



Observations



A monthly publication of the Chicago Chapter, Association of Government Accountants

AGA – Dedicated to serving the community and promoting government accountability

May 2012

Issue 6

Update your member information!

Please review and update your personal information at National’s website, www.agacgfm.org. You can update your information in the ‘Member’s Only’ page. This allows us to keep you better informed throughout the year!

Any news you’d like to share with the membership?

Please let us know! You may be featured in our next newsletter!

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Have a great summer! See you in September!



*Advancing
Government
Accountability*

Association
of Government
Accountants

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May 21, 2012

Dear AGA Chicago Chapter Members,

Thank you to everyone who contributed to another great year. Our luncheons, holiday party, toys for tots drive, and annual conference were all very successful. I appreciate the hard work and dedication of our executive committee in planning, coordinating, and hosting these events. I am very grateful to have had the opportunity to collaborate with such a motivated and professional group of people.

I would like to congratulate the incoming executive committee who will serve the chapter in the coming year. I know planning is underway and I look forward to the future events. For anyone who is interested in becoming more involved with our chapter, we still have open positions on our executive committee. Please contact Matthew Matczynski at mmatczynski@hudoig.gov if you are interested in volunteering. As an incentive, the Chicago chapter pays board members' annual membership fees.

Our chapter obtained all three Certified Government Financial Manager (CGFM) study guides. Please contact our CGFM chair Raul Nieto if you are interested in checking them out. His contact information, along with the contact information of the entire executive committee, is included on the last page of this newsletter.

Thanks again to everyone I have worked with and all the members who have attended our events. It has been an honor to serve as your president.

Sincerely,

Thomas McManigal

Tom McManigal
President



AGA Chicago Chapter

2012-2013 Continuing Education Seminars*

Date	Speaker	Topic	Location
September 11, 2012	TBA	TBA	Metcalfe Federal Building 77 W. Jackson Room 328
October 9, 2012	TBA	TBA	HHS Conference Room 233 N. Michigan Ave.
November 13, 2012	TBA	TBA	Metcalfe Federal Building 77 W. Jackson Room 328
December, 2012	Holiday Event		TBA

*Dates subject to change

Have a fun and safe summer! We will see you in September!!



Executive Committee Meeting Minutes

Association of Government Accountants • Chicago Chapter • May 8, 2012

Present: Tom McManigal
Tom DiLisio
Matthew Matczynski
Rick Urbanowski
Alexandria Hayden
Frank Moy
Raul Nieto
Crystal Carrier
Sandy Lawera

Absent: Olga Gesell
Herbert Kwan
Janet Knauff
Steve Whitecotton
Mark Knudson

Topics

1. 2012 close-out
 - a. New Executive Committee
 - i. Nominees for the Committee ran unopposed and were confirmed by the current Committee members.
 - b. Newsletter Director
 - i. Newsletter will be distributed in the next few days.
 - ii. If we can successfully obtain information from our membership a member news section will be added to the newsletter.
 - c. Awards Director
 - i. We will try to remind members to provide information about academic accomplishments so we can recognize them at our events and in our newsletter.
 - ii. We will explore offering incentives for academic accomplishments.
 - d. May Luncheon is cancelled
 - i. No speakers available. HHS Staff can cancel the room reservation.
 - e. 2012 Annual Conference
 - i. Successful conference with approximately 65 participants.
2. 2012-2013 Fiscal Year
 - a. 2013 event schedule including the annual conference, continuing education events, and holiday party will be complete soon.
 - b. We submitted our chapter executive committee list to the national office.
 - c. We will submit our chapter plans to the national office before July 1, 2012.

2012-2013 Chapter Executive Committee

The period for accepting nominations for our Chapter Executive Committee has closed. Each nominee for the 2012-2013 Committee ran unopposed. As a result, a formal election process was not required and the current Committee confirmed the nominees by unanimous vote on May 8, 2012. I would like to congratulate the following new Committee members:

President, Matthew Matczynski
President Elect, Herbert Kwan
Past President, Tom McManigal
Secretary, Sandy Lawera
Treasurer, Tom DiLisio
Program Director, Cynthia Carter
Meetings Director, **Vacant**
Membership Director, Janet Knauff
Newsletter Editor, Alexandria Hayden
Historian, Olga Gesell
Education Director, Frank Moy
Webmaster, Mark Knudson
Community Service Director, **Vacant**
CGFM, Raul Nieto
Early Careers Coordinator, **Vacant**
Job Referral, Steve Whitecotton
Publicity Director, **Vacant**
Awards Director, **Vacant**
Chapter Recognition, Rick Urbanowski

Please contact Matthew Matczynski at mmatczynski@hudoig.gov if you are interested in volunteering for a vacant position. As an incentive, the Chicago chapter pays board members' annual membership fees.



The Value of CGFM

Since its inception in 1994, the Certified Government Financial Manager (CGFM) has become the standard by which government financial management professionals are measured. Its [education](#), [experience](#) and [ethics requirements](#) have served to elevate the most seasoned financial professionals.

More than 15,000 individuals have received the designation so far. Now it's your turn. Experience the benefits of certification first hand—the CGFM is the mark of excellence in your profession. We look forward to adding your name to our distinguished list of [Certified Government Financial Managers](#).

The U.S. Bureau of Labor Statistics projects that the employment of accountants and auditors is expected to grow 22 percent between 2008 and 2018, which is much faster than the average of all occupations. Accountants and auditors that hold a college degree or certification will have the best job prospects.

Give Yourself an Edge Over Your Competitors

Recent research has shown that employers attribute their recruiting difficulties to a shortage of qualified professionals. Give yourself a competitive advantage by showing your commitment to lifelong learning. You need a credential that shows you are qualified and have the skills to lead. The Certified Government Financial Manager does this like no other credential.

The CGFM is the first certification broad enough to cover the whole field of government financial management—federal, state and local. It measures a wide range of knowledge and skills that a professional needs to succeed in the federal government financial environment, or to meet the unique challenges faced by state and local government financial managers.

“In today's complex and changing world, a professional certification provides prospective employers with a degree of confidence that candidates are prepared for the real world.” — John Radford, CGFM, State Controller, State of Oregon

Value and Recognition of the CGFM Credential

The foundation of the CGFM is the requirement for [Education](#), [Experience](#) and [Examinations](#). Building on this foundation is a [Code of Ethics](#) and required [Continuing Professional Education \(CPE\)](#).

This designation is already recognized as a professional standard. Each year, more and more federal agencies and state and local governments are realizing the value of the CGFM and are formally embracing the designation. It is often listed as a preferred hiring qualification on federal RFPs. The Institute of Internal Auditors (IIA) Board of Regents has also recognized the CGFM. It is accepted as a waiver for part IV of the CIA examination.

<http://www.agacgfm.org/CGFM-Certification/The-Value-of-CGFM.aspx>



[Apply for the CGFM designation today!](#)

[AGA Training Opportunities](#)
Click to find events near your area!

AGA Chicago Chapter Recognition Program (April)

Category	Credits
Chapter Leadership, Planning & Participation	25
Education & Professional Development	1,950
Certification	650
Communications	125

Total – 2,750 credits

Chapter PDC Follow-Up (Survey Request)

During the AGA Chapter PDC, Dr. Hurley mentioned a survey which deals with educational issues that students should learn during the college experience. He asked for those interested in participating, please access the survey using the link below:

<http://www.surveymonkey.com/s/Z2FHHCK>

*Please ensure you are not violating any of your Agency's information security policies/procedures before taking the survey.



From the National Office

Federal News

House Panel Approves Part-Time Retirement for Feds

A House panel voted unanimously Wednesday to advance legislation that would allow retirement-eligible employees to work part time and to roll unused annual leave into their Thrift Savings Plans. The bill, [H.R. 4363](#), would amend U.S. law to allow federal employees to continue working part time while partially retired. It was introduced last week in the House Oversight and Government Reform committee, where it won support from both parties on a panel that usually displays deep divisions over provisions regarding federal employees. While details were not yet available, the bill's sponsor, Rep. Darrell Issa, R-Calif., said the legislation could save taxpayers approximately \$465 million dollars within 10 years, since agencies would not have to replace all retirees with part-time employees. - Amanda Palleschi, *Government Executive*. [Read more.](#)

Agency Financial Reporting Improves Somewhat

Federal officials say agencies are making some progress in implementing the robust accounting practices, effective internal controls and reliable financial reports that will help them make better long-term program decisions and fully address the problem of improper payments. "Things have gotten much, much better over time. There's no question about it," said Government Accountability Office Comptroller General **Gene Dodaro, CGFM**, during a March 1 hearing of the House Oversight and Government Reform subcommittee on government organization, efficiency and financial management. But despite the GAO and the Office of Management and Budget reporting areas of improvement, Dodaro said he's concerned about the staying power of recent gains. Every year GAO attempts to audit accrual-based consolidated financial statements, but long-standing material weaknesses often prevent GAO from expressing an opinion. This past year was no different, said Dodaro who noted financial management concerns at the Internal Revenue Service, Homeland Security Department, and most significantly at the Defense Department. --Molly Bernhart Walker, *Fierce Government*. [Read more.](#)

Government Eyes Flexible Retention to Prevent Brain Drain

Traditional wisdom says that when you retire, you're out the door for good. But as the federal government comes to grips with how to retain the institutional knowledge of the departing baby boomers, the concept of retirement could take on a whole new meaning. The issue of the exiting baby boomers has long been on the table, and managers are grappling with how to smooth the forthcoming transition. A 2011 report from the Partnership for Public Service showed that the consequences of public sector attrition often mean loss of substantial and specialized skills and experience, something that could be impossible to replace. "Good employees not only take with them their skills and experience when they leave, but they may leave behind demoralized co-workers--a deterioration of employee commitment and organizational loyalty," the report stated. That's where one

emerging strategy comes into place: flexible retention. --Camille Tuutti, *Federal Computer Week*. [Read more.](#)

State and Local News

Disclosing Public Employee Pay Troubles Some Officials

Many public officials are uncomfortable with subjecting their compensation to scrutiny as governments and transparency groups work to open the information to the public, a new *Governing* survey finds. Nearly 30 percent of state and local government officials say their pay should not be considered part of the public record, while half would react negatively to names and salaries posted online. Overall, the [results](#) show public employees generally favor disclosing basic compensation information, but many feel they should not be identified by name. "There is an underlying tension here. It's between people's desire for privacy and the public's right to know," said Daniel Schuman, policy counsel for the Sunlight Foundation. - Mike Maciag, *Governing*. [Read more.](#)

Massachusetts State Auditor to NonProfits: Party's Over

Massachusetts State Auditor Suzanne Bump unleashed a warning broadside at nonprofits that abuse taxpayer funds, after the state yanked \$1.7 million in taxpayer funded disabled-services contracts from an embattled Charlestown agency where auditors say executives ran up bills at restaurants, liquor stores and Disney World. "We will make an example of people who are not playing by the rules," said Bump, who plans to audit a slew of both nonprofit and for-profit state vendors this year. "You follow the rules, you'll have no problem with me. But if you break the rules; there are consequences." The crackdown on Life Focus Center marks a tipping point in the state's dealings with private agencies that have been found to have top-heavy payrolls and questionable spending underwritten by taxpayers, sending the message that state regulators won't tolerate nonprofit bigwigs using public funds as their own personal piggy bank, said watchdog David Tuerck of the Beacon Hill Institute. - Erin and Chris Cassidy, *The Boston Herald*. [Read more.](#)

Despite Cost, California Accounting System Overhaul Continues

The California Legislative Analyst's Office is urging lawmakers to continue an overhaul of the state's accounting systems despite ballooning costs that have plagued the effort. Called the Financial Information System for California, or FI\$Cal, the project seeks to build a single statewide system for all of the state's accounting, budget and cash management programs, many of which are scattered across multiple, aging computer systems. Since planning began in 2007, cost estimates for the new system have increased from \$1.3 billion to \$1.6 billion--prompting some to question whether the state can afford the improvements. But in a [report](#) released this week, the nonpartisan analyst's office concluded the benefits of a state-of-the-art statewide system outweigh the concerns over its price tag. --Corey G. Johnson, *California Watch*. [Read more.](#)

One City's Comeback from the Financial Brink

What happened in Junction City, KS, looked like just another of the municipal financial nightmares popping up all around us these days. As in Stockton, CA, Pontiac, MI, and hundreds of other communities across America, in 2010 the citizens of Junction City found

themselves in a deep and ugly financial hole. In pursuit of growth and a desire to "put Junction City on the map," the leaders of this little city of roughly 23,000 people had annexed 1,400 acres and pledged the city's full faith and credit to bonds paying for infrastructure to support housing development on the property. But the expected development, anticipated in part due to the purported housing needs of soldiers returning from Germany to nearby Fort Riley, did not materialize. Between 2005 and 2010, the city's debt level increased by a factor of 10--from \$13 million to \$133 million--and debt service was projected to be 160 percent of general-fund revenues. The city set about fixing its own problems. --Mark Funkhouser, *Governing*. [Read more.](#)

Private Sector News

Taxpayers Consider Guesstimating Their Taxes This Year

Due to the complexity of tax filing, many taxpayers are considering not filing their taxes at all, or just taking a guess at the right numbers. A new survey from MasterCard found that 13 percent of taxpayers have considered avoiding the hassle of filing taxes altogether due to how complex the process is. To save time, 17 percent of taxpayers said they would risk getting audited by guessing on some of the numbers on their tax returns. --Michael Cohn, *Accounting Today*. [Read more.](#)

More Young Women Want High-Paying Career, Report Finds

"Show me the money" is the new rallying cry among young women. Two-thirds of 18- to 34-year-old women say being successful in a high-paying career is "one of the most important things" or "very important" in their lives, according to a Pew Research Center report out Thursday. Women with that attitude surpass their male counterparts: 59 percent of young men have the same stance. In 1997, when the question was last asked, the gender groups were more closely aligned; 56 percent of young women and 58 percent of young men expressed the same desire for a well-compensated profession. - Laura Petrecca, *USA Today*. [Read more.](#)

Survey: Lack of Communication Top Management Mistake

The most common mistake management makes is easy to remedy: Don't keep employees in the dark. A recent survey developed by Accountemps, a specialized staffing service for temporary accounting, finance, and bookkeeping professionals, was conducted by an independent research firm. Survey results are based on phone interviews with more than 1,400 CFOs from a stratified random sample of U.S. companies that have 20 or more employees on staff.

When CFOs were asked, "What one mistake do companies make most in managing their employees?", here's how they responded:

- 41 percent said lack of communication between staff and management.
- 28 percent cited lack of recognition and praise.
- 11 percent said lack of training, development and/or educational opportunities.
- 8 percent said lack of flexibility in work schedules.

- 6 percent responded with lack of authority given to employees.
- 6 percent either didn't know or had no answer.

--AccountingWEB. [Read more.](#)

Accounting Standards News

New GASB School District User Guide Available

The newly updated and revised edition of *What You Should Know about Your School District's Finances: A Guide to Financial Statements* is now available. The new guide offers an easy-to-understand primer on the annual financial reports of school districts and includes the major new reporting requirements issued since the publication of the original guide. Additional information is available at www.gasb.org by clicking on the Store tab

From the National Office

Chris Camara, AGA's publications manager, is leaving AGA for other opportunities effective May 7. Chris joined AGA's communications team in 1999 as a part-time copy editor, telecommuting from Eugene, OR. She became a full-time staff member soon after she and her family moved to Rhode Island in 2004.

"AGA members are the best. They are giving, dedicated volunteers who are passionate about public service. I wish them and the fantastic National Office staff all the best."





<i>Chapter Executive Committee Meetings</i>	
<i>Date</i>	<i>Location</i>
<i>August 28, 2012</i>	<i>Metcalfe Federal Building, Room 325</i>
<i>September 18, 2012</i>	<i>Metcalfe Federal Building, Room 330</i>
<i>October 16, 2012</i>	<i>Metcalfe Federal Building, Room 330</i>
<i>December 4, 2012</i>	<i>Metcalfe Federal Building, Room 325</i>

For additional information regarding Chapter/ National news and events, please click on the links below:

Helpful Links

[Our Website](#)

[Our Events Calendar](#)

[Our Newsletters](#)

[AGA National Website](#)

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Newsletter Information

Observations is the monthly newsletter of the Chicago Chapter of the Association of Government Accountants (AGA). Subscriptions to Observations may only be obtained by joining AGA. This is the sixth edition of Observations for the **2011-2012** chapter year. To submit material for upcoming issues, contact Alexandria Hayden at 312/353-3033. If you are not receiving the Chicago Chapter Newsletter electronically, please send your current e-mail address to: Alexandria.Hayden@oig.hhs.gov