



GOVERNMENT E-NEWS

E-NEWSLETTER FOR AICPA MEMBERS IN GOVERNMENT

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DEAR MEMBERS

Change is in the air! As I write this from my home in New Jersey, the temps are in the single digits and the wind chill factor brings it well below zero. Quite a change from what we had a few short weeks ago. Elsewhere in the country you have been through some weather changes too – and as you know, that's not all the changes going on.

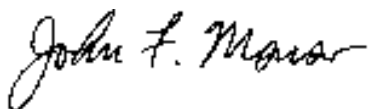
Let me update you on two changes at the AICPA that impact you. In our last issue of GPAC News I told you that Costa Triantaphilides had completed his term as the chair of our Government Performance and Accountability Committee, and Pam Green, my long-time staff colleague had decided not to move to NC and would leave the AICPA. Now let me tell you about two new people:

Jeanette Franzel becomes the new chair of GPAC after completing a full three-year term as a member of the committee. Jeanette is high-energy and smart; she is at the executive level at GAO and well known to many in the government accounting community at the federal, state and local level. In fact, many of you may have heard her speak at a variety of conferences and other programs throughout the nation. We are very lucky that she agreed to take the chair's seat for the next three years and I know she will build further on the solid foundation built by our previous chairs.

Nancy-Anne Potts is my AICPA colleague that will provide the primary staff support to GPAC. Nancy-Anne joined the AICPA in late October in our Durham, NC office. She comes to us with significant experience from IBM and Lenovo and my experience with her to date has been all positive – I am continually amazed at what she gets done with us, and I am excited that she wanted this opportunity to work closely with GPAC – I know she will do great!

So, it's going to be a good year, and we look forward to telling you about it through our quarterly editions of GPAC News.

Best regards,



John F. Morrow, CPA
AICPA Vice President
The New Finance

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Update on the Revision of the Government Auditing Standards (*The Yellow Book*)

With the exception of the quality control and peer review standards which have been redrafted and are being exposed for comment,, the 2007 Revision of the Government Auditing Standards has been released by the GAO electronically and is available on the [GAO's website](#) Commonly referred to as the “Yellow Book”, these standards were last updated in 2003. The complete 2007 revision will be available once the quality assurance and peer review sections are finalized. The new standards will be effective for financial audits and attestations engagements for periods beginning on or after January 1, 2008 and for performance audits beginning on or after January 1, 2008. Early implementation is permissible and encouraged.

According to the Advisory issued by the GAO “The 2007 revision contains fundamental changes that reinforce the principles of transparency and accountability, and provide the framework for high quality government audits that add value”. Specific changes include:

- heightening the emphasis on ethical principles, including a description of five key ethical principles to guide the work of auditors of government programs and operations,
- clarifying the discussion of the impact of professional services other than audit services and their impact on auditor independence,
- updating the financial auditing standards,
- enhancing performance-auditing standards,
- clarifying the standards through standardized language to define the auditor’s level of responsibility and distinguish between auditor requirements and additional guidance, and
- reinforcing the key role of auditing in maintaining accountability and providing information for making improvements in government operations.

The redrafted quality assurance and peer review sections of the document have also been posted on the [GAO's website](#), along with specific questions developed to assist commenters. Comments should be sent electronically to yellowbook@gao.gov no later than March 30, 2007.

Outstanding CPA in Government Award

Do you know a CPA who should be recognized as an Outstanding CPA in Government? Each year the AICPA presents the [Outstanding CPA in Government Awards](#) to members of the AICPA and/or state CPA societies employed in or recently retired from government who have distinguished themselves by having made a sustained and significant contribution to the increased efficiency and effectiveness of his or her government organization and to the growth and enhancement of the CPA profession. Three awards are given—one for local government, one for state government and one for federal government.

Nominations are now being accepted for the 2007 AICPA Outstanding CPA in Government Award(s). Nominations must be submitted by **April 30, 2007**. For more information on the award and submitting submit a nomination please download the [Nomination Criteria and Form](#).

AGA Citizen Centric Government Reporting Initiative

The AGA Citizen Centric Government Reporting Initiative in designed to encourage governments to produce short citizen-friendly reports on the financial status of governments. The AGA is looking for comments and for governments to participate in pilot phase of this initiative. A sample report from the City of Virginia Beach and a template for producing such a report is available on the website. If you wish to learn more or to comment please see the [AGA Citizen Centric Government Reporting Initiative](#) website.

Feed the Pig

By now you may have seen or heard the “Feed the Pig” public service announcements sponsored jointly by the AICPA and the National Advertising Council. Launched in October this campaign is an extension of the 360 Degrees of Financial Literacy initiative that has been underway for several years now. “Feed the Pig” is targeted at 25 to 34 year olds and this campaign encourages savings as a key step in building a solid financial future. You can help support this campaign in a number of ways:

- Work with HR or management in your workplace to schedule presentations on financial literacy in meetings or as brown bag sessions.
- If your workplace has bulletin boards consider posting a “Feed the Pig” poster.
- Arrange to give presentations to community organizations in your area.
- Don’t worry about limiting the group to only 25 to 34 year olds – most of the material is applicable to a wide age range. In addition parents of grown children may find much of the material useful in guiding their young adult progeny.

A number of resources are available for AICPA members to use in promoting this campaign in their workplaces and communities. Included in the materials are PowerPoint presentations, speeches, facts, tips, printable pdfs and orderable promotional items. See the [AICPA's Feed the Pig member page](#) for more information and to download material.

New Members Join AICPA Government Performance and Accountability Committee

In October the following new members joined the AICPA Government Performance and Accountability Committee (GPAC) to replace members whose terms were expiring. The new members are:

- **Joel Grover, CPA**

Joel is the Deputy Assistant Inspector General for Financial Management and IT Audits at the U.S. Department of Treasury Office of Inspector General. Joel has been an active member of the AICPA and of the Maryland Association of Certified Public Accountants for many years. For the past five years he has served as co-chairman of the state association Members in Government Committee and was awarded the Max Teichmann Outstanding Chair Award for the Year 2003 – 2004.

- **Michele Mark Levine, MPA, CPA**

Michele Mark Levine is the Director of Accounting Services of the New York City Office of Management and Budget. Ms. Levine is a member of the Government Finance Officers Association of US and Canada, and currently serves as Chair of GFOA’s Committee on Accounting, Auditing and Financial Reporting (CAAFR). She is also a member and past Chair of the Government Accounting and Auditing Committee of the New York State Society of CPAs, and serves on the editorial board of the CPA Journal. She is an active member of the AICPA, and previously served on the Institute’s State and Local Government Expert Panel.

- **D. Scot Loyd, CPA, CGFM**

Scot is the partner in charge of a diversified governmental practice relating to states, counties, cities, schools and other miscellaneous government entities at the firm Swindoll, Janzen, Hawk & Loyd, LLC in McPherson, Kansas. He has been both member and chair of numerous AICPA and Kansas State Society Committees and task forces. He has also served on several Mid-America Intergovernmental Audit Forum Committees. Most recently he was a member of the AICPA’s Professional Ethics Executive Committee and the GAO Strategic Planning Task Force for the National Intergovernmental Audit Forum. Mr. Loyd has also co-authored several publications with Michael Crawford including *2005, 2006 and 2007 CCH Miller Governmental GAAP Guide*, *CCH Governmental GAAP Practice Manual*, *CCH Miller Governmental GAAP Update Service* (Published twice monthly) and the *2007 CCH CPA’s Multistate Guide: Professional Conduct and Business Ethics*.

- **Sharon R. Russell, CPA, CGFM**

Ms. Russell is the Director of Research and Professional Development for the Alabama Department of Examiners of Public Accounts. She is a member of the AICPA, the Alabama Society of CPAs, and the Association of Government Accountants (AGA). She currently serves as the AGA representative to the Governmental

Accounting Standards Advisory Council. Ms. Russell is a member of the AGA Financial Management Standards Board, and is a member of the National State Auditor's Association (NSAA) Audit Standards and Reporting Committee, and Single Audit Committee. Ms. Russell also serves as an instructor for the Certified Public Manager Program offered through Auburn University at Montgomery.

The other returning members of this year's committee are:

- **Paul Carlson, CPA**
Comptroller, State of Nebraska
- **Donald Deis, Ph.D., CPA, CGFM**
Ennis S. & Virginia C. Joslin Endowed Chair in Accounting & Professor Texas A&M University-Corpus Christi
- **Auston Johnson, CPA**
Utah State Auditor
- **Edna Knight, CPA**
Deputy Director, Standards and Compliance Defense Finance and Accounting Service
- **L. Mack Shealy CPA, CGFM, CICA**
CFO CSRA Regional Development Center, Augusta, GA

Applications being Accepted for 2007/2008 GPAC Committee Openings

Applications are currently being accepted for the GPAC Committee for the 2007/2008 committee year. The cutoff date for applying for the committee is April 30, 2007. The AICPA GPAC represents CPAs working in all levels of federal, state and local government. It also serves the public who depend on CPAs to help ensure government accountability. The mission of the GPAC is to

1. promote greater government accountability and the integrity of government operations, information and information systems,
2. promote and encourage increased participation and involvement by CPAs in government within the AICPA,
3. enhance the professional image and value of CPAs in government,
4. provide advice and counsel to the Institute on the needs of CPAs in government,
5. serve as a conduit for communications among CPAs in government, the Institute and other professional organizations.

The committee consists of members from local, state and federal government along with representatives from academia and a public accounting firm serving government clients. For more information on volunteering on AICPA committees please visit [AICPA Volunteer Central](#).

RESOURCES

Governmental Audit Quality Center

If you are involved with internal audit or are being audited you may find useful information on the [AICPA Governmental Audit Quality Center](#). While this center is designed for firms who perform government audits much of the information contained will also be useful to government personnel involved in the audit process. Click [here](#) to go to the center.

New Member Resource: Take Charge of your Career

In these fast changing times, it's hard for busy professionals to recognize when new competencies need to be learned—and to make sure their core competencies continue to meet the current needs of the marketplace. Career planning can be difficult and overwhelming. But help is here. Take Charge of Your Career, a 5-step guide to help current and aspiring CPAs with their career planning, is now available for download from the Financial Management Center at [Take Charge of Your Career](#).

Created by the Business, Industry and Government team, but useful for all current and aspiring CPAs, Take Charge of Your Career makes the career planning process less daunting. Anyone, at any point in his or her career, can use the guide's tips and tools to avoid career stagnation and move closer to goals and aspirations. This free guide can also help you cope with changes, both planned and unplanned.

When used with the [AICPA Competency Self-Assessment Tool \(CAT\)](#) which is available online at www.cpa2biz.com/CAT, the guide can help current and future CPAs with their careers. Remember, CAT is **free** to AICPA members!

Please share this email and information with your members and staff. The Take Charge of Your Career Guide and Competency Self-Assessment Tool are important resources that all our members should know about. For more information or to request someone to speak about the guide and CAT at your next meeting, please contact our colleague Kayla Briggs, AICPA Competency Center Champion, at kbriggs@aicpa.org, or 919-402-4822.

CONFERENCES

Mark Your Calendar Now — Governmental Accounting and Auditing Update

The dates are set for the [Governmental Accounting and Auditing Update](#) to be held in Washington, DC on August 20 and 21, 2007 and in Tempe, AZ on September 17 and 18, 2007. This conference offers members in Government the opportunity to learn the latest on standards and legislation impacting federal, state and local government accounting. It is also a great place to meet others in your field. Click [here](#) for more information and to register.

UPCOMING WEBCASTS

Spring 2007 Management Accounting Guideline (MAG) Infocast Series

Mark your calendars now for our Spring 2007 MAG Infocast Series to be offered in collaboration with CMA Canada, CIMA, the Chartered Institute of Management Accountants, and sponsored by SAP as follows:

Thurs, March 22	Strategy Mapping: One Picture Worth a Thousand Words
Thurs, April 19	IT Investments: Capturing the Return
Thurs, May 17	Internet Marketing: Evaluating the Value Proposition

Following the model of the successful Fall 2006 Series these infocasts will be presented at 12pm ET by the authors of the underlying Management Accounting Guidelines and moderated by AICPA Vice President John Morrow. This Infocast series is **free** with AICPA members having the option of purchasing one CPE credit for \$29.95.

While these Infocasts are targeted to members in business, many members in government may also find the information valuable. In particular, the sessions on IT Investments and Internet Marketing may be of interest to financial personnel involved in evaluating the effectiveness of these areas.

Strategy Mapping: One Picture Worth a Thousand Words will be presented by Howard M. Armitage, Ph.D, FCMA, Gordon H. Cowperthwaite Professor of Accounting and Director of the Centre for Business, Entrepreneurship and Technology at the Faculty of Engineering, University of Waterloo and based on a MAG written by Armitage and Cameron Scholey, MBA, CMA, that will be available this Spring 2007.

IT Investments: Capturing the Return will be presented by Marc J. Epstein, Distinguished Research Professor of Management at Jones Graduate School of Management at Rice University in Houston, TX and based on the MAG *Evaluating Performance in Information Technology* published in 2005.

Internet Marketing: Evaluating the Value Proposition, will provide an overview of the method for measuring the payoffs of internet marketing initiatives developed from the best practices from marketing, e-commerce, and information technology by Epstein and co-author Kristi Yuthas in the MAG *Evaluating the Effectiveness of Internet Marketing Initiatives*, also available in Spring 2007.