



Newsletter



Volume 6, Issue 4

October 2011

*Advancing
Government
Accountability*

Mailing Address:
P.O. Box 1124, Hagatna,
Guam 96932
Phone: (671) 475-0390
Fax: (671) 472-7951

Website:
<http://aga.guam.net>

Facebook:
[http://facebook.com/
agaguamchapter](http://facebook.com/agaguamchapter)

Email:
[agaguamchapter
@yahoo.com](mailto:agaguamchapter@yahoo.com)

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President's Message



**By Vincent Duenas
President
AGA Guam Chapter**

Hafa Adai AGA Guam Chapter! As we enter the beginning of a new fiscal year, I trust that a majority of our members are working hard to close our FY 2011 books and prepare for an eventful FY 2012. Like you, your AGA Guam Chapter Executive Committee has been hard at work with the many great initiatives our organization offers. It is my pleasure to provide these valuable updates as we continue "Celebrating Our AGA Membership."

Some of the highlights of this month's activities are as follows:

Automating Our Annual Budget Process Having gone through the budget process these past couple of months, it is now time for reflection on how we could make the process go

smoother the next time around. Honorable Vicente "ben" Cabrera Pangelinan, Senator, 31st Guam Legislature and Chairman of the Committee on Appropriations, Taxation, Public Debt, Banking, Insurance, Retirement, and Land submitted an article summarizing a proposal to automate our annual budget process.

Our Home, Our Island, Our Power Company – Guam Power Authority This month's organization spotlight is on GPA's Finance Division. Led by CFO and Past AGA Guam Chapter President Randall Wiegand, this division is responsible for fiscal, business, and accounting operations of GPA. Please take a look at their organization profile and join me in appreciating the hard working employees of GPA. Thank you to Cora Montelano, Lenora Sanz, and Anita Fejarang for their assistance. E-mail me at vduenas@guamopa.org if you would like your organization profiled.

AGA Guam's CCR Your AGA Guam Chapter submitted its CCR to AGA National on September 27, 2011, beating the deadline by three days. Once again,

thank you to Accountability Programs Chairperson Maripaz Perez and all those involved with completing our 2010-2011 CCR. You may view the CCR online at <http://aga.guam.net>

We would also like to extend a hearty congratulations and job well done to all Government of Guam (GovGuam) departments and agencies for submitting their CCRs. I personally have reviewed most, if not all, GovGuam CCRs and have to say that I am quite impressed with the quality of the reports because of the valuable information they possess. Maripaz submitted their CCRs to AGA National for judging in the Certificate of Excellence program.

If you're interested in joining any of our committees, please feel free to e-mail me at vduenas@guamopa.org or contact any of our CEC members. Have a safe Halloween, everybody. Thank you.



Happy Halloween!!

"Celebrating Our AGA Membership"

Last Meeting

**By Rachel Field
Secretary
AGA Guam Chapter**

Dr. Roseann Jones shared her thoughts on the economical development of Guam. She received a grant from the Small Business Association to look at the condition of regional trade in Micronesia. The economic downturn in Japan and the United States will continue to affect Guam's economy. Both nations are no longer in the position to give and spread their wealth. As costs continue to rise, Guam will need to find opportunities to sustain itself.

Part of the study, she shared, was to see how neighboring islands were doing in relation to Guam's econ-

omy. Indications have shown that neighboring islands are worse off than Guam. The outer islands rely heavily on imports, which was starting to become too costly. The islands are also supported by Japan through investments, which depended on the economic state of Japan.

Furthermore, Dr. Jones shared her observations regarding Guam's population. The recent Guam Census did not meet the expectations and there is now a question of where the people went. There is a lot of construction, but many buildings and homes remain vacant. The population in the southern area of Guam continues to decline as the cost of living in the area continued to rise. She ended her presentation explaining that there is still hope and great opportunities for Guam to figure out what we have and how we can make the most of it.



Next Meeting

Topic:

Managing Finances: Being Responsible with Your Credit (1 CPE)

Date & Location:

Wed., October 26, 2011

12:00 PM – 1:30 PM

Outrigger, Tumon

Lunch Fee:

Members: \$12

Non-members: \$17

This month we have invited Mr. Michael F.Q. San Nicolas, Assistant Vice President and Financial Advisor/Wealth Manager with BG Wealth Management Services in the Bank of Guam as our October guest speaker.

Mr. San Nicolas has over five years of experience managing client funds that include corporate, non-profit, and individual accounts, and holds a Certificate in Personal Financial Planning from the Metropolitan State College of Denver.

As a Licensed Registered Investment

Advisor, Michael F.Q. San Nicolas holds a Series 7 and 66 License as well as a Life and Health License for the Territory of Guam. A proud husband and father, Michael is the Author of "A Father's Hand: Lessons for Life from Father to Son" available on Amazon.com.

Please join us for our October 2011 General Membership Meeting as we hear from Mr. Michael F.Q. San Nicolas. There will be a free lunch raffle but you must be present to win!

Website

**By Doreen Crisostomo, CGFM,
Ph.D.
Webmaster
AGA Guam Chapter**

For the month of September, the following updates were made on the AGA Guam Chapter website:

1. Early Careers High School Essay Contest;

2. AGA Citizen Centric Report;
3. New Job Announcements from Guam Department of Education, Nanbo Insurance, Department of Administration, Guam Memorial Hospital Authority, and Guam Insurance Adjusters; and
4. Guest Speaker for the September General Membership Meeting.

Please continue to visit our website to find out our latest activities at <http://aga.guam.net>

Lunch Raffle



Congratulations to Bobbie Molarte for winning the free lunch raffle from the September 2011 General Membership Meeting!

Treasurer's Report

Association of Government Accountants - Guam Chapter Condensed Financial Statements As of and for year ending September 30, 2011

	Chapter	Community Svc.	Prof. Develop.	Memo	3 months ending 9/30/2011
Assets	\$ 891	\$ 8,457	\$ 43,155	\$ 52,502	
Liabilities	-	-	200	200	
Net Assets					
Earmarked	-	251	17,703	17,954	
Unrestricted	891	8,206	25,252	34,348	
Revenues	\$ 1,092	\$ -	\$ -	\$ 1,092	\$ 7,952
Expenses	578	296	111	985	3,484
Increase (decrease) in net assets	515	(296)	(111)	108	4,468
Beginning net assets	376	8,753	43,066	52,195	47,835
Ending net assets	\$ 891	\$ 8,457	\$ 42,955	\$ 52,302	\$ 52,302

Accountability

By Maripaz Perez
Accountability Chair
AGA Guam Chapter

AGA strongly believes that quality reporting is a critical part of the performance management effort. It improves communication with internal and external stakeholders, leads to better decision making and, ultimately, improves performance. Hence, AGA national created the "Performance and Accountability" committee.

Studies by the AGA on the effectiveness of government fiscal reporting have shown that taxpayers feel they are entitled to transparent financial management information, and that their governments have an obligation to provide such information. Unfortunately, surveyed citizens also feel that their governments are failing to meet their reporting needs, and that poor performance has created a problem of trust between citizens and their government.

AGA Guam Chapter's strong belief in closing this gap between the government and their citizenry pushed for the adoption of the Citizen Centric Report (CCR). In April 2010, the Governor signed Public Law (P.L.) 30-127, requiring all government of Guam agencies to prepare a CCR no later than 60 calendar days after the Office of Public Accountability (OPA)'s issuance of the entity's independent audit. The law adopted the 4-page format of AGA and was made retroactive to January 1, 2010. The CCR reports shall be submitted to the OPA and the Speaker of the Legislature in electronic format (via .pdf e-mail attachment) and posted on the entity's website. We are proud to say that Guam is the very first chapter to pass legislation in being more transparent.

The University of Guam (UOG) accounting students have been preparing CCR since Spring 2009, emphasizing transparency on government expenditures. True to its belief, AGA Guam Chapter offered two free CCR workshops at UOG: (1) February 25, 2011, attended by over 25 partici-

pants; and (2) June 17, 2011, with over 70 government officials. Future free trainings will be forthcoming.

We are pleased to say that AGA Guam Chapter has been fulfilling majority of the outreach plans the national established for the Performance and Accountability committee. Since P.L. 30-127's enactment, over 60 CCR reports have been prepared by government agencies for fiscal years 2009 & 2010. Visit the OPA website at <http://www.guamopa.org/index.php?pg=official-citizen-centric-report> to view all these reports.



Early Careers

By Junior Accountants Society
University of Guam

The beginning of a new semester always brings new opportunities for students of all levels to explore various aspects of the school community. For the Junior Accountants Society (JAS) of the University of Guam, we strive to become involved not only in our school community, but also in our island community.

The JAS club participated in the International Coastal Clean-up held on September 17, 2011. The event brought the entire island community together, from all ages and all walks of life. It highlighted the enthusiasm and determination

of the younger generation of the island of Guam to help keep this island a cleaner place and a better place for future generations. As participants of the International Coastal Clean-up, members of JAS have learned the essence of working as a team and building relationships by giving back to the community.

For more information on JAS, please visit our website at <http://sites.google.com/site/jasuog> or send us an e-mail at jao_officers@yahoo.com



CGFM

To retain the CGFM certification, all CGFMs must adhere to the AGA's Code of Ethics.


In addition, to continue using the CGFM designation after their names, CGFMs must be in an active status. To maintain your CGFM certification in an active status, you must:

1. Pay the CGFM renewal fee by the due date every year;
2. Complete at least 80 hours of continuing professional education every two years in government financial management or related technical subjects (within the designated two-year CPE cycle); and
3. Maintain and, if requested by AGA, provide detailed information on CPE hours completed.

The 80 CPE hours must be completed within the CGFM's two-year CPE cycle. The first CPE cycle starts on Jan. 1 of the year following the one when the CGFM designation was earned. The CPE requirements apply to all active CGFMs, whether employed or not and whether employed full- or part-time by a government or other organization.

Active CGFMs must complete a minimum of 80 CPE hours every two years to maintain their CGFM certification. While there is no minimum number of hours required to be earned each year, CGFMs are encouraged to earn CPE hours throughout their two-year cycle. For more info on CPE requirements, visit http://www.agacgfm.org/cgfm/maintain/cpe_requirements.aspx

Need CGFM review material? Please contact Jason Katigbak at Jason.katigbak@gu.ey.com for details on borrowing the Guam AGA Chapter's CGFM Review Materials.



AGA
GUAM
CHAPTER

High School Essay Competition

How To Enter

Step 1: Find a sponsoring teacher to certify your essay as original work.

Step 2: Read the Information Sheet and fill out the entry form.

Step 3: Type an original essay on a Microsoft Word file on the essay topic while adhering to the general rules and essay criteria.

Step 4: E-mail essay and completed entry form to agaguamecc@gmail.com no later than Friday, December 2, 2011.

Essay Criteria, Entry Forms, and Information Sheet can be found at <http://aga.guam.net>

1st place
\$150.00

2nd place
\$100.00

3rd place
\$50.00

DEADLINE
12-02-2011

ESSAY TOPIC

"Government Accountability in the 21st Century: How my generation views government accountability and transparency on Guam and in the Pacific"

Judges for the competition:

Doris Flores Brooks
-Public Auditor of Guam

Zeny Asuncion-Nace
-Comptroller at UoG

Ricky Hernandez
-AGA Guam Early Careers Chair

Senator Ben Pangelinan
-Chairman of the Guam Legislature Committee on Appropriations, Taxation, Public Debt, Banking, Insurance, Retirement & Land

Vince Duenas
-President of the AGA Guam Chapter

All essays must be in Microsoft Word format and e-mailed with subject line: "AGA Essay - 'Name of Student, School, Grade.'" to Ricky Hernandez at agaguamecc@gmail.com





Guam Power Authority Finance Division

The Power of Ideas for a Changing World

Last month, we began featuring organizations within the AGA Guam Chapter that contribute to the overall accountability of the government of Guam. This month's featured organization is the Guam Power Authority (GPA) Finance Division, an important division responsible for the continued financial strength, accountability and transparency of GPA. The division is led by Chief Financial Officer Mr. Randall Wiegand, CPA, CGFM.

Mr. Wiegand is assisted by Assistant Chief Financial Officer Ms. Corazon Montellano, CGFM. Rounding out the management team is Chief Budget Officer Ms. Pamela Aguigui and Controller Ms. Lenora Sanz, who oversees the whole Accounting Department. GPA's Accounting Department has five sections headed by the following highly effective and experienced supervisors: Elenita Florencio (General Ledger), Rodrigo Bumagat (Accounts Payable), Jorna Ballon (Revenue Accounting), Luz Burgos (Plant Accounting), and Melly Rosario (Payroll).

The whole team is responsible for the continued financial strength, accountability and transparency demonstrated by GPA. The Finance Division has developed financial standards, key performance indicators, policies and procedures and innovative approaches to measure GPA's performance and progress toward reliable financial stability to support the entire power system. These standards and approaches were designed not just to provide reliable electric service but more so to minimize the impact of the costs to the ratepayers.

Accomplishments. Year 2010 and 2011 have been milestone years for GPA due to the many accomplishments and innovative projects com-

pleted, such as the following:

- Implementation of a new financial management program for forecasting and financial planning. The new financial model produces projections for the 5-year forecast period; is more sophisticated and capable of producing several sensitivity analysis
- Completion of the pilot program for performance based budgeting in the Finance Division. The next step is to implement this concept to the entire GPA in the next two years
- Completion of the RW Beck study for to the Working Capital and Cash Reserve Analysis. The recommendations will put GPA at par with similar utilities and provide opportunities for GPA to meet its financial, operational and customer service goals. Their recommendations include: (1) 60 day minimum cash on hand, (2) 3 months minimum of working capital, (3) move to quarterly LEAC filing, (4) debt service coverage ratio of 2.0 and (5)

long term equity ratio of between 30 to 40%

These are only some of the programs and accomplishments responsible for GPA's improved financial performance. Timely, accurate and reliable reports with sound financial planning and controls paid off; providing GPA with sufficient earnings, debt service coverage and margin to support the plant expansion, programs and challenges faced by GPA. The Finance Division will continue to strive to meet the financial goals and targets to support the mission of GPA without unduly burdening the taxpayers or ratepayers of Guam.

"We have a very strong team and I'm very proud of the achievements they have had over the last 24 months. I think it would compare favorably with the performance of most utility finance groups throughout the country."

Randall Wiegand, CPA, CGFM
Chief Financial Officer
Guam Power Authority



Government of Guam Annual Budget Act Automation

By Sen. Vicente “ben” Cabrera
Pangelinan
31st Guam Legislature

Every year the government of Guam spends thousands of hours preparing budgets for all the departments and agencies within the three branches of government. This information is literally comprised of thousands of Microsoft Excel spreadsheets created and touched by hundreds of employees.

The intent of the Guam Legislature’s Committee on Appropriations is to automate the annual budget process in order to streamline the inputs into one central database or Data Mart. The Data Mart could automate the production of the Annual Budget Act by incorporating data from all three branches of government and all other departments and agencies with independent financial management systems.

The single largest component of the

Annual Budget Act are the Executive Branch and Department of Education (DOE) Payrolls, which represent approximately 50% of all monies appropriated. Thus, the first phase of the project would automate the annual labor cost projections for these agencies and departments. The second phase would encompass the line item expenses for the Executive Branch and DOE. Phases three and four would incorporate the payroll and line item expenses of the remaining branches, departments and agencies/divisions

The end product of all four phases is an independent database that contains the current payroll and line item expenses of all the branches, departments and agencies/divisions projected for a future period. The database would include interactive, web accessible logins to input additional information relative to the annual budget act and extensions to receive uploaded historical system generated data from all the other

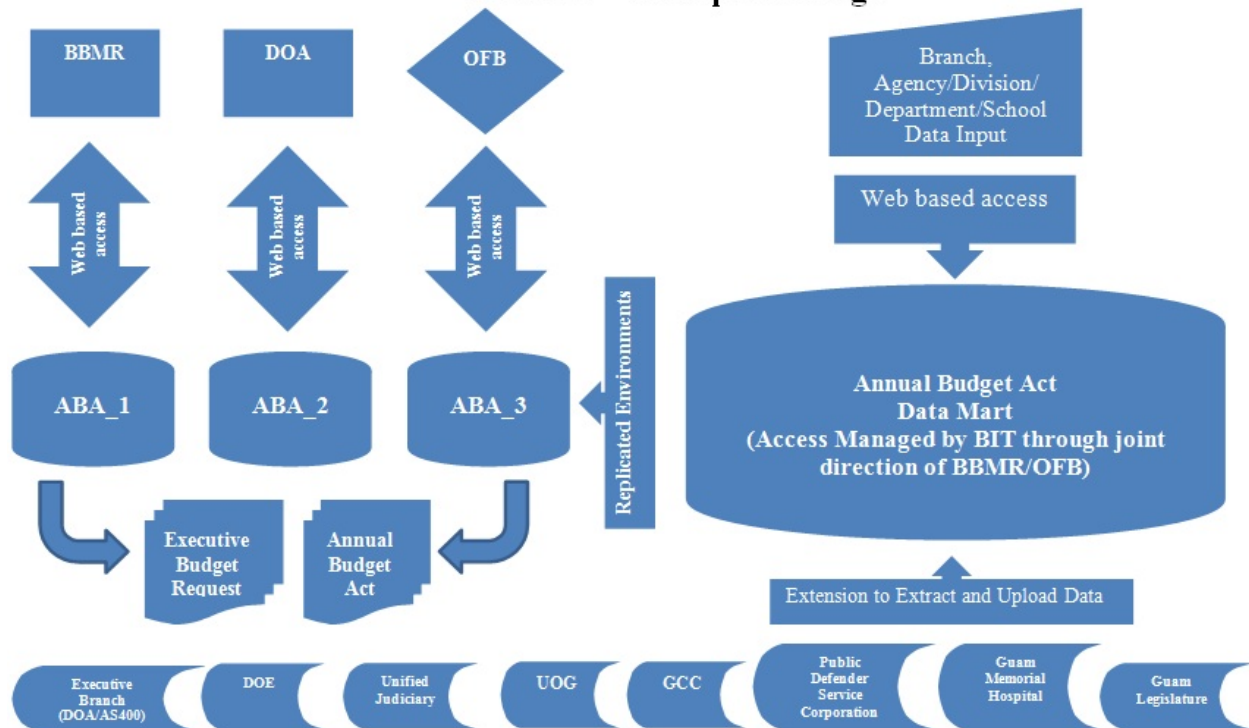
branches, departments and agencies’ financial management systems.

The end result of the four phases would be separate replicated environments of the Data Mart that allow additional input parameters relevant to stakeholders as well as the government of Guam financial management team who can use the tool to run various scenarios to analyze the impact of policy considerations regarding issues such as pay raises, self-insurance, retirement contribution changes, etc.

The benefits of such automation are reducing redundancy, improving accuracy, enhancing forecasts, and creating efficiency in all the government accounting and budget departments.

Exhibit 1 is the visual portrayal of the conceptual design of the Annual Budget Act Automation Project.

Exhibit 1 – Conceptual Design



Community

Upcoming Community Service: Canned Food Drive

Date: All throughout November 2011

We will be donating canned goods to the Salvation Army, which will assist in their annual Thanksgiving drive to help those in need. A drop-box will be made available during the October and November general membership meetings for those who would like to donate.

This October is a busy time for our Community Service committee. With the announcement of our new Community Service Co-Chairperson Jocelyn Untalan last month, Chairperson Lourdes Perez has been receiving several requests for AGA

Guam Chapter to volunteer. Just recently, Lou co-ordinated with the Kusinan Kamalen Karidat to provide food and assistance to feed the hungry on October 19th. The AGA Guam Chapter also donated a 60-cup rice cooker to help the kitchen prepare meals. Thank you to all our volunteers!

We have also volunteered for this year's ABA National Get Smart About Credit Day on Thursday, October 20, 2011 sponsored by the Bank of Guam. We visited public and private schools on island and educated them about the value of saving and credit responsibility.

Anyone interested in volunteering for our upcoming community service activities can contact Lou Perez at 483-3350 or guam-perezlou@gmail.com or Jocelyn Untalan at 475-0390 ext. 218 or juntalan@guamopa.org.



Training

Topic:

Performance Measurement and Budgeting (24 CPEs)

Instructor:

Drummond Kahn, CIA, CGFM, CGAP, MS, BA Political Science

Date & Location:

December 12-14, 2011

9:00 AM to 5:00 PM

Outrigger Guam Resort, Tumon

AGA is proud to offer a 3 day course on Performance Measurement and Budgeting to be presented by Drummond Kahn, CIA, CGFM, CGAP, MS. The content of this educational event is as follows:

Day 1 and 2 - Performance Measurement and Budgeting

Day 3 (Morning Session) - Financial and Performance Perspectives

Day 3 (Afternoon Session) -

Performance Management and Frameworks for Excellence: Quality in Organizations

Registration Fees:

Early Registration

- AGA/GSCPA Member: \$350
- Non-member: \$450

Late Registration

- AGA/GSCPA Member: \$400
- Non-member: \$500

Please see attached article from the Marianas Business Journal and registration form.

AGA National

**Earn Your CGFM in February;
Examinations Are Free**
Excerpt from AGA Topics

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 for free 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 indi-

viduals who have already attended GFM 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 registration form for this event are available on A G A 's website at http://www.agacgfm.org/nlc_2012/cgfm_exams.htm

Member Submissions

Pacific Rim **By Vincent Duenas** **AGA Guam Chapter**

Congratulations to Dr. Doreen Crisostomo on assuming the position as Regional Vice-President for the Pacific Rim. Dr. Crisostomo's new responsibility is to provide general assistance and resolve chapter problems in the Guam, Hawaii, Japan, and the Northern Marianas Islands Chapters.

Congratulations also go out to Taling Taitano, Jojo Guevara, and Zeny Nace for becoming the Education, Certification, and Accountability Programs Regional Coordinators for the Pacific Rim. They will join Dr. Crisostomo in providing assistance to the Pacific Rim Chapters.



Doreen Crisostomo,
CGFM, Ph.D.
Regional
Vice-President,
Pacific Rim



Taling Taitano,
CGFM, CPA
Regional Coordinator,
Education Program,
Pacific Rim



Jojo Guevara,
CGFM
Regional Coordinator,
Certification
Program,
Pacific Rim



Zeny Nace, CGFM,
CPA, CFE
Regional Coordinator,
Accountability
Program,
Pacific Rim

Training the Becker Way **By Zeny Nace, CGFM, CPA, CFE** **AGA Guam Chapter**

Becker-HK representatives train University of Guam (UOG) instructors as UOG rolls out its plan to offer nine academic credits covering the 4 parts of the Certified Public Accountant Examinations. Classes start Fall 2011. Prospective students may qualify under the Scholarship Program.

For more information about the UOG courses and scholarship, please call Ms. Lilian Chargualaf, SBPA Administrative Officer at 735-2550. For more information about Becker and its study resources, please visit: www.becker.com.



Pictured from L-R: Becker trainers Benjamin Wong, Jerry Ho, Prof. Zeny Nace, Prof. Martha Suez, and Dr. Filomena Cantoria

Kudos to the Guam Chapter! **By Jason Katigbak, CFE, CPA,** **CIA** **AGA Guam Chapter**

The AGA National gave kudos to the AGA Guam Chapter for sending 10 Citizen Centric Reports (CCR) for review on October 12, 2011 at the AGA National Facebook page. You may view four of the 10 CCRs submitted (AGA Guam Chapter, University of Guam, Guam Community College, and Guam Public School System) by visiting: <http://www.agacgfm.org/citizen/completed.aspx>

Christmas Sale

GCC Christmas Tree Sale **By Bonnie Mae Datuin** **Guam Community College**

GCC's annual Christmas Tree Sales are underway! We wanted to let you know about our promotions: if you pre-purchase a Christmas tree by October 31st, we take 10% off the price. In addition, we are giving away a FREE 5'-6 ft. Noble Fir Tree to agencies/companies that sell 20 trees. All proceeds of this annual fundraiser go towards student scholarships. Our Christmas trees will be ready for pick-up the day after Thanksgiving (Black Friday). We will be located on Marine Drive, Tamuning at the Horse & Cow bar and grill parking lot. For more information, please contact Bonnie Mae Datuin at 735-5516.

Membership

We are happy to announce our two new members for this month! Please help us welcome Ms. Venus Ibarra and Ms. Yvonne Lee to our AGA family!

We also have fifteen members celebrating their membership anniversaries:

1. Anita Arile (11 years)
2. Romana Blailes (13 years)
3. Filomena Cantoria (15 years)
4. Miriam Carrizo (1 year)
5. Vincent Duenas (8 years)
6. Haser Hainrick (8 years)
7. Artemio Hernandez (1 year)
8. Rena Kloulechad (13 years)
9. Julie Lim (1 year)
10. Lisa Nguyen (2 years)
11. Clariza Roque (2 years)
12. Gaudencio Rosario (11 years)
13. Caroline Senda (1 year)
14. Satrunino Tewid (13 years)
15. Jowas Wasisang (13 years).

Happy anniversaries everyone! Thank you for helping our membership grow and for your continued support.

From The Editor

October marks the beginning of the holiday months and is the month of Halloween! For this issue, we wanted to highlight Senator Ben Pangelinan's article about the Government of Guam's Annual Budget Act Automation and the Guam Power Authority's Finance Division. Please stay tuned for our November issue as we discuss more community service activities and training opportunities. Thank you very much for all your contributions!

As always, we would like to hear from you! If you have any questions, comments, suggestions, concerns or interesting topics you would like to share to our AGA Guam Chapter community, please let us know. You may e-mail me, Joy Bulatao, at joy.bulatao@gmail.com or my Co-Editor, Matt Quinata at agaguamchapter@yahoo.com.

Chapter Executive Committee Directory

Position	Name	Email
President	Vincent Duenas	vduenas@guamopa.org
President-Elect	Jason Katigbak, CFE, CIA, CPA	Jason.Katigbak@gu.ey.com
Immediate Past President	Thomas Paulino, CGFM, CPA, CGAP	thomaspaulino@gmail.com
Treasurer	Yukari B. Hechanova, CPA, CIA, CGFM, CGAP	yuka@guamwaterworks.org
Secretary	Rachel Field	rfield@guamopa.org
Alternate Secretary	Gloria Travis, CGFM	gtravis@uguam.uog.edu
Accountability Chair	Maripaz N. Perez, CGFM, CGAP	mperez@guamopa.org
Awards Committee & Chapter Recognition Chair	Taling Taitano, CPA, CGFM	tmtaitano@gmail.com
By-Laws and Procedures Chair	Llewelyn Terlaje, CGAP	lterlaje@guamopa.org
By-Laws and Procedures Co-Chair	Thomas Paulino, CGFM, CPA, CGAP	thomaspaulino@gmail.com
CGFM Chair	Jojo Guevara III, CGFM	jbguevara@portguam.com
CGFM Co-Chair	Gloria Travis, CGFM	gtravis@uguam.uog.edu
Chapter Auditor	Rizalito Paglingayan	rizalito.paglingayan@gu.ey.com
Communications Chair	Bobbie Howard, CPA	bobbie725@yahoo.com
Community Service Chair	Lourdes R. Perez	guamperezlou@gmail.com
Early Careers Chair	Artemio "Ricky" Hernandez	artemiorh@gmail.com
Early Careers Co-Chair	Zeny Nace, CFE, CPA, CGFM	znace@uguam.uog.edu
Education Chair	Jason Katigbak, CFE, CIA, CPA	Jason.Katigbak@gu.ey.com
Historian	Jerrick Hernandez	jhernandez@guamopa.org
Membership Chair	Valerie Manibusan Mafnas, CPA	vmafnas@gpagwa.com
Newsletter Editor	Joy Bulatao	joy.bulatao@gmail.com
Newsletter Co-Editor	Matt Quinata	mattquinata@gmail.com
GPDC Chair	Rodalyn Marquez, CGFM, CPA, CGAP, CIA	rmarquez@guamopa.org
Programs/Technical Meetings Chair	R. Joyce Castro	joyce.castro@doa.guam.gov
Scholarship Chair	Doris Flores Brooks, CPA, CGFM	dfbrooks@guamopa.org
Standards & Research Chair	Christopher Wolsley, CA	cwolsley@deloitte.com
Webmaster	Doreen Crisostomo, PhD., CGFM	doreentc@guam.net
Student Representative	Cheri Sumalpong	cherimarie.s@gmail.com

Job Announcement: Nanbo Insurance Underwriters is seeking to fill the position of Senior Accountant to oversee the organization's daily accounting activities. Interested candidates pls. submit resume to Brent Butler, Senior Manager for Finance & Administration, at bbutler@nanbo.com or mail to P.O. Box 2980, Hagatna, Guam 96932.



*Advancing
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Association of Government Accountants

Invites you to a 3 day course on:

Performance Measurement and Budgeting

Drummond Kahn, CIA, CGFM, CGAP, MS, BA Political Science

REGISTRATION FORM

Date: December 12-14, 2011 (Monday to Wednesday) 9:00am to 5:00pm

Registration starts at 8:30am

Location: Outrigger Guam

Credits: Qualifies for 24hours of CPEs

Name: _____

Organization/Company: _____

Office Phone: _____ Fax: _____ Email: _____

Please Check Applicable Fee:

Early registration (on or before November 11, 2011)

☐ \$350 AGA/GSCPA Member

☐ \$450 Non-members

Regular registration (after November 11, 2011)

☐ \$400 AGA/GSCPA Member

☐ \$500 Non-members

IMPORTANT NOTICES – PLEASE READ

Registration and Payments

- AGA Members and all others, please fax registrations and/or Government Purchase Orders to (671) 649-3920 or email to jasonkatigbak@gmail.com or rmarquez@guamopa.com no later than **December 8, 2011 (Thursday)**.
- Payments or Validated Government Purchase Orders must be received by **December 8, 2011 (Thursday)**. Please make checks payable to "AGA-Guam Chapter" and mail to P.O. Box 1124 Hagåtña, GU 96932.

Cancellation, Substitution, and Refund Policy

- Cancellation request must be submitted in writing to jasonkatigbak@gmail.com or rmarquez@guamopa.com by **December 8, 2011 (Thursday)**. Any cancellation request after **December 8, 2011 (Thursday)** will be penalized \$20 administrative cost.
- No refunds will be given for cancellations received after that date. No shows will be billed for the full conference fee.
- Substitution of participants is permissible with AGA written authorization.

For Inquiries, Please Contact Jason Katigbak at jasonkatigbak@gmail.com (671-649-3700) or Rodalyn Marquez at rmarquez@guamopa.com (671-475-0390)

VISIT <http://aga.guam.net/>

Course Description:

The Association of Government Accountants (AGA) is proud to offer a 3 day course on Performance Measurement and Budgeting to be presented by Drummond Kahn, CIA, CGFM, CGAP, MS.

The content of this educational event is as follows:

Day 1 and 2 - Performance Measurement and Budgeting

Featuring the InstaMeasure Tool Kit. The objective of this course is to equip participants with tools to measure and budget for government performance. Covers critical measures of performance (inputs, outputs, outcomes) as well as the "threads" of an organization's mission and goals, and how they map to performance. Two-day session includes more budgeting tools and contrasting a performance budget with a line-item budget. Participants will leave with a one-sheet tool that can take critical measurement elements and apply them at work immediately.

Day 3 (Morning Session) - Financial and Performance Perspectives

This course defines "Accountability" and distinguishes it from "accounting", discussing broader views of what it means for an organization to be accountable. Differences between financial statement audits and performance audits, role of the client in auditing, and other topics to introduce frameworks and expectations for accountability.

Day 3 (Afternoon Session) - Performance Management and Frameworks for Excellence: Quality in Organizations

Taking the basic concepts of measurement and auditing and rolling them into a concept for organization-wide performance management -- how measurement and auditing work together, "tone at the top" and principles of quality, from the Baldrige National Quality Award (US) to the Deming Prize (Japan). Learn what distinguishes top organizations from the others, and how organizations can use quality principles to enhance their operations.

About the Speaker:

Drummond Kahn has over 20 years of government auditing experience, including service in the U.S. General Accounting Office, Oregon Audits Division, and directing the audit functions at the Oregon Department of Transportation and at the City of Portland.

An AGA member since 1990, Drummond is a past-President of AGA's Portland Chapter, and served on AGA's National Committee on State and Local Government. He serves on the Editorial Board of the Journal of Government Financial Management.

He teaches graduate courses in auditing and financial management at Portland State University, and at the University of Oregon, where he teaches a required course in Advanced Auditing in the school's Master of Accounting program.

Drummond trains financial managers overseas through the Graduate School USA's International Institute, where he has taught part-time since 1993 (including Guam, Saipan, FSM, RMI, Palau, and American Samoa). Drummond served as an instructor at two APIPA annual conferences -- Majuro in 1997 and American Samoa in 2000. He served on the APIPA Peer Review of Palau in 1998, and in 2011, served as a lead instructor for the ELDP program in Majuro. He has lectured at an international business school in France (l'Ecole Supérieure de Commerce / ESC-Reims) since 2003, and has addressed auditing groups around the U.S., in Canada, and in Latin America.

Drummond is the recipient of the GAO Regional Manager's Award, the AGA's national Special Achievement Award, and many other professional awards. Drummond is the 2011-12 national President-Elect of the Association of Local Government Auditors (ALGA), and serves on the U.S. Comptroller General's Advisory Council on Government Auditing Standards and on the Governmental Accounting Standards Board's Task Force for fiscal sustainability reporting.

He is a Certified Internal Auditor, Certified Government Financial Manager, and Certified Government Auditing Professional. He holds a master's degree from the University of Oregon and a bachelor's degree from Whitman College.

QUOTABLE

"If the U.S. gets its ADS status, that's going to be a big win for Guam."

— **Walter B. Dias**, staff vice president for sales and marketing for Continental Micronesia, at the Rotary Club of Guam general membership luncheon on Feb. 21 at the Guam Marriott Resort & Spa. Dias gave a presentation on the China tourist market. Approved Destination Status is expected some time in the spring of 2008, or thereafter, he said.

"The No. 1 challenge for our industry is the cost of utilities. It's really difficult for business when the utilities are higher than the combined employees' salaries."

— **Jose C. "Joe" Ayuyu**, McDonald's of Saipan franchise owner, during an interview to appear in the March issue of Beach Road Magazine. McDonald's of Saipan will celebrate its 15th anniversary on March 18.

Q & A

Editor's note:

Drummond E. Kahn has been the director of audit services for the City of Portland, Ore. since 2005, and is a member of the Association of Government Accountants, among other professional associations.

Kahn's professional auditing experience has included more than five years in the U.S. General Accounting Office, and more than nine years with the State of Oregon.

He teaches graduate courses in auditing, financial management and performance measurement at Charles H. Lundquist College of Business at the University of Oregon, and Hatfield School of Government at Portland State University. In addition, he also taught a graduate course in governance and oversight at Reims Management School (l'Ecole Supérieure de Commerce) in France.

Kahn received his bachelor's from Whitman College, in Walla Walla, Wash., in 1989, and his master's from the University of Oregon, in Eugene, in 1990. He also completed professional coursework at the U.S. General Accounting Office Training Institute in Washington, D.C., and the Treasury Department's Federal Law Enforcement Training Center in Glynco, Ga.



Kahn

Q: How did you come to bring your presentation to the Association of Government Accountants, Guam Chapter in January?

A: The Association of Government Accountants saw a need for performance measurement training due to the new Guam public law that large government of Guam agencies need to track and report their services. AGA partnered with the Guam CPAs to offer this training in January. AGA also sponsors an annual conference called the Pacific Emerging Issues Conference, which brings together officials from across the region to learn about accountability and oversight. I had the opportunity to present to that conference in 2006, and was delighted to be invited back this year to continue our work on performance measurement. The Pacific and Micronesia is a great environment for innovation — the governments and populations are small enough that big changes in accountability can take root quickly and demonstrate accomplishments.

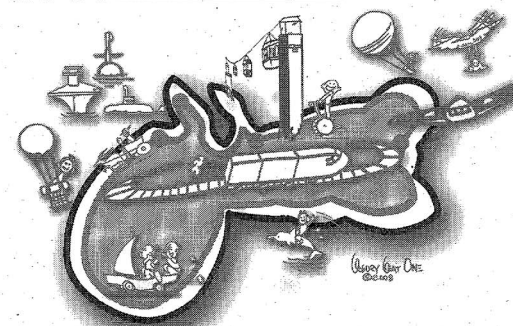
Q: In summary, can you discuss why performance measurement is so important to both businesses and government entities?

A: There's a big difference between "accounting" and "accountability." As with your personal checkbook, you can track where you spent money — whether your coffee was \$1 or \$4 and whether you spent \$200 or \$800 for a TV set. Accounting can track those expenses, but it takes accountability to determine whether those expenses were effective and efficient. Measuring the outcomes of programs in business and in government is critical. The books may balance, but did we get what we paid for and what we needed? All 500 companies in the Fortune 500 had a "clean" financial audit opinion, but that doesn't mean that each of them is equally good at producing goods or services — and some make better investments than others. So it takes more than pure accounting to inform decision-makers in business and government. Performance measurement is one tool to provide that information.

Q: Can you give an example of a case that demonstrates where some of these principles have produced dramatic results?

A: In one island government, officials knew the costs and budget of their hospital and their school lunch program.

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By using unit costs (how much does the average hospital stay cost? How much does each school lunch cost?), that government was able to compare its costs to other governments, recover fees from users or grant-makers, and to set prices and fees that really reflected its actual cost. The principles of measurement can allow an elected official, a customer, or a member of the public to step back and look at a program's efforts and results. Knowing what it costs to send a fire truck to an emergency, or the percentage of kids who eat their school lunch, can really help programs. Matching a goal (like quick fire-truck response or good nutrition) to the actual program and its costs can provide a really good look inside the organization.

Q: How can performance measurement show how communities feel about public services or quality of life?

A: Many government measurement efforts incorporate resident, business, and customer surveys into their reporting. Excellent examples from around the U.S. (see links in answer to the final question) illustrate how communities can be polled on everything from how they feel about neighborhood crime to whether they've visited their local park. Other measures can track the real crime rate and log the number of participants in park activities. This process can allow government to track both perceptions of services as well as the underlying service itself. In other words, it's great to have a lower crime rate than last year, and also important to ask whether residents feel safer. Measures like these can help decision-makers and the public, especially when they're asked to raise or lower taxes — and to raise or lower the level of service that their taxes provide.

Q: It seems you have a real passion for this kind of work. What do you think your ideal "job" would be in five years?

A: Auditing and accountability, using performance audits and performance measures — and reporting those to decision-makers — are really key to my career. Working at the federal, state, and local levels has been an excellent way to see how results of operations play out, and how auditors and analysts can inform the big discussions and decisions on those issues. I've also really enjoyed teaching at universities and

through PITI, so I hope to continue that work, as well.

Q: What challenges to performance measurement adoption does Guam have in common with other areas?

A: The same challenges, but a very important advantage. Challenges include whether an organization has a key leader or two who will press for adopting a transparent and successful measurement program. With leadership, measurement programs can be successful, and from my discussions in January, it seems like GovGuam is interested and able to move in this positive direction. The important advantage is size. Guam is the size of many medium cities, so is able to capitalize on its size to measure and report on services from water and power to medical programs. Guam is also a place where civic services are critically important, and due to its geographic isolation, where they need to be working all of the time.

Q: Are there any unusual or unique challenges you have come across in this region, in terms of the adoption of performance measurement approaches?

A: Not really — services seem to be similar everywhere, and patching a pothole or serving a school lunch looks pretty similar in most places. The differences emerge based on who's leading the measurement and budgeting effort, and the commitment of elected officials and the public to tracking and improving programs. The Association of Government Accountants has held three national performance management conferences in the U.S., and it's striking to see so many similarities in measurement programs all across the U.S. Other nations, including New Zealand and Canada, have also done excellent work in measuring and reporting on government services.

Q: Where can readers learn more about performance measurement?

A: Some excellent links on the Internet can provide more information — <http://www.seagov.org> has excellent background and links to government efforts to measure and manage performance. The Association of Government Accountants has compiled the measurement efforts for many of its member

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