

Ethics and Public Accountability

PROFESSIONAL DEVELOPMENT MEETING

Topic:
Ethics and
Accountability

Speaker:
Mayor Jose 'Joe'
Esteves
City of Milpitas

**Time: 11:30 AM -
1:00 PM**
1 hour CPE

Place: Pedro's
Restaurant
3935 Freedom Circle,
Santa Clara, CA.
2nd Floor
(Off Freeway 101)
Tel. (408) 496-6777

[See page 7 to register](#)



Each of us has ethical standards, but what do we do when we are faced with an organizational culture which may conflict with our personal ethics? What attributes constitute sound ethical decision making?

Mayor Jose "Joe" Esteves of the City of Milpitas graciously accepted our invitation to speak at this month's Professional Development Meeting. He will talk on Ethics and Public Accountability.

Mayor Esteves is serving on his 3rd term as Mayor of Milpitas. Prior to his election as City Mayor, he served Milpitas as City Council for number of years. Mayor Esteves has a Master of Business Administration and Bachelor Degree in Engineering. He is a graduate of Leadership Program of Harvard University, Kennedy School of Government and Communicating for High Impact Academy of UCLA, Anderson Graduate School of Management. He received numerous awards, such as: Milpitas Citizen of the Year; Certificate of Merit for Leadership, Knights of Columbus Supreme Assembly; Mentor of the Month, Milpitas High School; High Quality of Service to Criminal Justice and the Community, CJIC; Invest in Youth, Build Community, Milpitas-Berryessa YMCA; Dr. J. Rigal Community Hero Award, Community Development Council, Inc.; Good and Faithful Servant, St. John the Baptist Church; and Certificate of Appreciation for Invaluable Services, S.V. Lion's Club.

Jose 'Joe' Esteves is married to Susan, a successful businesswoman. Both strong business, church and community leaders, Joe and Susan are the proud parents of Irene, member of the National Honor Society and the California Scholarship Foundation.

Join us at this month Professional Development Meeting, as this is a good opportunity to earn CPE credit on Ethics and to learn more ways on what to do when our professional and personal ethics are challenged.

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AGA CODE OF ETHICS

The Association of Government Accountants believes that its members first and foremost serve the public interest in accordance with the highest ethical principles. This Code of Ethics is both a standard of behavior to aspire to and a guide for making ethical decisions. The code contains specific language that sets the minimum expected levels of behavior. Violators are subject to disciplinary action. However, the code is not simply a set of rules. It also creates an expectation that the Association's members will do the right thing in any given situation.

Ethics ultimately is a matter of personal responsibility. Consistently making ethically correct decisions is not easy. It requires commitment and practice, which require first awareness and then a motivation to act ethically. This code, and the Association as a whole, provides guidance and support to members.

The public should reasonably expect that those who serve government are trustworthy. By accepting the opportunity to serve, Association members must also recognize the obligation to be accountable, which includes:

- Becoming familiar with and abiding by the expectations, standards and rules of the position and seeking out necessary information to interpret and apply them.
- Accepting personal responsibility for the foreseeable consequences of actions and inaction.
- Taking into account the long-term interest of the government and its citizens.

On this basis, AGA has developed its Code of Ethics and the objectives, principles and interpretations that support the code. Unless a limitation is specifically stated, the guidance in this code applies equally to members and Certified Government Financial Managers (CGFMs), whether they are in federal, state or local government, industry, education, or are retired. Holders of future certifications that may be developed by or with AGA shall abide by the code.

AGA's Code of Ethics can be found by visiting
<http://www.agacgfm.org/about/2003EthicsHandbook.pdf>

AGA Blog

Consequences of Inadequate Staffing

APRIL 03, 2008

By: John D. Webster, CGFM, CPA

John D. Webster, CGFM, CPA, a member of AGA's Washington, D.C. Chapter, is an independent consultant. He is vice-chairman of AGA's Journal of Government Financial Management Editorial Board and a member of the Architect of the Capitol Audit Committee. Prior to his retirement from the federal government in 2005, he was chief financial officer at the Library of Congress.

Since retiring from the federal government at the beginning of 2005, I provide independent consulting services across the country, including training. In my travels to federal agencies, many people comment to me about inadequate staffing and the challenges they face in completing their work as a result. More than just reading and hearing about the predictions of increasing retirements, I continue to witness the loss of experienced staff nearly everywhere I go. People are looking for answers to inadequate staffing and help in plugging the leaks.

In a research study I authored for AGA entitled [21st Century Federal Financial Managers. A New Mix of Skills and Educational Levels?](#), I found that work force planning is being done as part of the budget process at most agencies. What is lacking—and is more important—is the identification of competency gaps and development of strategies to make sure the people with the right skills are available to ensure mission accomplishment. In this study, I stated that without adequate planning and strategies to handle the loss of experienced staff or changes in work force requirements, federal agencies will not be able to support adequately the future financial decisions of the most complicated entity in the world. The results will be government inefficiencies and ineffectiveness on a grand scale or a costly, and perhaps inappropriate, dependency on outsourcing with contractor staff providing the needed expertise.

One strategy that I recommended in the research study was to develop a Workforce Planning Guide that is specific to federal financial management, which provides examples of agency best practices in

recruiting, training and retaining staff. For example, many agencies have formal training programs that address competency gaps by providing opportunities for classroom training, developmental assignments, mentoring, networking opportunities and exposure to agency culture. Sharing these and other effective work force planning strategies would help mitigate the loss of experienced staff.

Another strategy that I recommended was to consider adopting a minimum biannual number of continuing professional education (CPE) hours for federal financial management professional and administrative positions (such as 501, 505, 510, 560). Auditor (511) and acquisition (1102) positions already have such a requirement. The federal financial management work force will be less vulnerable to having inadequate or outdated skills with this mandate for CPEs.

The research study also confirmed information I found from a number of sources that people recently graduated from colleges and universities lack many competencies needed in the federal environment. The federal budget process, appropriations law, U.S. standard general ledger and federal GAAP (generally accepted accounting principles) to name a few skills are not covered in typical college courses. These skills must be learned on-the-job or through training after being hired. This process may take years. As a result, many agencies resort to hiring experienced staff from other agencies or hire consultants (many retired feds) to meet compliance requirements such as PAR and A-123.

If you have experienced inadequate staffing at your agency, what specific consequences do you see as a result? And, what strategies do you recommend to help?

Reproduced from AGA Web Blog - <http://aga.typepad.com/aga/2008/04/index.html>

You are encouraged to participate in the AGA Blog. Make this a part of your daily routine. This gives you another opportunity to network with your peers. Visit- <http://aga.typepad.com/aga>

NEWS FROM GASB

GASB ISSUES AN EXPOSURE DRAFT SEEKING INPUT ON PROPOSED CHANGES TO CONCEPTS STATEMENT NO. 2, *SERVICE EFFORTS AND ACCOMPLISHMENTS REPORTING*

GASB, Norwalk, CT, April 4, 2008—The Governmental Accounting Standards Board (GASB) today issued an Exposure Draft (ED) of proposed changes to Concepts Statement No. 2, *Service Efforts and Accomplishments Reporting*. The purpose of this ED is to update Concepts Statement 2 to reflect the knowledge gathered by the GASB through research and monitoring conducted during the 14 years since the Concepts Statement was issued. The proposed amendments also would clarify the role of the GASB in service efforts and accomplishments (SEA) reporting. Constituents are encouraged to review and provide written comments on the ED by July 3, 2008. The ED can be downloaded free from the GASB website, www.gasb.org.

"SEA performance information has a long history of being recognized as an important component of public sector financial reporting, providing insight into how effectively and efficiently state and local governments utilize resources to achieve their missions on behalf of their citizens," stated [GASB Chairman Robert H. Attmore](#).

"The proposed changes in the Exposure Draft will bring the GASB's conceptual framework up to date on the advances made by governments in reporting SEA information," Attmore said. "It also will clarify the nature of the GASB's involvement in SEA performance reporting. Our goal is to eliminate any confusion or misunderstanding that has developed on this topic."

Specifically, the ED proposes to modify four sections of Concepts Statement 2 (Purpose and Scope, The Elements of SEA Reporting, Limitations of SEA Information, and Enhancing the Usefulness of SEA Information), and to eliminate one section (Developing Reporting Standards for SEA Information). It is the GASB's belief that these proposed changes will enhance a common understanding of the elements, characteristics, limitations, and methods of communicating SEA performance information.

The proposed changes to the Purpose and Scope section would clarify that it is beyond the scope of the GASB to establish the goals and objectives of state and local government services, develop specific nonfinancial measures or indicators of service performance; or set standards for service performance. Some provisions of the section of the Concepts Statement entitled "Developing Reporting Standards for SEA Information" have been interpreted in ways that cause confusion. The GASB believes that the best way to avoid future confusion is to eliminate that section from the Concepts Statement entirely. *Source: Governmental Accounting Standards Board Web Site – www.gasb.org*

You can find the schedule of hearing and the following information from GASB web site – www.gasb.org:

- Why Is SEA Performance Information Important?
- What Is the GASB Proposing?
- How Can You Help the GASB Complete This Proposal?
- Why Is the GASB Working on SEA Performance Reporting?
- Is the GASB Doing Anything Else in This Area?

CHAPTER MEMBERSHIP DRIVE – NOW UNTIL APRIL 2008

Recruitment of new members should be on the forefront of our chapter members. Bring a new prospective member between now and April 2008 to our luncheon Professional Development Meeting and if they joined AGA, our Chapter will cover their first PDM registration for free and you, too, as recruiter get half price PDM registration free. It's such a good deal!

As recruiter, your name is entered into the AGA national drawing for a free attendance to AGA Professional Development Conference (PDC), which will be held in Atlanta, Georgia on July 26 to July 30, 2008. You could be the person to attend the PDC for free, saving you around \$900. Visit www.agacgfm.org for details.

REMINDER: ANNUAL MEMBERSHIP RENEWAL

The due date for annual membership renewal is March 31, 2008. Please continue to support AGA by renewing your membership. After all, AGA exists because of you. AGA would like to thank you for your continued support! As we progress into 2008, we look forward to continuing to serve you by providing exceptional value for your membership!

You may have received a package including your 2008-2009 AGA membership and CGFM renewal in the mail. If you have not paid your membership dues yet, please do as soon as you can. Take a few minutes and renew online. Visit AGA National Office at www.agacgfm.org and go to membership page. Login as member using AGA ID number and your password is your first initial immediately followed by your last name (no spaces), unless you have changed it.

Once you login, you will see your AGA profile. Press the 'billing' button at the right hand corner of the screen to renew with a credit card on our secured server. While you are logged in, please take a moment to review your membership information and update any incorrect items. If you need assistance, please call the AGA Customer Satisfaction Center at 800-242-7211 or contact Kimberly Ferguson, AGA Membership Manager at kferguson@agacgfm.org.

Single Audit Act

If your organization, a non-federal entity, incurs expenditures in the amount of \$500,000 or more of Federal awards in a year, you are required to obtain an annual audit in accordance with the *Single Audit Act Amendments of 1996, OMB Circular A-133, the OMB Circular Compliance Supplement and Government Auditing Standards*. A single audit is intended to provide a cost-effective audit for non-Federal entities in that one audit is conducted in lieu of multiple audits of individual programs.

**AGA Silicon Valley Chapter
Treasurer's Report
March 31, 2008**

Cash In Bank –February 29, 2008	\$ 2,830
Sources:	
Meeting Registration Fees	130
Uses:	
Meeting Expenses	(414)
Cash In Bank – March 31, 2008	\$ 2,546



Top photo: The Board of Supervisors of Santa Clara County offers CGFM Proclamation for March 2008 in the County of Santa Clara. Bottom photos: Mayor Jose Esteves proclaims CGFM Month for March 2008 in the City of Milpitas. Visit: www.agasiliconvalley.org for additional information on CGFM Proclamation.

Below photo: Santa Clara County Assessor Lawrence Stone making presentation at the February 2008 Professional Development Meeting.



Upcoming Professional Development Meeting

May 22, 2008 (Thursday)
Speaker & topic: TBA

June 19, 2008
Ronald Lingle, CPA
Government Contracts and Services, Cost Accounting

Please mark you calendar!

**Sponsor our Chapter Newsletter,
contact Jerry Gandara**

**Are you planning to attend the
April 10, 2008 Professional Development Meeting?**

Contact: Bill Brown at william.brown@vta.org or Gary Epstein, CGFM, gary.epstein@vta.org, (408) 321-5683

Meal Selection:

All served with Spanish Rice, Refried Beans, and a Beverage (Coffee, Tea, or Soda)

- Flauta Gringa (Crisp Jack Cheese-Filled Flour Tortilla)
- Chicken or Vegetarian Burrito

Cost: Members/Students \$20, Nonmembers \$25



ASSOCIATION OF GOVERNMENT ACCOUNTANTS
Silicon Valley Chapter – www.agasiliconvalley.org

2008 CGFM of the Year Award

Certified Government Financial Manager (CGFM)



In observance of March as 'CGFM Month', the Executive Board of AGA Silicon Valley Chapter has chosen **Sharon Winslow Erickson, CGFM**, as the recipient of the chapter's 'CGFM of the Year Crystal Award' for 2008 for her major contributions to advancing government accountability for the past years.

Sharon originally joined the City of San Jose's City Auditor's Office in 1989, serving in positions of increasing responsibility until 2001, when she accepted the position of City Auditor for the City of Palo Alto, California. While in Palo Alto, Sharon issued a series of award-winning performance and revenue audits that identified numerous operational efficiencies and more than \$2 million in additional revenue for the City. She also developed the City's highly regarded annual *Service Efforts and Accomplishment's (SEA) Report* to provide the City Council, staff and the public with an independent, impartial assessment of past performance to strengthen public accountability, improve government efficiency and effectiveness, and support future decision-making. Since 2004-05, the City's yearly SEA Report has received AGA's Certificate of Excellence in Service Efforts and Accomplishment (Award). In July 2004, the *Palo Alto Weekly* labeled her "the most trusted person in City Hall."

Sharon returned to San Jose as City Auditor in March 2008. One of six City Council Appointed Officials, Sharon is a graduate of Stanford University, a Certified Government Financial Manager and a Certified Internal Auditor. She said, "My CGFM certification demonstrates my expertise and commitment to the profession of government finance."

Sharon has been an active AGA member since 1998.

Congratulations Sharon!