



The Baltimore Ledger



January 2007

www.aga-balt.com

Baltimore Chapter

January Luncheon Information

Yellow Book Update

When:

Wednesday, January 17, 2007

11:30 - 12:00 pm Registration/Networking
12:00 - 1:00 pm Buffet Lunch
1:00 - 4:00 pm Presentation

Where:

Snyder's Willow Grove Restaurant
841 N. Hammonds Ferry Road
Exit 8 off 695 Beltway
www.snyderswillowgrove.com

Price:

\$35 AGA Members
\$55 Non-Members

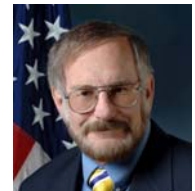
Contact:

410-965-9716 (leave a message) or email
agabaltimore@yahoo.com by January 12th.

This training is worth **3 CPEs**.

President's Message

I hope everyone had a good holiday and returned to work refreshed and ready to tackle the challenges of 2007. The AGA will continue to provide training sessions to help us maneuver smoothly through the waters of change presented by the new Congress.



As such, we will provide training this month on the Government Auditing Standards (The Yellow Book), 2006 Revisions. Ms. Marcia Buchanan of the U.S. Government Accountability Office will be the presenter. This training will be beneficial to government and private sector auditors and accountants alike, and will focus on the recent Yellow Book changes. Also, in February, we hope that many of you will be attending the AGA's Fifth Annual National Leadership Conference in Washington, D.C. The theme, "Forging New Paths to Improved Accountability," is timely and promises to help us achieve our professional goals.

At our last training, we were fortunate to have three professionals from KPMG give timely and informative presentations on Information Technology issues and OMB Circular A-123. I would like to thank President Elect Paul Geraty for presiding over the session.

I encourage all members who have not yet earned the CGFM designation to strongly consider doing so. The designation will enhance your professional credentials, improve your resume, enhance your promotion potential, and help you achieve your career goals. Along those lines, over the next few months, I plan to share with you some ideas from great leaders on how to achieve professional success. With Early Careers month approaching in March, I hope these tips will provide value in helping newer government financial professionals determine and reach their career goals.

I expect this year to be one of exciting opportunities since *opportunity always knocks more than once*. We hope you achieve important results in your work this year and health and happiness in your life.

Thanks for all you do. ❖

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January Speaker Bio

Marcia Buchanan is Assistant Director, Government Auditing Standards, in GAO's Financial Management and Assurance Team. She has responsibility for maintaining, interpreting, and promoting Government Auditing Standards, commonly known as the "yellow book," and serves as a staff aide to the Advisory Council on Government Auditing Standards. She also participates for GAO with the International Organization of Supreme Audit Institutions' Auditing Standards Committee and as an expert for working on proposed international auditing standards.

During her 30 year GAO career, Ms. Buchanan has gained extensive audit experience on financial audits including the Department of Agriculture and Veterans Administration, and on performance audits of audit

quality, single audit, and other issues. She has received numerous awards, including GAO's Meritorious Service Awards, the Comptroller General's Integrity Award, the Association of Government Accountant's Achievement of the Year Award, and the 2005 Educator's Award.

Ms. Buchanan graduated from Virginia Tech and attended the Federal Executive Institute. She is a Certified Public Accountant (Colorado), a Certified Government Financial Manager, and a member of the American Institute of Certified Public Accountants, serving previously on its Government Accounting and Auditing Committee and Single Audit Working Group, and currently as an observer to several AICPA auditing standard task forces. ❖

December Board Minutes

A board meeting of the Baltimore Chapter of the Association of Government Accountants was held at the Social Security Administration on Tuesday, December 5, 2006. There were 11 board members in attendance and three participating via telephone. The meeting was called to order at 1:10 p.m. by Steve Schaeffer, the presiding officer.

Mr. Schaeffer asked for a motion to accept the meeting minutes from the November 1, 2006 meeting submitted by the secretary pro tem, Kristen Schnatterly. The motion carried.

The Activities Committee handed out the current recognition program report. The chapter is on par with where we were last year at this time and should meet the annual goal.

The Early Careers Committee does not have a December event planned. Rashad Holloway reported they are working on confirming speakers for the March 2007 training session.

The Membership Committee reported the following: There are 271 current members and 14 new members. The membership committee is taking steps, such as writing letters and making phone calls, to increase membership. There are still some suspended members.

Board members had a discussion about the date for the scholarship awards presentations. The two meetings that had been mentioned as possibilities were the March Early Careers meeting and the May awards meeting. No vote was taken on the issue; however, we discussed that, given the time needed to

get the letters out and to review applications, the May 2007 meeting date is the more likely one. The Awards committee submitted an email before the meeting which contained a copy of the scholarship letters and the rating scale.

The Certified Government Financial Manager reported that they are working to submit activities points, responding to a request from a regional AGA coordinator, awaiting feedback from members on the CGFM rebate promotion, postponing their survey, and requesting that a CGFM-related announcement be made at all monthly training sessions.

The Education and Programs Committee reported that they would be making copies of the speakers' presentation handouts for the December training session. JoAnn White Burnett reported that she is working to confirm speakers for the Fraud conference. She is working to get Art Hayes to speak for 3 CPEs. Also, Rick Berlinrut is working to get someone from IRS to speak for 2 CPEs. An attorney from SSA/OIG will provide a 2 CPE session on Ethics.

Ms. White Burnett shared the results of the email vote by the Board members to select an audio conference for a training session. Of the 19 votes cast, 15 were for the session on Internal Controls. Paul Geraty has arranged for two locations: (1) Downtown Baltimore - maximum of 25 people, and (2) Columbia, MD - maximum of 30 people. Information concerning the session will be put in the January 2007 newsletter. The cost will be free to members. The date of the session is February 28, 2007 for 2 CPE credits.

The meeting adjourned at 1:50 p.m. ❖

Free Audio Conference on Internal Controls in February

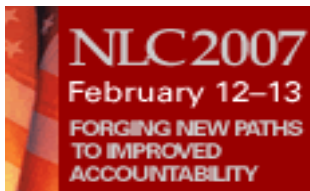
KPMG, LLP is sponsoring a free audio conference for Baltimore Chapter members. The date is Wednesday February 28th, 2007 and the topic will be *Internal Controls*. The conference will offer 2 CPEs and run from 2:00 - 4:00 pm. There will be two locations where members can attend:

KPMG, LLP
111 South Calvert Street, 25th Floor
Baltimore, MD 21202
25 Seats available

Local Government Insurance Trust (LGIT)
7172 Columbia Gateway Drive, Suite E
Columbia, MD 21046
30 seats available

To register, contact Stacey Johnson at 410-396-3730 or stacey.johnson@baltimorecity.gov by Friday, February 23, 2007. If you are unable to attend once registered, please contact Stacey to cancel. Registration is on a first come, first served basis. ❖

5th Annual Leadership Conference



Openness, transparency, accountability. Every AGA member is dedicated to these concepts. Your chance to raise your level of commitment is rapidly approaching: AGA's Fifth Annual National Leadership Conference.

The conference, set for February 12-13, 2007 at the Ronald Reagan Building & International Trade Center in Washington, D.C., is built around the theme "Forging New Paths to Improved Accountability."

Learn practical skills to improve your agency, hear from the top opinion leaders in the accountability business, and exchange problem-solving ideas with colleagues from around the country. Visit the Exhibit Hall to see the latest tools to help governments at all levels perform efficiently. Interact with inspirational government leaders at several networking events.

Let AGA help you achieve your professional goals. Register today! Visit www.agacgfm.org. ❖

56th Annual Professional Development Conference

Saddle up, dust off your best pair of boots and get ready for PDC 2007! Join us in Music City, USA for AGA's Professional Development Conference & Exposition— the government financial management education and networking event of the year!

Staying current with changes in government financial management is a huge challenge. Let AGA help. With dozens of educational sessions, social events and exhibitors available, the PDC is an authoritative source for the knowledge and contacts you need to succeed in today's constantly changing environment.

Offering 24 CPE hours, the PDC is a valuable event for all government finance professionals, whether you are handling the detail work on the front lines, or managing a team amid difficult political and financial realities.

The PDC offers exceptional training opportunities. Learn about the newest research in the field. Find out about tools and techniques that have advanced the profession. Hear dynamic speakers. Meet the top leaders from federal agencies, state and local governments, the private sector and academia. Take part in small-group discussions, explore the issues

facing the profession and find some answers.

Sessions will be organized around the following tracks:

- Accountability & Ethics
- Auditing Tips, Tools & Techniques
- Financial Management Strategies
- Innovative Funding Mechanisms
- Management Challenges & Solutions

The PDC is also about networking. Take advantage of the many receptions and social events that are planned, and enjoy the Grand Ole Opry, Country Music Hall of Fame, historical landmarks, good food and fun that Nashville has to offer. Bring your family and explore the Nashville Zoo, Adventure Science Center and other attractions. For more information visit <http://www.agacgfm.org/pdc2007/index.htm>.

The stage is set for a Grand Ole Opportunity. Don't miss this outstanding educational and networking event...Register today! ❖

December Training Recap

Our December 14th continuing professional education luncheon with the Central Maryland Chapter of ISACA was a tremendous success. The speakers provided seasoned insights and experiences with their subject matter. Our first speaker was Gary Austin, a Senior Manager in KPMG’s Washington D.D. Federal Consulting Practice. Mr. Austin provided the audience with an overview of the critical processes when implementing an Information Technology Governance program. Our second speaker was Terry Carnahan. Terry, a Director, in KPMG’s Federal Risk and Advisory Services practice in Washington, DC., delighted the

audience with “real life” examples of challenges and issues facing Federal organizations who were required to implement OMB Circular A-123 in fiscal 2006. Our final speaker of the afternoon was Phillip Moore, a manager in KPMG’s Federal audit practice. Mr. Moore shared with the audiences what he continues to see as the most prevalent IT security weaknesses being identified in Federal financial statement audits. ISACA Chapter President, Wes Lewis also recognized many ISACA members who recently passed the CISA examination. ❖



Speaker Gary Austin discussing IT Governance



President-Elect Paul Geraty and ISACA Chapter President Wes Lewis with Gary Austin



Baltimore Chapter Members stop for a picture during the break

AGA 2006-2007 Upcoming Training Schedule

DATE	TOPIC	CPEs
February 21, 2007	Joint Meeting with IIA – Forensic Investigations in Governmental Agencies	3
March 15, 2007	Early Careers Focus – Career Development	2
April 5, 2007	Fraud Conference	7
May 17, 2007	Awards Luncheon	1
TBD	Board of Directors Luncheon	--

Bush Issues Order for 2.2 Percent Pay Raise

President Bush issued an executive order officially granting white-collar federal employees a 2.2 percent pay raise in 2007.

Federal employees can expect the increase to be factored into their first paycheck of the new year, with the overall raise split between a 1.7 percent across-the-board raise and a 0.5 percent adjustment that will vary by locality.

For 2007, federal officials have changed the formula under which locality differentials are distributed, awarding more money to cities with larger pay gaps between the private and public sectors. Employees in the Washington area will receive a 2.64 percent raise. Those in New York will get 3.03 percent; in Boston, 2.53 percent; and in San Diego, 2.68 percent. In areas outside of major cities, employees will receive a 1.81 percent total raise.

The 2007 pay tables, including the locality pay differentials, can be found at www.opm.gov.

Congress has not officially passed a civilian pay raise for 2007, so Bush's executive order could be supplanted by a move from lawmakers, prompting a retroactive additional pay hike. But since lawmakers already passed a 2.2 percent raise for the military, it is unlikely that civilians will see the 2.7 percent raise their unions and professional groups advocated.

Soon-to-be House Majority Leader Rep. Steny Hoyer, D-Md., released a statement Thursday blaming the

Republican Congress for letting the 2.2 percent raise slip through.

"The failure of the 109th Congress to pass all but two spending bills for fiscal year 2007 has given the administration the opportunity to mandate the lowest annual raise in almost 20 years," Hoyer said.

Still, even if Congress had finished its spending bills, it is not clear that a 2.7 percent raise would have been passed for civilians.

"We recognize that if the military is at 2.2 percent, it will be very, very difficult to have anything else enacted," said Colleen Kelley, president of the National Treasury Employees Union. "We're going to do everything we can once the new Congress convenes."

This was also the first year that the president proposed an equal raise -- 2.2 percent -- for both the military and civilians. Federal employee groups and members of Congress have long advocated for pay parity between the two.

Locality-based raises became a fixture of federal pay in 1994, following implementation of the 1990 Federal Employees Pay Comparability Act. The act's proponents identified a gap between public and private sector salaries of about 30 percent. The act was designed to close the gap to about 5 percent, but raises under the law have never been fully funded. ❖

This article was taken from the December 21, 2006 issue of Gov Exec News at www.govexec.com.

Interagency Resources Management Conference (IRMCO) Award

Nominations are now open for the Interagency Resources Management Conference (IRMCO) Award. The IRMCO Award is a prestigious award presented each year to a single individual and team. The IRMCO awards have monetary recognition of \$2,000 (individual) and \$5,000 (team). These awards are given to those who have demonstrated exceptional ability to operate across organizational boundaries to improve the Government's services to its citizens.

These awards will be presented at the 46th IRMCO, on Monday, April 30, 2006, at the Kingsmill Resort, in Williamsburg, Virginia. Sponsored by the General Services Administration, IRMCO is attended by executives and managers from across the Federal Government. IRMCO creates an environment where executives and managers interact to address the important business and information technology topics and issues facing these communities and the Government today. The submission should

specifically address each of the following award selection criteria:

- (1) Demonstrated leadership in operating across organizational boundaries;
- (2) Willingness and ability to treat obstacles as challenges, and not barriers; and
- (3) Measurable improvements in performance linked to mission objectives/results.

Nominations for the IRMCO Awards should be submitted electronically by February 23, 2007, electronic submissions only. Please e-mail your nominations to Veronica Tolliver, <mailto:veronica.tolliver@gsa.gov>. Nominations should not exceed two pages in length, and should identify the nominated individual or team, and provide the name, organization, and phone number of the person making the nomination.

To make reservations for the conference, please go to the IRMCO website at www.irmco.gov. ❖

Member Profile



This month's member profile features a new member, Briana Yoho. Briana is a Financial Management Analyst for the Office of Financial Policy and Operations, (OFPO), Office of Finance (OF), Division of Central Accounting and Reporting (DCAR). She is currently working in the Treasury Reporting and Payroll Team where she is responsible for Cash reconciliations and overseeing the requisition process.

After leaving Wilmington, North Carolina in September, Briana ventured her way back to Maryland after leaving to attend Elon University in 2001. Briana graduated from Elon University in 2005 with a Bachelor of Science in Mathematics and a Minor in Accounting. Prior to joining SSA, Briana was employed with

Pharmaceutical Product Development, Inc. Her duties there involved phone screening potential job candidates, scheduling interviews, setting up travel arrangements, and administering computer assessments to interview candidates. She was also responsible for sending offer letters and compiling monthly recruiting reports for Human Resources Management and the Executives of the company.

Briana grew up in Fredrick County, Maryland where she graduated from Urbana High School in 2001, and currently resides. Briana is a very active athlete, playing volleyball, basketball, and softball. In Wilmington, North Carolina she played on a company co-ed softball team and looks forward to joining a team in Maryland. She has two cats, Sugar and Mango.

Briana joined AGA to keep abreast of new and changing trends in the professional environment. She also sees it as a great opportunity to network with people from different areas and departments. ❖

FSIO Wants Feedback on Accounting Classification Structure

The Financial Systems Integration Office (FSIO) is seeking comments on the Exposure Draft of the Common Government-wide Accounting Classification (CGAC) Structure. This structure will eventually impact other Lines of Businesses and common feeder systems that interface with federal financial systems. The FSIO is particularly interested in responses to the following:

Are there additional opportunities to standardize the classification elements? Are there unique needs in your agency that cannot be accommodated by this structure?

Are there near term opportunities to implement the recommended standardization in your agency?

Please submit your comments and questions in writing by Jan. 17, 2007 to fsio@gsa.gov, using the comment template provided. Facilitated sessions are planned throughout February 2007 to discuss comments and determine the final structure. Once the CGAC structure is finalized, additional work will commence to address implementation issues and planning. Contact FSIO at (202) 219-0526 with questions. ❖

Take the CGFM Examinations Before the NLC

AGA is offering a great opportunity to take the CGFM Examinations and earn your CGFM before the annual National Leadership Conference (NLC) in Washington D.C. To help you reach that goal, a two-day Intensive Review Course will be offered on Thursday, February 8, and Friday, February 9, 2007 and an opportunity to take CGFM Examinations on February 10-11, 2007. The cost of the course is only \$249 for qualified participants, and it offers 18 CPE hours.

More information is available on the AGA website - http://www.agacgfm.org/nlc_2007/cgfm_exam.htm. If you have any questions, contact Katya Silver at 703-684-6931 ext. 305 or ksilver@agacgfm.org. ❖



The Mark of Excellence in Government Financial Management

Become a **Certified Government Financial Manager**. Visit AGA's website at www.agacgfm.org to start on the pathway to CGFM certification.

SEC Attempts to Ease Internal Control Burden

At its December 13 open meeting, the Securities and Exchange Commission set forth a number of proposals including interpretive guidance on Section 404 of the Sarbanes-Oxley Act on internal controls. The SEC is proposing the guidance in an effort to reduce the costs associated with Section 404 compliance by providing scalability to the evaluation process. In June 2003, the SEC issued implementation rules on Section 404 of the Sarbanes-Oxley Act, but those rules never prescribed methods for evaluation. The proposed guidance attempted to address the issue by basing the evaluation of internal controls on two principles: (1) that management can be assured that the design of internal controls will detect in a timely manner or prevent a material misstatement in the financial statements and (2) that management analyze and gather evidence about the operation of the controls being evaluated based on its assessment of the risk associated with those controls.

In a news release on the guidance, the SEC states that management can either use the guidance being proposed to meet the 2003 rules or develop other methods of evaluation to achieve compliance. Prior to the proposal, companies were conducting evaluations in accordance with the Public Company Accounting Oversight Board's auditing standards on internal controls; such was not the intent of the 2003 rule. The four areas covered in the guidance include:

- A risk-based approach to assure that the controls that management has put into place address risks identified in reliable financial reporting.
- A risk-based approach to the evaluation of the operating effectiveness of controls. This area would require use of judgment to "direct management's evaluation efforts towards those areas that pose the greatest risk to reliable financial reporting based on the company's unique fact and circumstances."
- Results of management's evaluation. The proposed guidance provides a framework for determining when control deficiencies are material weaknesses including indicators that material weakness exists.
- Documentation. Guidance is provided on the nature and extent of evidentiary matter that must be maintained including methods and procedures as part of evidentiary matter.

The SEC has also been working with PCAOB on a new auditing standard to supersede PCAOB auditing standard #2 on internal control over financial reporting. The new standard is expected to be released for comment soon.❖

This article was taken from the December 2006 issue of NASACT News at www.nasact.org

OMB Intends to Release Federal Funding and Accountability Act Guidance Soon

The President signed the Federal Funding and Accountability Act in September, requiring the U.S. Office of Management and Budget to develop a searchable Web site on federal funding. The Web site must contain the name of the entity receiving the award, amount of the award, transaction type, funding agency, CFDA number, program source, descriptive award title, location of entity, unique identifier of entity and parent entity, and other information OMB deems relevant. The data is to be made available within 30 days of the award.

In 2007, OMB will reach out to several states to conduct a pilot program on the collection of sub award data. The law requires information on sub awards to be included as part of the searchable Web site in 2009. OMB has released a timeframe for implementation of the law as follows:

- Winter 2006: Transmit implementation plan to agencies.
- July 1, 2007: Conduct pilot on subcontracts and sub-grantee data.

- January 1, 2008: Launch a single searchable Web site for awards.
- January 1, 2009: Include subcontractor and sub-grantee awards; waiver for entities that prove annual gross revenues less than \$300,000 from a previous tax year.
- January 1, 2010: Comptroller General report to Congress on compliance.

The congressional budget office has estimated that the cost of implementation will be \$4 million in 2007 and \$15 million for 2007-2011. Any cost to state and local governments will be part of the condition of the award and can be charged as an allowable cost. More information on the searchable Web site will be conveyed to NASACT members as status plans are released.❖

This article was taken from the December 2006 issue of NASACT News at www.nasact.org

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To all of the members who submit articles for the monthly Newsletter, we say Thank you! For **February**, please make any submissions by **January 19, 2007** by contacting the Editorial Committee. ❖

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