The Baltimore Ledger

January/February 2012, Issue 3

Association of Government Accountants
Baltimore Chapter

www.agabaltimore.org

2011 AGA Chapter Newsletter Competition 1st Place

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Upcoming Events

January Training Luncheon
January 19, 2012
Snyder's Restaurant

National Leadership Conference
February 16-17, 2012
Ronald Reagan Building
Washington, DC

February Training Luncheon
February 23, 2012
Snyder's Restaurant

AGA's 10th Annual

National Leadership Conference

February 16 – 17, 2012 | Washington, D.C. | 14 CPE Hours
Ronald Reagan Building and International Trade Center

Government financial managers are deeply committed to producing timely, reliable and useful financial information, with the goal of running government programs more efficiently. At AGA's National Leadership Conference (NLC), those sentiments are more than just words.

The NLC brings together a stellar lineup of respected government financial management and accountability leaders to share valuable insight, proven strategies, lessons learned, and discuss the newest management techniques and the most recent information on always-changing standards and regulations.

Stay on top of issues that affect you. This event also features the newest tools and innovations to help agencies do their jobs more easily and more effectively. Don't miss this opportunity to earn 14 CPE hours, share best practices, find solutions to shared challenges, network with your peers and learn from the top financial management leaders and industry experts.

Join us **Feb.16–17, 2012** at the Ronald Reagan Building and International Trade Center in Washington, D.C. and show your commitment to a more accountable future.

MARYLAND FOOD BANK
UNTIL HUNGER ENDS.

*Thanks to all who donated to the Chapter's Virtual Food Drive to benefit the Maryland Food Bank. The chapter was able to donate **$265** and several bags of canned goods to the charity.*

President's Message

Welcome to 2012. I trust that you all had a happy and restful holiday season. My family and I had a "staycation" this year - that is a vacation from the normal routine of life - but spent staying at home taking time for hobbies and long overdue tasks around the house.

Now that 2012 is officially here, I will be starting my 20th year with PricewaterhouseCoopers (PwC). I must admit that when I was going though the interview process with all of the Big 8 Firms (20 years ago there were 8 big firms), I thought that my stint in public accounting would last for about 2 or 3 years. But then a funny thing happened — I landed a job within the Federal Practice of PwC. Instead of auditing earnings per share and revenue projections, I was auditing pension claims files, benefit claims files, research grant expenditures, budget documents, and office expenditures made by Members of the U.S. House of Representatives. I was auditing organizations which were as large and diverse as five Fortune 500 companies - *combined*! I was traveling across the country to states and cities to which I probably would not have travelled to if not for the far reaches of my clients - and I was meeting a group of professionals who were incredibly passionate about their work and the mission of the organizations for which they worked.

The professionals I was meeting and working with were not Cabinet-level executives, Commissioners, Secretaries, or Administrators; they were the line employees who were responsible for carrying out the mission of their Agency, Bureau or Department. They were the individuals who were responsible for determining if a beneficiary would receive a pension. They were the ones responsible for determining which grant applicant was the most deserving of the limited dollars available for research. They were the contracting officers responsible for awarding contracts - not always to the lowest bidder - but the bidder who was offering the best value to the government. They were all passionate about their work - and their passion was very inspirational.

As we start this New Year my questions for each of you - and one that I wrestled with during my staycation - is the following - Who will you inspire with your passion this year? Will your leadership and dedication to your job have a positive effect on a coworker or a member of the public? What steps will you take this year to effectuate positive change at your organization?

Like each of you - I realize that working from inside a bureaucracy can dull our passion. But I would challenge each one of you to keep your passion burning intensely this year. Remember those things which attracted you to government service at the start of your career - and keep those things in the forefront of your thoughts as you make your way through 2012. If you bring that passion to work every day you will be amazed at what you will accomplish this year.

Happy New Year

Walt

Walt Fennell
Baltimore Chapter President 2011-2012

Staying Connected, Just One Click Away

AGA Membership	AGA CGFM
AGA National	AICPA
AGA D.C.	MACPA
AGA Northern Virginia	ISACA
AGA Montgomery/PG	GASB
AGA Mid-Atlantic Region	ASMC

Monthly Training Information

Register Online

January Luncheon
Thursday, January 19, 2012
11:30 am-4:00 pm

3 CPEs

Self Pay Federal Lending — J. Anthony Curcio, Summit Consulting, LLC

Mr. Curcio will discuss how, in a severely constrained fiscal environment, the Congress is increasingly turning to low-cost or self-pay Federal Credit programs in an effort to have a large policy impact for a small budget. How have self-pay credit programs worked so far, and what are the implications for the budgeting process, OMB and the auditors? How will demands by private partners from more transparency in the credit subsidy process be met by the Program Offices and OMB?

The Current State of the Economy — Anirban Basu, Sage Policy Group, Inc.

Mr. Basu will focus on the ongoing improvement in economic conditions with respect to financial markets, the labor market, corporate profits, and business spending. He will also focus on variations in regional economic performance, with particular focus on the housing market. And finally, Mr. Basu will be providing an outlook for the balance of 2011 and identify certain threats to the economic outlook, including higher interest rates and commodity prices.

Training Location

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

Training Schedule

11:30 a.m. to 12:00 p.m.	Registration
12:00 p.m. to 12:45 p.m.	Lunch
12:45 p.m. to 2:00 p.m.	1st speaker
2:00 p.m. to 2:15 p.m.	Break
2:15 p.m. to 3:30 p.m.	2nd speaker

Cost $30 Members
$60 Non-members

Reservations: www.agabaltimore.org

Deadline: January 13, 2012

Sorry—No Refunds for Cancellations

Menu

Sweet and Sour Meatballs
Baked Chicken
Scalloped Potatoes
Green Beans
Salad with Assorted Dressing
Rolls & Butter
Coffee/Hot and Iced Tea
Desserts

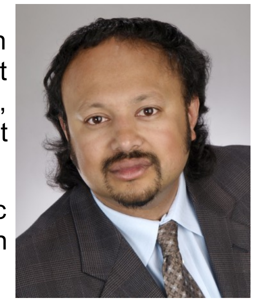
Upcoming Training in February……..

February 23, 2012 at Snyder's Willow Grove Restaurant

Cloud Computing — David Lucas, Global Computer Enterprises and

Business Intelligence — Speaker from Maricom Systems

MEET THE JANUARY SPEAKERS



Anirban Basu is Chairman & CEO of Sage Policy Group, Inc., an economic and policy consulting firm in Baltimore, Maryland. Mr. Basu is one of the Mid-Atlantic region's most recognizable economists, in part because of his consulting work on behalf of numerous clients, including prominent developers, bankers, brokerage houses, energy suppliers and law firms. On behalf of government agencies and non-profit organizations, Mr. Basu has written several high-profile economic development strategies.

In recent years, he has focused upon health economics, the economics of education and economic development. He currently lectures at Johns Hopkins University in micro-, macro-, international and urban economics.

In 2007, Mr. Basu was selected by the Daily Record newspaper as one of Maryland's 50 most influential people. The Baltimore Business Journal named him one of the region's 20 most powerful business leaders in 2010.

Mr. Basu is involved with numerous organizations in a voluntary capacity, including serving as a Baltimore City Public School System board member and as a board member to the Baltimore Children's Museum and to the Baltimore School for the Arts. Mr. Basu is also on the board of First Mariner Bank. He is also chairman of the Baltimore County Economic Advisory Committee and economic advisor to the Baltimore-Washington Corridor Chamber of Commerce.

Mr. Basu earned his B.S. in Foreign Service at Georgetown University in 1990. He earned his Master's in Public Policy from Harvard University's John F. Kennedy School of Government, and his Master's in Economics from the University of Maryland, College Park. His Juris Doctor was earned at the University of Maryland School of Law in 2003.

J. Anthony Curcio is a Principle at Summit Consulting, LLC [www.summitllc.us] specializing in Modeling & Forecasting Practice. Mr. Curcio's direct and recent experience entails serving several Federal lending programs across the Federal government including the Department of Energy, the Overseas Private Investment Corporation, the Department of Agriculture, the Housing and Urban Development Department, and related institutions like the National Credit Union Administration (NCUA). Earlier in his career, while serving at the Office of Management & Budget, he gained experience in all areas of Federal Credit including credit subsidy model development, credit-related training, and financial and budget analysis. He has a strong background in financial analysis, money and capital markets, portfolio management, and federal budgeting and finance.

Mr. Curico's education includes a Masters of Business Administration in Finance from Georgetown University, a Masters of Arts in International Relations from Johns Hopkins University, and a Bachelors of Arts in Economics from Centre College.

2012 Training Schedule

Date	Location	Topic/Speaker	CPEs	Member Cost	Non-Member Cost
2/23/12 Thursday	Snyder's Willow Grove	**Cloud Computing** **David Lucas, Global Computer Enterprises** **Business Intelligence** **Maricom Systems**	3	$30	$60
3/22/12 Thursday	Snyder's Willow Grove	**Early Careers Meeting** **Topics and Speakers TBD**	2	TBD	TBD
4/19/12 Wednesday	Rolling Road Golf Club	**Annual Awards Meeting** **Topics and Speakers TBD**	1	TBD	TBD
5/9/12 Thursday	Rolling Road Golf Club	**Annual All Day Fraud Training** **Topics and Speakers TBD**	8	$160	$195

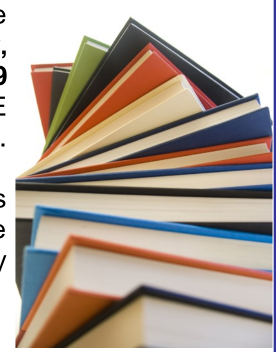
Restricting Use of Auditor's Written Communication—Revised Auditing Standard

Statement on Auditing Standards No. 125, Alert That Restricts the Use of the Auditor's Written Communication, which the Auditing Standards Board has issued as a result of its Clarity Project to supersede SAS No. 87, Restricting the Use of an Auditor's Report (AICPA, Professional Standards, AU sec. 532 and AU-C sec. 905). The SAS, which also amends other SASs, addresses the auditor's responsibility, when required or the auditor decides, to include in the auditor's report or other written communication issued by the auditor in connection with an engagement conducted in accordance with generally accepted auditing standards (GAAS) (referred to in this SAS as auditor's written communication) language that restricts the use of the auditor's written communication. SAS No. 125 is effective for the auditor's written communications related to audits of financial statements for periods ending on or after Dec. 15, 2012. For all other engagements conducted in accordance with GAAS, this SAS is effective for the auditor's written communications issued on or after Dec. 15, 2012.

To aid Certified Public Accountant's understanding of GAAS and to improve compliance with their requirements, the Auditing Standards Board in 2004 launched a significant effort to make these standards easier to read, understand, and apply. This is known as the Clarity Project, and it is expected to be completed by October 2013. To get more information on the Clarity Project, visit Clarity Project: Questions and Answers.

Next CGFM Intensive Review Course Scheduled for February

Don't miss the opportunity to take the CGFM Examinations and earn your CGFM at the next Intensive Review Course event in February. AGA is offering a two-day Intensive Review Course on **Monday, Feb. 27, 2012** and **Tuesday, Feb. 28, 2012** and an opportunity to take CGFM Examinations on **Feb. 29 -March 2, 2012.** The cost of the course is only $279 for qualified participants, and it offers 18 CPE hours. Special Bonus: The CGFM Examinations are offered at no cost to course attendees.



This course is designed as a supplement to previous preparation for the CGFM Examinations, so this is a perfect opportunity for those individuals who have already attended CGFM training courses or have been preparing by using the CGFM Study Guides. Enrollment is limited and participants must first apply and be accepted into the CGFM Program, so don't delay.

More information and a registration form for this event are available on AGA's website.

December Training Recap by Florence Wolford

IT Governance

The Baltimore Chapter held its joint meeting with the Information Systems Audit and Control Association in December with 81 people in attendance at Snyder's Willow Grove Restaurant. Mr. Scott Higgins, Director of Audit & Advisory Services at CareFirst Blue Cross Blue Shield, presented our training on IT Governance. Mr. Higgins is a certified Information Systems Auditor (CISA) and is responsible for the planning and directing of information technology audits for CareFirst entities.

IT Governance is defined by Forrester Research Inc. as the process by which decisions are made around IT investments, how those decisions are made, who makes them, who is accountable, and how the results of the decisions are measured. Gartner Inc. defines IT Governance as the set of processes that ensure the effective and efficient use of IT in enabling an organization to achieve its goals. Mr. Higgins explained that IT governance can be thought of as "doing the right things" or demand governance, and "doing things right" or supply-side governance.

Why is IT governance important? Pinnacle Intertech, Inc. reported that over 80 percent of IT projects are delivered late and over budget. In many companies today, Boards of Directors are adding an IT oversight committee to become more involved in the role that IT plays in enabling and executing the organization's strategy. IT governance is important because if implemented properly, it provides:

- Appropriate level of security for information,
- Prioritization of technology investments,
- Alignment of business and IT strategy,
- Appropriate level of technology spending,
- Identification of how IT can improve or influence business processes,
- Use of technology to drive business change,
- Timely disaster recovery capabilities, and
- Improvement of internal controls.

While there is no single, complete, off-the-shelf IT governance framework, there are a several that serve as a useful starting point for developing a governance model. Therefore, most IT organizations today are developing their own models, but borrowing heavily from existing frameworks. One such framework is COBIT (Control Objectives for Information and related Technologies). Other frameworks are COSO (Committee of Sponsoring Organizations of the Treadway Commission), and ISO 17799 (International Organization for Standardization 17799).

Snapshot from the CGFM Committee Happy Hour!

On December 09, 2011, the CGFM Committee of the AGA Baltimore Chapter hosted a Happy Hour at TGI Fridays in Owings Mills, Maryland. The Happy Hour was a great event allowing members and guests the opportunity to socialize and network outside the office. A special thanks to Shelvon Skinner for planning this great event for the Chapter and all members and guests that attended!

Early Careers Committee Needs Volunteers for Our Daily Bread Annual Event

AGA Baltimore's Early Careers Committee is looking for volunteers to work at Our Daily Bread soup kitchen on Saturday February 4, 2012 from 9 am to 1 pm. Ten volunteers are needed to assist. All volunteers' interested need to email *Agabaltearlycareers@yahoo.com* by January 23, 2012. Questions can be directed to Tonia Hill at 410-965-9916.

Our Daily Bread is located at The Fallsway Road in downtown Baltimore. Their mission is to provide a hot, nutritious lunch for anyone in need. They serve weekday breakfast to the elderly and those with special needs. In addition, groceries are made available to members of the 'Food Club' and serves as the mailing address for guests who have no permanent residence. Recognizing that their guests often need more than food in their quest for self sufficiency, Catholic Charities has established two additional services at Our Daily Bread that provides emergency services and employment assistance.

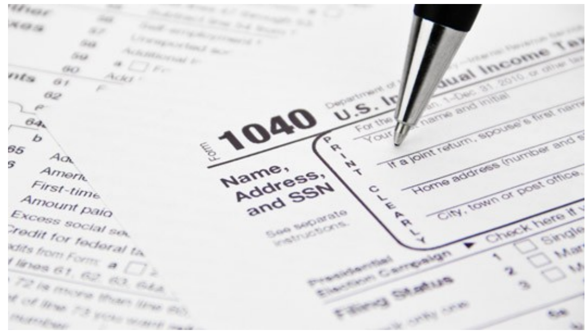
To learn more about Our Daily Bread visit http://www.cc-md.org/emergency/our-daily-bread.html.

AGA Baltimore Chapter
Financial Statement as of November 30, 2011

Assets		**Liabilities and Fund Equity**	
Checking	$ 10,011	Accounts Payable	$ 0
Certificates of Deposit	15,343	Fund Equity Balance	31,524
Miscellaneous Receivable	4,420		
Prepaid Expenses	1,750		
Total Assets	**$ 31,524**	**Total Liabilities & Fund Equity**	**$ 31,524**

In 2012, Many Tax Benefits Increase Due to Inflation Adjustments — IRS 2011-104

For tax year 2012, personal exemptions and standards deductions will rise and tax brackets will widen due to inflation, the Internal Revenue Service announced in late October. By law, the dollar amounts for a variety of tax provisions, affecting virtually every taxpayer, must be revised each year to keep pace with inflation. New dollar amounts affecting 2012 returns include the following:



- The value of each personal and dependent exemption, available to most taxpayers, is $3800, up $100 from 2011.
- The new standard deduction is $11,900 for married couples filing a joint return (up $300); $5,950 for singles and married filing separately (up $150); and $8,700 for heads of household (up $200).
- Tax bracket thresholds increase for each filing status. For a married couple filing a joint return, for example, the taxable income threshold separating the 15% bracket from the 25% bracket is $70,700, up from $69,000 in 2011.

Credits, deductions, and related phase outs.

- For tax year 2012, the maximum earned income tax credit (EITC) for low- and moderate- income workers and working families rises to $5,891, up from $5,751 in 2011. The maximum income limit for the EITC rises to $50,270, up from $49,078 in 2011.The credit varies by family size, filing status and other factors, with the maximum credit going to joint filers with three or more qualifying children.
- The foreign earned income deduction rises to $95,100, an increase of $2,200 from the maximum deduction for tax year 2011.
- The modified adjusted gross income threshold at which the lifetime learning credit begins to phase out is $104,000 for joint filers, up from $102,000, and $52,000 for singles and heads of household, up from $51,000.
- For 2012, annual deductible amounts for Medical Savings Accounts (MSAs) increased from the tax year 2011 amounts (see table below).

Medical Savings Account	Self Only Coverage	Family Coverage
Minimum Annual Deductible	$2,100	$4,200
Maximum Annual Deductible	$3,150	$6,300
Maximum Annual Out-of-Pocket Expenses	$4,200	$7,650

The $2,500 maximum deduction for interest paid on student loans begins to phase out for a married taxpayers filing a joint returns at $125,000 and phases out completely at $155,000, an increase of $5,000 from the phase out limits for tax year 2011. For single taxpayers, the phase out ranges remain at the 2011 levels.

Estate and Gift

For an estate of any decedent dying during calendar year 2012, the basic exclusion from estate tax amount is $5,120,000, up from $5,000,000 for calendar year 2011. Also, if the executor chooses to use the special use valuation method for qualified real property, the aggregate decrease in the value of the property resulting from the choice cannot exceed $1,040,000, up from $1,020,000 for 2011.

The annual exclusion for gifts remains at $13,000.

Other Items

- The monthly limit on the value of qualified transportation benefits exclusion for qualified parking provided by an employer to its employees for 2012 rises to $240, up $10 from the limit in 2011. However, the temporary increase in the monthly limit on the value of the qualified transportation benefits exclusion for transportation in a commuter highway vehicle and transit pass provided by an employer to its employees expires and reverts to $125 for 2012.
- Several tax benefits are unchanged in 2012. For example, the additional standard deduction for blind people and senior citizens remains $1,150 for married individuals and $1,450 for singles and heads of household.

Details on these inflation adjustments can be found in Revenue Procedure 2011-52.

Start the New Year Off Right by Registering Today for AGA's 2012 Conferences!

AGA is pleased to offer four exciting conferences in 2012 and registration is now open for most events. This promises to be another dynamic year for AGA education and networking, with these four conferences alone offering over 60 CPE hours. Add in AGA's audio conferences, onsite courses and CPE online offerings, and AGA becomes your one-stop source for all the affordable CPE you need to maintain your CGFM and other designations.

National Leadership Conference

First on the 2012 conference list is the 10th Annual National Leadership Conference on Feb. 16-17 at the Ronald Reagan Building and International Trade Center in Washington, D.C. Offering 14 CPE hours, the NLC attracts the top leaders in federal, state and local government for two days of spirited dialogue. Save $100 if you register by January 20.

Register online. https://members.agacgfm.org/source/security/member-logon.cfm?origin=meetings

Print the registration form. http://www.agacgfm.org/conferences/downloads/NLCRegistrationForm.pdf

Federal Performance Conference

Next up is AGA's Third Annual Federal Performance Conference, set for April 24-25 at the Washington, DC Convention Center. This conference, which offers 10-14 CPE hours, is targeted toward professionals working in the federal performance management and reporting arena, providing them the opportunity to discuss common challenges and solutions.

For more information on the conference, contact Evie Barry at ebarry@agacgfm.org. For sponsorship information, contact Jerome Bruce at jbruce@agacgfm.org.

Professional Development Conference

AGA's 61st Annual Professional Development Conference & Exposition will take place from July 29-August 1 at the San Diego Convention Center, San Diego, CA. The theme of this year's conference is "Navigating the Winds of Change". AGA's premier education event offers 24 CPE hours and unparalleled networking opportunities. Government finance professionals from federal, state and local government as well as the private sector and academia agree that the PDC has something for everyone. Register by June 29 to save $100.

Register online. https://members.agacgfm.org/source/security/member-logon.cfm?origin=meetings

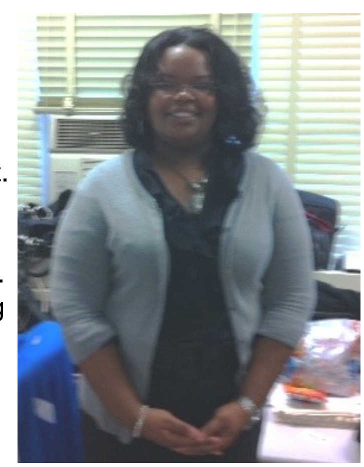
Print the registration form. http://www.agacgfm.org/conferences/downloads/PDCRegistrationForm.pdf

Internal Control and Fraud Conference

AGA's Seventh Annual Internal Control & Fraud Conference is set for Sept.24-25 at the Ronald Reagan Building and International Trade Center in Washington, D.C. Offering 14 CPE hours, this conference is a must for those working to prevent fraud, waste and abuse in government programs. Save $100 if you register by August 21. Registration details to come!

Early Careers Committee Host Accounting Event at Lansdowne High School

On December 16, 2011, the Early Careers committee hosted a Careers in Accounting event at Lansdowne Senior High School. Tonia Hill and Rashad Holloway spoke on behalf of the AGA Baltimore Chapter about the advantages of pursuing a career as an accounting professional. There were 30 Academy of Finance students in attendance for the event. The presentation educated students about the numerous opportunities available in accounting as a career choice, the role of accountants, and provided information about the AGA Baltimore Chapter. Ms. Hill and Mr. Holloway responded to several questions from the audience about being an accountant, describing daily routines, career success/failures, and providing keys to overcoming adversity. The Academy of Finance students and staff were appreciative of the AGA Baltimore Chapter for hosting the event at the school.



THANK YOU *FOR YOUR SUPPORT!*

Call for 2012 National Academic Scholarships

Are you or a family member pursuing undergraduate or graduate studies in disciplines such as accounting, auditing, budgeting, economics, finance, information technology, public administration, etc.? If so, consider applying for an AGA National Academic Scholarship today!

Each year, AGA National awards:

- Up to four $3,000 full-time merit scholarships to AGA members and their family members,
- Up to two $1,000 part-time merit scholarships to AGA members and their family members, and
- One $3,000 community service scholarship to AGA members and non-members.

The deadline for receipt of applications is Thursday, **March 30, 2012**. Apply now and take full advantage of your AGA membership. Download a copy of the application. Contact Louise Kapelewski with questions.

Baltimore Chapter Volunteers at Bethel Outreach Center

On Saturday December 17, 2011, AGA Baltimore volunteered at Bethel Outreach Center from 9am to 12pm to serve meals to the underserved population in Baltimore City. The two volunteers were Tasha Austin and Tonia Hill. The volunteers helped serve over 50 meals that day. Bethel Outreach Center is always in need of volunteers. A donation was not provided at the time but will be mailed to assist in their continued efforts to serve the community.

COSO Releases Internal Control - Integrated Framework for Public Comment

Authored by PwC, updated Framework addresses significant changes in the business environment and associated risks

ALTAMONTE SPRINGS, Fla. and NEW YORK , Dec. 19, 2011 /PRNewswire/ -- The Committee of Sponsoring Organizations of the Treadway Commission (COSO) – an organization providing thought leadership and guidance on internal control, enterprise risk management, and fraud deterrence – has released, for public comment, an updated *Internal Control – Integrated Framework* (*Framework*) intended to help organizations improve performance with greater agility, confidence and clarity.

COSO originally engaged PwC to develop a framework for internal control in response to a recommendation from the Treadway Commission. Building on the success of the original framework, COSO has worked with PwC to update it for organizations: to adapt to increasing complexity and pace of change; to mitigate risks to the achievement of objectives; and to provide reliable information to support sound decision making.

A broad range of professionals from industry as well as representatives and observers from academia, government agencies, and nonprofit organizations have provided a wealth of perspective on how the original *Framework* can be refreshed. The *Framework* retains the core definition of internal control and the five components of a system of internal control. One of the most significant enhancements is the codification of internal control concepts introduced in the original framework into 17 principles and supporting attributes that further support organizations as they apply judgment in managing risk and improving performance in an increasingly complex and rapidly changing environment.

Following the comment period, which ends March 31, 2012 , the *Framework* will be revised as necessary. Release of the final *Framework* is expected in fall of 2012.

"Issued in 1992, the COSO *Internal Control-Integrated Framework* has become the most widely used internal control framework in the world," said David L. Landsittel , Chairman of COSO. "The key concepts proposed in our original framework are timeless, yet the changes we have seen in the business and operating environments have driven the need for this update. The update should allow organizations to more effectively utilize the framework to develop and maintain systems of internal control in support of their long-term success."

Miles Everson , Global Leader of Governance, Risk and Compliance with PwC and Project Leader noted, "We are spearheading this update to enable organizations of all types and sizes to efficiently develop systems of internal control that further enhance the likelihood of achieving their objectives."

"Effective internal control allows organizations to adapt to a changing business landscape, and obtain confidence that controls mitigate risks to acceptable levels," added Landsittel. "This is key for the long-term success of any organization."

To access the complete *Internal Control-Integrated Framework*, please visit www.ic.coso.org.

About COSO

Originally formed in 1985 to sponsor the National Commission of Fraudulent Financial Reporting, COSO is a joint initiative of five private sector organizations and is dedicated to providing thought leadership through the development of frameworks and guidance on enterprise risk management (ERM), internal control and fraud deterrence. COSO's supporting organizations are The Institute of Internal Auditors (IIA), the American Accounting Association (AAA), the American Institute of Certified Public Accountants (AICPA), Financial Executives International (FEI), and the Institute of Management Accountants (IMA). www.coso.org

About the PwC Network

PwC firms help organizations and individuals create the value they're looking for. We're a network of firms in 158 countries with close to 169,000 people who are committed to delivering quality in assurance, tax and advisory services. Tell us what matters to you and find out more by visiting us at www.pwc.com.

Cost Cutting Initiatives Across the Federal Government

One of the key initiatives of the Obama Administration is changing the way the Federal Government does business. Part of this initiative includes cutting waste among Federal agencies to help make Government more efficient in order to save taxpayer dollars. To reach this goal, the Office of Management and Budget (OMB) has targeted several key areas where the Government can reduce its costs. These initiatives include reducing contract spending, disposing of unneeded Federal property, reducing improper payments, and reducing Information Technology investment costs. Another key initiative is to cut wasteful and inefficient spending practices for administrative expenses, including travel, printing and publications, supplies, conferences, and fleet inventory.

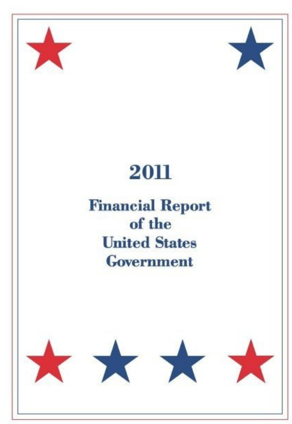
Due to the Administration's aggressive approach in reducing wasteful spending in Government, OMB has issued numerous directives to Federal agencies requiring them to develop plans and report on their progress in all targeted areas. Below is a list of links to the Executive Orders and OMB memorandums relating to these initiatives:

- Executive Order 13589 "Promoting Efficient Spending." (November 9, 2011)
- M-11-35, Eliminating Excess Conference Spending and Promoting Efficiency in Government (September 21, 2011)
- OMB: M-11-31, Delivering an Efficient, Effective, and Accountable Government (August 17, 2011)
- OMB: M-11-30, Fiscal Year 2013 Budget Guidance (August 17, 2011)
- OMB Memo, Campaign to Cut Waste (June 28, 2011)
- Executive Order 13576, "Delivering an Efficient, Effective, and Accountable Government" (June 13, 2011)
- OMB: M-11-24, Implementing Executive Order 13571 on Streamlining Service Delivery and Improving Customer Service (June 13, 2011)
- OPM: M-11-22, Realignment of Federal Real Estate (May 4, 2011)
- Executive Order 13571: Streamlining Service Delivery and Improving Customer Service (April 27, 2011)
- OMB: M-11-18, Implementation of the SAVE Award in the President's FY 2012 Budget (April 25, 2011)
- OMB: M-11-17, Delivering on the Accountable Government Initiative and Implementing the GPRA Modernization Act of 2010 (April 14, 2011)
- OMB: M-11-04, Increasing Efforts to Recapture Improper Payments by Intensifying and Expanding Payment Recapture Audits (November 16, 2010)

Fiscal Year 2011 Financial Report of the United States Government

On December 23, 2011, the Department of Treasury issued the *Fiscal Year 2011 Financial Report of the United States Government (Report).* The Report provides the President, Congress, and the American People with a comprehensive view of the federal government's finances, i.e., its financial position and condition, its revenues and costs, assets and liabilities, and other obligations and commitments. The Report is compiled primarily from individual federal agencies' audited financial statements and related information included in the agencies' financial reports.

Unfortunately the Government Accountability Office could not render an opinion on the 2011 consolidated financial statements because of three main obstacles:



(1) serious financial management problems at the Department of Defense that made its financial statements unauditable;

(2) inadequate accounting and reconciliation of intragovernmental activity and balances between federal agencies; and

(3) ineffective process for preparing the consolidated financial statements. These same issues prevented GAO from issuing an opinion for the fiscal year 2010 statements.

To view the report, visit http://www.fms.treas.gov/fr/index.html. Treasury also produces a Citizen's Guide to the 2011 Financial Report of the United States Government, which provides a summary of the key information contained in the full report, is also available on the website.

December Chapter Executive Committee Meeting Minutes

Date: November 3, 2011 **Time:** 2:00-3:00 **Location:** Social Security Administration

Attendees: Attendees: Karen Ajayi (phone), Cheryl Dailey (phone), Walt Fennell (phone), Joanne Gasparini (phone) Tonia Hill (phone), Letha Holliday, Rashad Holloway (phone), Omar Kuyateh (phone), Lori Lee (for Kelly Stankus), Monica Morgan (phone), Jennifer Pendleton (phone) Kristina Poist, Kristen Schnatterly (phone) John Selby, Mark Silvestri, Shevlon Skinner (phone), Joann White-Burnett (phone)

Approval of Minutes: The minutes from October 6th were approved.

Treasurer's Report: John provided an update on the financial status of the chapter.

Chapter Committee Reports

Awards – Walt is considering nominees for November awards.

CGFM – The committee discussed the holiday happy hour set for December 9th. The CGFM Month Proclamation was submitted to the City of Baltimore.

Early Careers – The committee discussed the October happy hour and deemed it a success. The committee is in the process of trying to finalize speakers for their March sponsored meeting. During the weeks of November 28th and December 5th, Early careers will be participating in accounting career workshops at Lansdowne and Forest Park High Schools, respectively. They have also been extended an invitation to speak on November 10th 6:30 pm for the Beta Alpha Psi at Morgan State. Rashad is looking for a volunteer to speak.

Education and Programs – The committee is looking into a motivational speaker for the Awards ceremony and additional speakers are also needed for the Fraud Conference on May 9th. The committee also said that the Board will have to determine the cost of attending the March early careers meeting (2 CPE) and April awards luncheon (1 CPE), since the current fee per CPE will not cover the cost of food.

Meetings – The September meeting had 70 participants (2 of which were speakers) and the October meeting had 57 participants (3 of which were speakers). A motion was passed to increase the cost of the joint meeting with ISACA in December. The revised costs are $45 for member and $90 for non-members. This is the price that ISACA charges for registration to this meeting. ISACA is also starting the meeting at 10:45 with appetizers (cheese and veggies), at 11:45 lunch will be served and the speaker(s) will present from 1 – 4. The Maritime contract for the Fraud conference was reviewed for the necessary changes and signed. It is with John for signature and deposit of $1,750.

Membership – The committee needs other members to help on the committee. They requested that the Webmaster make updates to the Membership link.

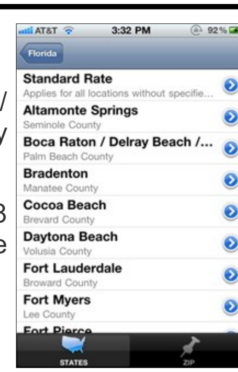
Webmaster – The committee is working to update the web page with latest newsletter and will make the changes requested by the Membership committee.

Accountability – Johnny has gotten several volunteers to be CEAR reviewers, which helps give us points. He also has some volunteers to work on the chapter citizen-centric report, but could use additional help. He is also looking for someone who can speak about their past experience as a CEAR reviewer.

New Business— The Board discussed taking pictures of new members, as well as providing nametags at upcoming meetings.

Per Diem Mobile App

There is a new app available that allows travelers to look up Federal Government per diem rates by city/ state and zip code in locations throughout the United States and its territories. Per diem is the daily allowance for lodging (excluding taxes), meals and incidental expenses.



These rates are established by the General Services Administration for destinations in the lower 48 contiguous United States, and by the Department of Defense for locations in Alaska, Hawaii, and the U.S. Territories. The Department of State sets the rates for foreign travel locations.

To view the Per Diem App download restrictions, visit the Mobile App Download page.

AGA Audio Conferences

Getting a Handle on Internal Controls

January 11, 2012 • 2:00 pm—3:50 pm • $249 per site • 2 CPEs

AGA, in conjunction wit the National Association of State Auditors, Comptrollers and Treasurers and the Association of Local Government Auditor, is pleased to announce a new audio conference on making internal controls work by considering risks to the organization and understanding the impact of inefficiencies on fraud, waste, and abuse. This audio conference will address the elements of internal control from top management to operating levels. It includes the consequences of failing to pay attention to organization operations and the internal control environment, so often overlooked by auditors and management alike. Major inefficiencies creep into organizations with little or no internal controls, creating an environment where fraud, waste and abuse can, and often does, occur.

To share his knowledge and expertise about internal controls is **William D. Miller CIA, CGFM,** county auditor, Johnson County, Kansas and member of AGA's National Committee. Please join us for two hours of lively discussion about this important and timely topic. 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.

Jumpstart You Entity's Performance and Processes with an Extreme Government Makeover

January 25, 2012 • 2:00 pm—3:50 pm • $249 per site • 2 CPEs

AGA is pleased to announce its latest audio conference on improving government performance and processes. The house of government is broken, and it needs a serious makeover from top to bottom. The presenter, who recently wrote, *Extreme Government Makeover,* discusses how the processes of government became so complicated and inefficient and how to start cleaning up the mess. **Ken Miller**, founder of the **Change and Innovation Agency,** suggests simple ways that public-sector leaders can tear down all the twisted, broken parts of government and rebuild a stronger, leaner, and better equipped to help citizens. Miller will share clear and concise tips on increasing government's capacity. If you need some new ideas to jumpstart your agency or government to think differently, don't miss this audio conference.

Please join us for two hours of lively discussion about this important and timely topic. 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.

Register for Audio Conference

2012 Audio Conference Schedule

January 11	Getting a Handle on Internal Controls
January 25	Jumpstart Your Entity's Performance and Processes with an Extreme Government Makeover
February 8	Financial Management
March 7	Data Mining
March 21	Performance Management
April 18	Find Strength in Numbers: Sampling Techniques to Improve Audit, Control, & Program Performance
May 9	Fraud
May 23	Ethics
June 6	Performance Management

Member Spotlight : *Kali Biagioli*

What do you do, and how long have you been doing it?

I am an auditor with the SSA's Office of the Inspector General, Office of Audit. I have been with the OIG for almost three years. Prior to that, I worked in public accounting for five years at PwC, and I worked in the corporate finance department of Legg Mason for several years.

What was your first job?

I worked as a waitress in a family owned restaurant during high school and college. My first full time job was as an administrative assistant for a group of radiologists.

Where did you complete your formal education?

The American University in Washington, DC.

How long have you been a member of AGA and why did you join?

I am in my second year as a member of AGA. I joined to meet other people in the government accounting field and to have the opportunity to volunteer and participate in professional activities outside of work.

If you could choose another carreer, what would it be and why?

I would choose something international, either in finance or international development. I have always dreamed of traveling around the world.

What is something most people do not know about you?

I majored in International Studies and Economics in college. I decided to pursue my CPA after I graduated.

What are your other hobbies or interests ourside of work?

I have two children so between work and my family, I don't have much time for hobbies. I enjoy spending time with children reading, playing or watching movies. I also enjoy yoga and skiing when I can find the time.

What books are you currently reading?

I'm really behind in reading the latest books. I just started reading The Girl with the Dragon Tattoo. I want to see the movie but read the book first. I just finished reading a short story called The Lie that I couldn't put down.

What is your favorite travel destination and why?

I've always loved the beach. A beach vacation is my favorite because it's relaxing and fun for the whole family. We enjoy going to Bethany or Fenwick Island. I've also visited Greece with my husband and children, and I have some favorite beaches there.

What is the quality you most admire in others and why?

I've always admired the ability to speak publicly and to make it interesting and entertaining. I think people who can do that have a special talent.

Interested in being featured in our monthly newsletter?

Contact the newsletter team - Newsletter@agabaltimore.org. We are always looking for new faces to spotlight!

Want to Make a Difference?

Are you, or someone from your chapter planning to attend a career fair, or an event for college students? AGA now has an eye-catching brochure that offers information about government financial management careers and answers questions for aspiring government financial managers regarding the qualifications and skills needed to get started. It also includes a bookmark for students that directs them to the Tomorrow's Professionals website for more information. To order free copies of the brochure, please submit the collateral order form found in the Members Only section on the AGA national website www.agacgfm.org or contact Jessica Jones at JJones@agacgfm.org.

DID YOU KNOW THAT YOU MAY START PERSUING THE CGFM NOW?

Just because you are new or slightly short of meeting the eligibility requirements does not mean you cannot begin pursuing the CGFM certification.

The AGA's CGFM eligibility requirements are:

- At least two years of professional-level experience in government financial management prior to being awarded your designation as a CGFM.
- Must have a bachelor's degree from an accredited college or university, and completion of at least 24 semester credit hours (or 36 quarter credit hours) of study composed of courses in one or more of the following areas:
  - Accounting
  - Auditing
  - Budgeting
  - Economics
  - Electronic Data Processing
  - Finance
  - Information Resources Management
  - Public Administration
  - Other Financial Management or Related Topics

Note that if you have the education requirements but don't have the experience requirement, you can still sit for the exam; however, you will not be able to receive a certification until you have earned two years of professional experience. Once you have earned your 2 years of work experience, you would simply submit your work verification form to the AGA Office of Professional Certification. There is plenty of time. The CGFM eligibility does not expire until after 3 years.

Additionally, if you are currently enrolled in school and are within one year of graduation with an applicable bachelor's degree, you may be able to apply for the CGFM Program and start taking the CGFM Examinations before your degree is conferred (note: proof of the degree will be required before the CGFM can be awarded).

DON'T MISS OUT ON A CAREER ENHANCING OPPORTUNITY!

Are you a Government employee, an auditor of Government business, or a contractor providing Government goods or services? If so, you should be interested in becoming a Certified Government Financial Manager (CGFM). The CGFM is not just another professional certification; it is truly a mark of excellence in the business community that represents the value added intricate knowledge of Government and Government business.

For years, the Certified Public Accountant (CPA) certification has been highlighted as the premier accounting and finance professional certification, and it still is. The CPA requires its candidates to obtain fundamental knowledge of core Government and Government accounting practices. However, the CGFM provides a more in-depth and customized study of Government history, structure, purpose, ethics, public accountability, planning, programming, budgeting, operations, accounting, reporting, and management. So ***DON'T WAIT*** and ***DON'T MISS OUT*** on the opportunity to add value to your personal and professional knowledge about Government. ***ACT NOW*** and commit ***TODAY*** to the pursuit and successful accomplishment of the CGFM certification.

To find out more visit AGA CGFM Certification or contact:

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If you or someone in your office has reached a career milestone, received certification, been promoted, or accomplished a personal goal, please share with your peers.

Editorial contributions are due by the second Friday of each month. Ideas and suggestions can be sent to the Newsletter Committee at Newsletter@agabaltimore.org.