.00 |
| Disbursements | \$ 1,152.14 |
| Transfer from Savings | \$ 860.00 |
| Ending Balance | \$ 636.82 |

Savings Account

| | |
|----------------------|------------|
| Beginning Balance | \$5,183.43 |
| Transfer to Checking | \$ 860.00 |
| Interest Earned | \$ - |
| Disbursements | \$ - |
| Ending Balance | \$4,323.43 |

Total Balance \$4,960.25

CEC MEETING HIGHLIGHTS

June 8, 2006

Roles/Responsibilities of Officers/Directors

Focus on upholding officer duties

July Off-Site Training Event

4 hour discussion to include member input and planning of 2006-2007 Chapter goals

Chapter Committee Updates

Programs

Volunteers needed for July Luncheon

Communications

Membership spotlight to be added to newsletter

Community Service

Ideas welcomed for Fall charity event

Chapter Historian

Event recap at July Luncheon

Ways and Means

Looking for Co-Director for 2006-2007 year

Early Career

Director needed

Treasurer

Savings \$5183.43
Checking \$636.82

such as voice over IP.

Spafford said he understands agencies are understaffed and underfunded to keep up with the 20 new software vulnerabilities and 50 new malware reported daily. But the alternative is to lose data, and as more data breaches are reported, the public will become more distrustful of government agencies and hesitant to use the Internet and e-mail, he said. This has already started and could affect state governments that are trying to provide more services and transactions online, Spafford added.

It's not only a matter of implementing security technologies such as firewalls to prevent or slow attacks. For example, he said CERIAS has implemented policies and other measures and has not had an incident or break-in in nearly a decade. He said agencies need to plan for the long term and think about what kind of data they're storing, how long they're storing it, and whether it's necessary and encrypted. He said people need to understand penalties for misusing information, and policies need to be audited and enforced.

Officials should also consider the benefits and possible misuse of the new technologies they want their employees to use. Agencies should also limit outside connectivity to their systems. He said not everything has to be connected, and it's generally a good idea to house critical information in stand-alone systems requiring employees to be on-site to access that data.

Spafford also recommended developing a heterogeneous environment of different kinds of hardware and software platforms, which are more resistant to widespread attacks and more likely to detect attacks earlier.

"Probably the biggest thing, however, is being able to have authority to set policies, audit them and execute sanctions against those who violate the policies," he said. "Almost every data breach [that] occurred in the last year has been a result of someone who believed their deadline was so pressing and job so pressing that they didn't need to follow the policy."

The pharmaceutical industry has done a good job of securing data, he said, adding that he heard the adult entertainment and online gambling industries also manage cybersecurity well.

FREE STUDY MATERIALS

Are you planning on taking the CGFM?

Study guides for all three modules are available for self study.

Please contact Valerie Meatyard at 693-6527 if you would like to sign out a copy.

COMMUNITY SERVICE CORNER

By Roger Neefe

How quickly time flies when you're having fun! It seems like just a couple months ago we were starting to talk about what community service projects AGA could get involved with, and now a year has passed. I'd like to thank all the people that helped on the many AGA Community Service Projects we did this year, such as Volunteer Income Tax Assistance, Door-to-Door with Mount Carmel Outreach, and Accounting for Kids Day.

(Continued on Page 7)

THE AUDITOR'S PERSPECTIVE

GSA Details Audit Problems

*By Matthew Weigelt
www.fcw.com*

I'd especially like to thank the Community Service Committee members that did so much to organize these events: Debbie Temesvary, Holly Van De Venter, Alita Kay, and Fon Holloway.

I'm turning over the directorship of the Community Service Committee to Holly Van De Venter, and I'm sure she and the committee will do an excellent job of building upon the work we did over the last year. Please continue to give back to your community by helping with this coming year's projects.

And for that question I keep getting asked in the hall, "YES", I'm still collecting toiletries to donate to local food banks. You can drop off your contributions any time at my office, cube number 7A-207, in Building 21.

Roger Neefe

WANTED

Early Career Director

If interested, contact one of the chapter officers listed on page 2.

Ways and Means Co-Director

Contact Tom O'Brien

Volunteers for July Luncheon

Contact Jim Gillenwater or Melissa Ludovissie

The General Services Administration's fiscal 2005 audits capture about eight years of sins and miscalculations of funds that total more than \$900 million, an official said in testimony at a congressional hearing June 7.

"The agency had to bite the bullet in one particular year," Eugene Waszily, acting deputy inspector general of the GSA, told a House Government Reform subcommittee.

The auditors reviewing fiscal 2005 records could not verify some financial information in the statements from GSA, Waszily said. That came after 17 consecutive years of clean audits for GSA.

Signs of a potential problem surfaced in procurement audits conducted in 2004. Reviews found a small number of large procurements made for customer agencies that GSA's acquisition employees lacked the authority to award, Waszily told the subcommittee. Further audits found additional improper awards, several that breached appropriations requirements, including the use of expired funds.

When identified and quantified, the misstated balances total more than \$900 million, he said.

Kathleen Turco, GSA's chief financial officer, said at the hearing that she cannot guarantee a clean audit for GSA in fiscal 2006 because the agency is trying to rectify errors in acquisition practices that were uncovered in 2003.

GSA's new administrator, Lurita Doan, has made fence-mending one of her top four priorities, and this is an area in which her job will get tough. In an interview after the hearing, she said every customer is important to GSA, and she wants all GSA's customers to return to the fold.

Rep. Todd Platts (R-Pa.), chairman of the subcommittee that oversees agencies' management, finance and accountability, looked at this issue because he said GSA is at a critical juncture.

GSA has increased internal control requirements for financial management, and it has the added challenge of supervising the Office of Management and Budget's Financial Management Line of Business. The agency is in the midst of a reorganization, and Doan joined as administrator less than a week ago.

"As GSA rebuilds its reputation, sound financial management must serve as the foundation," Platts said.

Echoing defenses of GSA that have been voiced in the past, Waszily said agency employees were only trying to help agencies get products and services they needed, and they did not always take care to follow all the rules.

GSA erred by holding agencies' yearly appropriations beyond the time the money was obligated by Congress for that purpose, Waszily said. The subsequent loss of the money hurt relations between GSA and agencies.