



# GOVERNMENT E-NEWS

E-NEWSLETTER FOR AICPA MEMBERS IN GOVERNMENT

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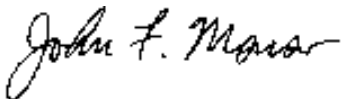
## DEAR MEMBERS

I am reading more and more about the number of government employees at all levels that are expected to retire in the next decade – beginning very soon! On the one hand, this creates outstanding opportunities for advancement for CPAs currently in government, as well as opportunities for other professionals to enter government service. This is true not only for young people beginning their careers, but for others that are already established in their careers and looking for a change. As you know, we conducted a survey on this issue (which we called the “brain drain”) a few months ago, and we present high-level results in an article below.

Just to remind you, our Government Performance & Accountability Committee (GPAC) created a video about careers in government, featuring CPAs at the federal, state and local levels, addressing the virtues of a career in government – I realize I am preaching to the choir here, but I do want to remind you that it is available if you are making a presentation about your career to any school or other groups. If you are interested, please write to us at [GPACNews@aicpa.org](mailto:GPACNews@aicpa.org) and we will get a copy out to you.

This issue is full of other news as well including info about telework and an article on retirement funding – both big issues to be aware of.

Best regards,



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

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## TOP STORIES

### **AICPA Survey – Phase II: Government Members Foresee “Brain Drain” in the Government Workforce**

Most CPAs who serve as auditors, accountants, managers, and service providers for government foresee a “brain drain” in government due to a lack of qualified in-house personnel to replace long-time government employees retiring in the next five years. According to a March 2006 AICPA survey of its members in government, 50% of those polled indicated that they plan to retire within the next 10 years (25% said they will retire within the next 5 years). The anticipated shortage of CPAs in government represents an opportunity for new college graduates, young CPAs, and those contemplating a career change.

Sixty percent of the government CPAs polled indicate that the shortage of CPAs in government will become acute within the next five years. About a quarter of the respondents said their government is already experiencing the effects of the “brain drain.” As one respondent from a large local government put it, “our county is beginning to experience the future, in which there is a new need for experienced CPA professionals, but there is no available next in line staff to step forward.” Another 21% believe the problem will occur in the workplace in five to ten years.

The poll also revealed some reasons for difficulties in filling job positions with qualified personnel. Two-thirds of the respondents stated that there is a lack of qualified candidates applying, a shortage of CPAs with governmental experience and that the pay is too low. A greater number (74%) felt that there was a lack of advocacy for government service within the accounting profession. The top reason, according to 80%, pointed to political leaders and elected officials who lack an understanding of human resource needs to provide sound practices in government. Conversely, possessing adequate technology was not seen as a problem by a majority of the respondents (64%).

When asked what skills are most critical in government positions, about 92% listed ethical behavior, integrity, analytical and critical thinking, and sound judgment making capabilities. Eighty percent thought oral and written communications skills were essential. About 71% felt that knowledge of laws and regulations was important. Sixty percent thought government accounting knowledge was critical but that government auditing was less so (43%).

The survey represents the views of 819 AICPA members in government. We would like to thank all of those who participated in the survey.

### **Government Telework Increasing**

The movement toward telecommuting has momentum in the private sector. However, the public sector has been relatively resistant to permitting telework. According to the Herman Trend Alert\*, respondents to a survey of government workers last year revealed that only 19% were able to telework for part or all of their jobs. Now, the numbers are up substantially, with 41% of responding Federal employees indicating that they currently telework. This report comes from CDW Government, Inc, a leading source of Information Technology (IT) solutions for governments and educators.

This change is driven by the government’s need to compete more aggressively to attract and hold top talent. The CDW report shows that information technology professionals in the federal sector have significantly expanded technical support for telework initiatives over the past year. Thirty-two percent of surveyed Federal IT professionals indicated that their agency has started or expanded a telework program in the last year. Twenty-eight percent of the same respondents believe that their agency provides IT support to 100% of eligible teleworkers---up from just 5 percent of respondents in 2005.

Information security is cited as the single most significant inhibitor for broader telework adoption in 2006, as it was in 2005. Fifty-three percent of Federal IT professionals feel that information security is the primary challenge associated with telework, with other issues lagging far behind.

Advantages to telecommuting that emerged from the study are consistent with those seen in the private sector. A major concern is employee satisfaction. Results show that 91% of Federal employees with the option to telework are either very satisfied or satisfied with their current jobs, compared to 80% of Federal employees without the option to telework. This metric is highly significant when striving to retain people who have employment choices. Equally important is employee desire for flexibility.

Federal employees cite the elimination of their commute (80%) and an improvement in work flexibility (68%) as the primary reasons for preferring telework. Of Federal employees that do not telework, 84 % would telework if allowed to. This issue will be huge for federal managers in the next few years.

At the AICPA we started a telecommuting program almost eight years ago and with great success. My team was part of the pilot project and we continue with it, working every other day in the office and from home. We have learned to use time in the office for face-to-face meetings and work-at-home days for heads down writing and reviewing (in fact, I am at home right now!). Good controls, established routines, a high degree of communication, a mindset of privilege not entitlement, and trust are all important elements of a telecommuting program.

\* - From "The Herman Trend Alert," by Roger Herman and Joyce Gioia, Strategic Business Futurists. (800) 227-3566 or <http://www.hermangroup.com>. The Herman Trend Alert is a trademark of The Herman Group of Companies, Inc.

### **Baby Boomers More Worried about Gas Prices than Funding Retirement: AICPA/Harris Poll**

More baby boomers are concerned about gas prices and uninsured medical costs than planning for retirement and other long-term expenses, according to a new poll by Harris Interactive for the AICPA. The results of the poll revealed that 51 percent of Americans age 45 and older have greater worries about short-term financial issues - rising energy costs, uninsured medical expenses, the price of gas and credit card debt - than they do about longer-term concerns like caring for aging parents, lack of savings for an emergency and even retirement itself. The AICPA's *360 Degrees of Financial Literacy* program has set up a [consumer Web site](#) with hundreds of free tools and resources to help educate consumers about personal finance matters, including retirement. Of course we still have our financial literacy [website](#) within the AICPA web domain with tools and other information for you to carry the financial literacy message to your communities.

### **StartHereGoPlaces.com Nominated for Webby Awards**

[StartHereGoPlaces.com](#), our website oriented to students to increase their interest in the CPA profession, is a finalist for the [Webby Awards](#) in the Best Web site in the Associations category. The site was chosen from over 5,500 entries from 50 states and over 40 countries. The Webby Awards is the leading international award honoring excellence in Web design, functionality and creativity. Established in 1996, the Webbys are presented by The International Academy of Digital Arts and Sciences. The [Webby People's Voice Awards](#) allows "the people" to pick their favorites. Winners were announced on May 9, 2006.

StartHereGoPlaces.com is a website that offers information to high school and college students on the various career paths and has a wide array of interactive games and tools to learn more about the CPA profession. If you have access to this audience via recruiting efforts and presentations to student groups, visit the site to see how you may be able to incorporate it into your presentation.

In light of the expected "Brain Drain" mentioned above, this is a great opportunity to replenish that knowledge.

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## LEARNING LINKS

### Fraud in the Governmental and Not-For-Profit Environments: What a Steal!

Detecting fraud in the governmental and not-for-profit environments is particularly difficult for several reasons, including their unconventional revenue and expense streams, typically understaffed accounting departments and the nature of their operations. This course will discuss the auditor's responsibility to detect fraud and typical types of fraud noted in these sectors of the economy.

Objectives of the course are to:

- Understand the auditors' responsibility to detect fraud under SAS No. 99
- Recognize common frauds committed in the government and not-for-profit sectors
- Help develop procedures to deter fraud before it occurs

For more information or to order from cpa2biz.com, use this [link](#) to go directly to the course. Samples of the video course are available.

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## AICPA CAREER RESOURCES

**Earn Free CPE Credit - Pilot Test New AICPA Self-Study Courses** Catch up on your CPE by volunteering to pilot test new AICPA self-study courses. Visit [CPEcentral](#) for more information and to register and respond to a brief online survey. The AICPA's Professional Development Quality Assurance team will e-mail respondents when new courses become available for pilot testing.

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