



# Observations Chicago Chapter

## Association of Government Accountants

FISCAL YEAR 1980

### OFFICERS

President  
STEWART SEMAN (GAO)  
353-0517

President-Elect  
JOHN EDWARDS (DCAA)  
353-6590

Secretary  
FRANK LOUKOTA (DCAA)  
353-2992

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RICHARD DOWD (HEW)  
353-2236

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353-1352

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353-2486

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353-0104

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353-7944

December, 1979

### PRESIDENT'S MESSAGE

Our November meeting was an outstanding success. Our attendance of 82 people marks a new plateau in the Chicago Chapter's activities. We've worked hard to get good speakers and to keep the meetings on a tight schedule. Unfortunately this limits the amount of time available for chapter business. Thus for the December meeting we will return to the relaxed, convivial atmosphere of the Millionaires Club. This will give us a better chance to get acquainted and will give the officers an opportunity to brief you on the chapter's progress.

A total of 31 people graduated from our accounting course for minority business men and women. I want to thank Frank Polasek for his exceptional management of the course. The course graduates were very warm in their praise for the course which made it all the more gratifying.

In closing I would like to extend my wishes for a happy holiday season and a prosperous new year to all of our members and their families. See you at the December meeting.

Stewart O. Seman  
President  
Chicago Chapter

THANK YOU TO OUR OMBE  
INSTRUCTORS & COUNSELORS

A special note of thanks goes to those members who assisted the OMBE course as instructors and counselors.

Velma Butler	Joe Lopez
Bob Desmond	Al Loving
Dick Dowd	Louis Lowery
Jim Durkin	Subhash Mehta
Neal Gottlieb	

They did a fine job and we are quite proud of their efforts.

CHICAGO CHAPTER ADDS  
100 MEMBERS IN 5 YEARS

In the last 5 years the Chicago Chapter has grown from 133 members to 239 members. This growth has been accomplished by the aggressive recruiting efforts of members eager to share the benefits of AGA with other professionals. There are probably a lot of other professionals in the Chicago area who would like such an opportunity, but simply are not familiar with our organization. Make it a habit of bringing AGA to the attention of those you deal with in the financial management community. If you have questions or need additional application forms, call Donn Adkisson 353-1352, or Stu Seman 353-0517.

CHICAGO-NORTHWEST SUBURBAN AUXILIARY  
MEETING SCHEDULE

Initial arrangements have been made for the AGA Chicago-Northwest Suburban auxiliary's first two dinner meetings.

Jan. 22, 1980

"Public Relations & Government"  
Dana Hughes, President  
McKinney Associates

Feb. 12, 1980

"Impact of Inflation Accounting"  
Representative of Ernst &  
Whinney

EMPLOYMENT REFERRAL SERVICE

The National Office is improving the AGA employment referral service. One way to improve service is to obtain and standardize pertinent data from members who are interested in changing employment. If you are among those interested (or had previously shown interest) please mail the completed request/data form to :

Mr. Frank Loukota  
1405 Plainview Road  
Carpentersville, IL 60110

A copy of the standardized request/data form is printed as page 3 of this newsletter.

SYMPOSIUM PROGRAM FIRING UP

The committee arranging the program for next June's Annual National Symposium in Boston is rapidly getting things in line. A typical segment which will address the accounting profession in the upcoming decade will be keynoted by William Gregory, Board Chairman, AICPA. Peat Marwick's Management Consulting Vice Chairman Stanley R. Klion, OMB's John Lordan, and Harvard Business School's Dr. Robert N. Anthony will have key discussant roles. Other program details are forthcoming.

NATIONAL MEMBERSHIP

AGA membership reached its seasonal low on October 31 when the grace period for membership renewal expired on the large group of members with June 30 anniversary dates. However, AGA officials were elated to note that the net figure held at 10,464, which is the first year the low-water mark remained above 10,000.

TO : All Chicago AGA Chapter Members

FROM: Frank Loukota

RE : Employment Referral Service

*Filed And* →

I have accepted the responsibility of serving as your Chapter Employment Referral Service Coordinator. You should be aware of the employment opportunities advertised in our AGA National monthly newsletter, TOPICS. In between TOPICS issues, "Employment Flashes" are sent to me ( and to all Chapter ERS Coordinators ) by the National Office; I receive approximately three Flashes per month, with each one listing an average of 30-40 employment opportunities. Since these are time-critical openings, they do not always allow for announcement at our next chapter meeting or for "advertisement" in our chapter newsletter.

To more effectively serve our membership with relation to employment candidacy and to locally disseminate these opportunities before their application closing dates, I would like to be able to contact those of you who are interested in this service. If you will submit the following information to me, I will contact you when I receive listings which match your requirements and qualifications. Your candidacy will be held in strict confidence. Also, if you are seeking a geographical change, I can provide you with the name of the Chapter ERS Coordinator in that area so that you might have access to time-critical local opportunities which may not reach the National Office. When an Employment Flash arrives immediately before a regularly scheduled chapter meeting, I will not contact you individually, but rather, will make the listings available at the meeting. Let's see you at those meetings!

If you have any questions re AGA's Employment Referral Service, call me at:353-2992  
Send your completed form to me at: 1405 Plainview Road  
Carpentersville, IL 60110

FINANCIAL MANAGEMENT DISCIPLINE: (1) \_\_\_\_\_ (2) \_\_\_\_\_

EMPLOYER PREFERENCE ( no. order ): \_\_\_\_\_ Federal; \_\_\_\_\_ State/Local Govt.; \_\_\_\_\_ Private;  
\_\_\_\_\_ Academic; \_\_\_\_\_ Other.

GEOGRAPHICAL PREFERENCE: (1) \_\_\_\_\_ (2) \_\_\_\_\_

GS-GRADE AND/OR SALARY REQUIREMENT: \_\_\_\_\_

AVAILABILITY TO TRAVEL: up to \_\_\_\_\_ %.

NAME: \_\_\_\_\_

ADDRESS: \_\_\_\_\_

\_\_\_\_\_

HOME PHONE: \_\_\_\_\_ OFFICE PHONE: \_\_\_\_\_

## VALUE OF FEDERAL AUDITS

by Mel Koenigs

Federal auditors are the conscience of the bureaucracy constantly badgering managers to be more efficient and effective. We issue reams of reports with all sorts of ideas on how to make the Government run smoother and save the taxpayers' money. Unfortunately, managers often either ignore our suggestions or pay them lip service, thus negating hours of dedicated audit work. In the eyes of many we are simply a nagger and our reports serve only a nuisance value.

Last year the General Accounting Office issued a report that summed up what many of us suspected for a long time, namely, a lack of attention to audit findings infected nearly every agency in the bureaucracy. An ever increasing number of audit reports is gathering dust in Federal offices across the globe. More importantly, this costs millions of dollars every day when misspent funds are not recovered and savings opportunities are missed.

As auditors we must do more to ensure that our voices are not stifled. An audit is not successful unless we can convince someone to act **positively** on our suggestions. As a starter we must issue timely, well-written reports that leave no doubt as to what corrective action we think is necessary. Once the report is on the street we must track our suggestions until they are implemented or rejected. However, unlike in the past, we can not take credit for savings or cash recoveries based on the promises of program officials. It is one thing to agree with an audit recommendation, it is another thing to take corrective actions. Too often we later learn just how hollow many of these promises can be. A dollar finding is not resolved until actual payment of money owed the Government.

When managers reject our findings we should not merely record the fact. We should evaluate their reasoning and if we disagree we should raise the issue to higher management. Failing to act promptly and effectively on audit findings may warrant mentioning in an Inspector General quarterly report to the Congress. What I suggest undoubtedly will mean fewer audits being done but I believe the risk of getting less audit coverage is worth the benefit of more successful audits.

### CHAPTER UPDATE

A group in Japan surprised the AGA National Office in late October with an unexpected charter application for a new AGA chapter in Tokyo. Nucleus of the proposed new chapter would be a body of DCAA people in the Japanese capital city. AGA old-timers will recall that the Association (then FGAA) established chapter charter number 6 in Tokoyo in 1953, but that chapter went out of existence in the mid-60s as American presence in Japan dwindled. Meanwhile, President Sato installed the Pikes Peak Chapter in Colorado Springs on November 7th. New chapter activity is presently simmering in Topeka; Tallahassee; Columbia, South Carolina; and Orange County, California.

## EFFECTIVE LISTENING - HOW IMPORTANT IS IT?

by Jim Hilmer

Listening is a skill just like speaking, reading, and writing. On the average, white collar workers receive some 40 percent of their salaries from listening. How effective is our listening and what effect does it have on our performance? A recent study by Theodore Barry & Associates, a Los Angeles-based consulting firm showed that 2.4 hours are wasted every day because of inadequate management, and 25 percent of this wasted time is attributable to unclear communication.

The classic example of ineffective listening occurred on October 30, 1938, when CBS broadcast the H.G. Wells classic, The War of the Worlds. The program lasted one hour. At the half-hour, two announcements were made indicating that what people were hearing was only a fictitious story. The same sort of announcement was made at the program's conclusion. Yet, despite these announcements panic broke out in several areas of the country.

While there is much literature on effective public speaking, how to conduct meetings, and effective writing; there is very little literature on effective listening. On a recent visit to our village library, I was able to find only one book on effective listening - Are You Listening? by Ralph G. Nichols and Leonard A. Stevens.

As in any skill where there is a deficiency, there must be some bad habits that cause the deficiency. Here are some of the bad listening habits:

1. Pretending to listen - How many times have you caught yourself looking directly at someone who is speaking to you, and not known what the person was saying because you had your mind on something else?
2. Listening for certain specific points - By doing this you tune out to the context in which a statement was made. While you get the facts, you do not get the meaning behind the facts. How many times have you read an account in the newspaper where a person has said that another reporter took the comment completely out of context?
3. Avoiding difficult listening - This situation could arise when you are doing an audit of a complex program. Rather than try to learn about the program, you avoid listening to those parts of the conversation dealing with the technical points and instead concentrate solely on the financial aspects.

Now that you are aware of some of the characteristics of bad listening, try to see how often you are guilty of some of these bad habits and next time we'll talk about some methods for improving your listening ability.

(to be continued in next month's newsletter)

## NOVEMBER RECAP: MIDWESTERN INTERGOVERNMENTAL AUDIT FORUM (MIAF)

Mr. Bill Schad, Assistant Regional Manager, U.S. General Accounting Office, Chicago, was our guest speaker in November. Mr. Schad Explained the development and status of the MIAF peer quality assesmment system. Guidelines together with a committee management structure, questionnaires for audit staff, auditees, and report users, a report format and scoring criteria make up the system. Review guidelines include about 50 evaluation standards and over 100 evaluation aids. He expects the system will be published in 6 to 8 weeks.

The standards should be of interest to all AGA members, particularly those in agencies participating in peer reviews. Auditing organizations in general might use the system in its entirety as a supplement to existing methods, or just use the evaluations standards as a self-improvement program.

## JANUARY PREVIEW: TAX UPDATE

Chicago Chapter activity for the 1980s starts with our meeting on January 21, 1980. An Internal Revenue Service representative will present an income tax update and the chapter will distribute Prentice-Hall Tax Handbooks ordered during November, 1979. The meeting will be at Carson, Pirie, Scott's, 1 South State Street, Chicago, Illinois.

## PROFESSIONAL NEWS

Clay Nelson has accepted a position as Deputy Director, Bureau of Management Control, Railroad Retirement Board. Clay comes to RRB from GAO's Chicago office.

Greg Pugnetti transferred from GAO's Chicago office to a post in Washington, D.C. last September. Now word comes from Washington that GAO's Financial and General Management Studies Division promoted Greg.

## NATIONAL BOARD OF DIRECTORS APPROVES EDUCATION FOUNDATION

AGA's National Board of Directors, voting by mail ballot, has approved the new Education and Research Foundation plan by a vote of 57 to 6, with one abstention. Seven additional votes in favor of the foundation were received after the cut-off date at the end of October. The Foundations's Board of Directors was to hold its first meeting on December 12 to consider Foundation bylaws and a memo of agreement covering relations with the AGA parent body. It was expected that the application for non-profit status under Section 501(C)(3) of the tax code will go to IRS at mid-December.

DECEMBER MEETING

DATE : December 17, 1979 - Monday

TIME : 11:30 a.m.

PLACE: Millionaires Club  
19 South Wabash  
Chicago Illinois  
(second floor)

MENU : King size veal cutlet with tomato sauce, salad, potato  
desert and beverage.

PRICE: \$6.00 (includes drinks)

Listed below are the persons to contact in selected agencies to make your reservation. For agencies not listed, please call Josephine Howard of EPA at 353-2486. Please call your contact person on Thursday before the Monday meeting. Members should call by 10:00 a.m. Thursday. Contact persons should call Miss Howard by 12:00 p.m. on Thursday. It is very important that reservations are made by the prescribed times. If for some reason you have a reservation and you can't make the meeting, please call Miss Howard direct to cancel. This is very important because we must guarantee to pay for a certain number of reservations.

Following is a list of contact persons by agency:

<u>AGENCY</u>	<u>CONTACT PERSON</u>	<u>TELEPHONE</u>
DOT - IG	John Grounds	353-0104
HEW-Audit (Region)	Ed Kadella	353-2618
HEW-Audit (Branch)	Dick Dowd	353-2236
Commerce - IG	Gwen Bolling	353-2669
GSA-ID	Dave Stone	353-7781
LEAA	Ed Counts	353-1203
HUD - IG	Tom Bannon	353-7866
EPA (Region)	Dick Walker	353-2040
EPA - Audit	Josephine Howard	353-2486
DCAA	Frank Loukota	353-2992
RRB	Jerry Farr	353-4694
Agriculture - IG	Gene Monahan	353-1356
HEW-- SSA	Marvin Johnson	353-7481
GAO	Mary Pesce	353-6174
Agencies not listed	Josephine Howard	353-2486