

Association of Government Accountants San Francisco Chapter



President's Message



Hi all,

I hope everyone had a great start to the New Year and to a new decade!

For this New Year, our chapter is blessed to have Lyndon Coggin joining us as the historian. Lyndon is an internal auditor with the Alameda County Employees' Retirement Association, which administers a fund valued at about \$8 billion for approximately 24,000 members. Lyndon will bring our historian report up to date!

One of our chapter goals is to provide you with both high-quality and low-cost training. Our board has been busy planning events for all of you. On January 31, 2020, the board met to discuss various topics and to approve a number of events and items.



From left to right: Linda Gee, Lyndon Coggin, Sefton Boyars, Chuck Hester, Bill Stark, Daniel Flores, Humberto Melara, Connie Tan, and Terri Ahuruonye

Our chapter is pleased to offer the following 8-hour trainings for 2020.

- Regulatory Review and Ethics for California Accounting and Auditing Professionals on **April 28, 2020**
- Fraud and Internal Controls on **June 16, 2020**
- Revised 2 CFR Uniform Requirements on **August 25, 2020**

February 2020

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Here is the lineup of our upcoming 1-hour webinars.

- San Francisco City Services Auditor Division's presentation on **March 17, 2020** ([register](#))
- Oakland City Auditor's presentation in **May 2020** (date unconfirmed, rescheduled from **February 2020**)

For the months of February and March, these are the membership renewal months. I hope you are enjoying our chapter events and maximizing your member's [benefits](#).

Many of our potential student members are interested in a career with the government. We encourage them to join a professional association like AGA for network opportunities. They can also check out both the federal job announcement website at www.usajobs.gov and the State of California website at www.jobs.ca.gov. Many of the city and county governments have their own websites.

Lastly, at the January 31 board meeting, the board approved the following officers for the next program year (July 1, 2020 to June 30, 2021).

Board Position	Name
Chapter President	Linda Gee
Immediate Past President	Sefton Boyars
National Council of Chapters Representative	Humberto Melara
Chapter Treasurer	Humberto Melara
Education	Charles Hester
Membership	Terri Ahuruonye
Meetings & Events	Connie Tan
Chapter Historian	Lyndon Coggin
Chapter Recognition	Willard (Bill) Stark
Newsletter Editor	Daniel Flores
Webmaster	Daniel Flores
Secretary	Vacant
Bylaws and Procedures	Vacant
Community Service	Vacant

We would like to thank our board members for their commitment to the chapter for another year. If you would like to join our board, there are still positions available. We would love to hear from you!

All the best to you in 2020 and beyond.

Linda

Guidance and Standards

AGA Journal of Government Financial Management

How will your organization prepare for the next wave of accounting and auditing standards?

The Summer 2017 edition of the AGA Journal of Government Financial Management includes several articles on various accounting and auditing standards affecting government agencies.



- **Best Practices for Implementing New GASB Statements** – State and local governments are faced with an average of three new accounting standards to implement each year. This article describes best practices for implementation of new standards that can be used as a consistent, overall process integrated with the government’s annual financial statement preparation process.
- **GASB-77 Tax Abatement Disclosures — What Every Taxpayer (and Government) Needs to Know** – Many state and local governments provide tax abatements primarily for economic development. These agreements may result in large amounts being abated for the foreseeable future, potentially hindering much-needed revenues. GASB-77 Tax Abatement Disclosures improves disclosure of such agreements to afford taxpayers an opportunity to measure their full effect.
- **Hold Your Head and Standards High** – Audit and accounting standards are constantly changing. How will your organization prepare for the next wave of changes? Standard setters have a plethora of resources available to keep you in the know and help you prepare. Here, we examine several significant updates and the impact they may have on affected organizations.
- **Closing the Gap on Subservice Organizations** – The American Institute of Certified Public Accountants recently issued Statement on Standards for Attestation Engagements (SSAE) 18, Attestation Standards: Clarification and Recodification, which supersedes several standards including SSAE 16, Reporting on Controls at a Service Organization. Learn what the change means for service organizations, subservice organizations and service auditors.
- **Online Financial Reporting: a Balancing Act** – Online financial reporting is becoming more commonplace among all levels of government, as evidenced by the federal government’s adoption of the DATA Act. The article examines the needs of users, the professional standards for third-party assurance for online financial reporting, and actions.
- **Why Municipalities Go Out of Business** – We explore the where, why and how. Because the most common reason for dissolution is citizens’ desire for greater efficiency, we also discuss state initiatives to help local governments improve efficiency. Our findings will be useful to policymakers, administrators and citizens concerned with the efficient functioning of municipal governments.

AGA members can log in to assess the latest issue of the [Journal of Government Financial Management](#) under the Resources section.

Board of Directors

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Vacant:

Bylaws & Procedures
Secretary
Community Services

AGA San Francisco Webinar

One-hour Webinar

Tuesday March 17, 2020 | 10:30 am to 11:30 am

- Topic:** Penetration Testing – Basic Concepts, Approach, and Tools
- Presenter:** San Francisco City Services Auditor Division
- Date:** Tuesday, March 17, 2020
- Time:** 10:30 am to 11:30 am, 1-hour CPE credit
- Cost:** Free for AGA San Francisco Chapter Members
\$5 for non-members
- RSVP:** Please register at the following link ([register](#)), and remit payment either at the following PayPal link (paypal.me/AGAsanfrancisco) or by filing out a credit card payment form attached at the end of this newsletter. For PayPal Link questions, please contact Daniel Flores (danielflorescpa@gmail.com). For credit card payment questions, please contact Connie Tan (connie.tan@dhs.gov) and Humberto Melara (Humberto.melara@sbcglobla.net).
- CPE Info:** To earn the free one-hour CPE, participants will need to jot down the letters that will appear at unannounced time on the top right-hand corner of the PowerPoint slides during the webinar. Participants must enter the letters correctly at the end of the webinar survey in order to verify their attendance. Partial credits will not be issued. Within a week, a CPE certificate will be emailed to participants who entered the codes correctly.

Course Description:

In Information Technology (IT) and Cybersecurity, penetration testing or “pen testing” for short, is a necessary activity for discovering and revealing network/system security vulnerabilities as well as control weaknesses. The City and County of San Francisco’s City Services Auditor will discuss their experiences in conducting a penetration testing program, including audit planning, setting scope and objectives, testing methodology, and reporting results to a non-technical audience.

This presentation will expose those without experience in hacking and penetration testing to the tools, techniques, and approaches behind these activities. The presentation is understandable for those who might not have deep experience in IT.

Presenter Bios:

Michael Bahler

Michael is an auditor who works at the Office of the Controller – City Services Auditor as an Ops/IT Auditor. Michael has worked on the City’s cyber audits team for the past 2 years. Michael is trained in the use of many audit tools, including ACL, Kali Linux, and ethical hacking. Michael holds a bachelor’s degree in IT Management and Business Management from Golden Gate University.

George Wolf

Georg Wolf is a Senior IT Auditor who works at the city and county of San Francisco, Office of the Controller – City Services Auditor. Georg has more than five years IT audit experience working for Ernst & Young, AT&T and Charles Schwab and several years of experience in software engineering and release management. Since working for the city and county of San Francisco, Georg has been involved in various IT audit efforts and initiatives, including review of system interconnection agreements, coordination of system penetration testing and initiation of information security awareness & phishing programs. Georg is a certified Information Systems Auditor (CISA), Risks and Information Systems Controls (CRISC) and Project Management Professional (PMP). Georg holds a BS, Business Administration with a concentration in Organization and Data Processing from Munich University of Applied Sciences.

Cynthia Ngo

Cynthia Ngo is a Senior IT Auditor who works at the Office of the Controller – City Services Auditor. Cynthia has been involved with promoting IT Disaster Recovery plan best practices, engaged in PCI compliance efforts, and supports the CSA team with various cybersecurity initiatives citywide. She also has experience leading and performing IT General Control audits and SOX 404 & 302 compliance projects. Cynthia is proficient with various ERPs and IT applications, and is a CISA candidate. Cynthia holds a B.S. in both finance and information systems from San Francisco State University.

Regulatory Review and Ethics for CA Professionals

Eight Hour Training Session

Tuesday April 28, 2020 | 8:30am – 5:00pm

- Topic:** Regulatory Review and Ethics for California Accounting & Auditing Professionals
- Presenter:** Charles W. Hester, CPA/CFE/CGFM
- Location:** Room 4-400, Federal Building
90 7th Street – San Francisco
- Cost:** \$125 for AGA SF Members
\$150 for non-members
- RSVP:** If you would like to attend this training, please contact Chuck Hester via e-mail at CharlesHester@msn.com. Space is limited and spots will be filled on a first-come, first-served basis. If you register, and discover you cannot attend, please notify Chuck no later than Friday April 24th.

For payment information or question, please contact Daniel Flores (danielflorescpa@gmail.com) or remit payment at the following PayPal link (paypal.me/AGAsanfrancisco). You may also pay by check or credit card (see credit card authorization form at the end of this newsletter) at the training site.

About the Course:

Ethics is a cornerstone in every profession, especially for Certified Public Accountants. The public, and employers, place a significant trust in CPAs and there is inherent in that trust, the expectation that a CPA will know and understand the legal and ethical standard that apply. However, those standards are of an ever-increasing complex order and lack of understanding the ethical and legal standards can expose a CPA to risk of breach in compliance or even malpractice. This course is designed to provide CPAs with critical guidance and updated information on the current standards.

A portion of this course is designed to meet the California Board of Accountancy's requirement for two-hour of Regulatory Review. This session, approved by the Board of Accountancy and entitled *Conduct and Ethics Requirements for California Accounting and Auditing Professionals*, will provide a review that is specific to the practice of public accountancy in California, the current California Accountancy Act, and California Board of Accountancy regulations. The session will also cover historic and recent disciplinary actions taken by the California Board including highlights where the conduct of the licensee led to the discipline.

A separate portion of the course is designed to meet the four-hour ethics education requirement of the California Board of Accountancy. The ethics content includes a review of nationally recognized codes of conduct emphasizing how the codes relate to professional responsibilities; case-based instruction focusing on real-life situational learning; ethical dilemmas facing the accounting professional; and business ethics, ethical sensitivity, and consumer expectations.

The final separate two-hour portion of the course is designed to provide government auditors, accountants, and fraud specialists and/or forensic accountants, with the critical guidance and updated information on their current standards.

CPE CREDIT: Total 8.0 CPE (Continuing Professional Education)

- 2.0 Hours Regulatory Review
- 4.0 Hours General Behavioral Ethics

- 2.0 Hours Technical CE (Government/Fraud)

Objectives:

- Ensure that participant's knowledge and understanding of ethical and professional conduct standards, as well as statutory and regulatory requirements in California, is current
- Ensure that participants knowledge and understanding of ethical and conduct standards of their chosen profession is current, whether they are in public, private or government practice
- Review the current California Accountancy Act, including but not limited to the specific Articles required by the Board
- Examine current California Board of Accountancy Regulations, including but not limited to the specific Articles required by the Board
- Provide a general understanding of the types of activities that have caused other accounting and auditing professionals to be perceived as in violation of conduct and ethical standards
- Provide a general overview and update of current ethical standards for various professional organization, such as the AICPA, CalCPA, GAO, PCIE, AGA, IIA, ACFS, ACFE, IMA, and others
- Provide a reference guide of recent publications on conduct and ethics for accounting and auditing professional, including (but not limited to) copies of the California Accountancy Act and the California Accountancy Regulations
- Provide a review of disciplinary actions taken by the California Board of Accountancy and other professional organizations

Key Topics:

- The California Business and Professions Code and the California Board of Accountancy Regulations
- Codes of Professional Conduct of various professional accounting organizations
- Codes of Professional Conduct of various fraud specialist and forensic accounting organizations
- California and National case law involving public accountancy
- Duties of accounting professionals under the Sarbanes Oxley Act
- A CPAs duty when fraud is discovered
- California Board of Accountancy disciplinary actions, including highlights of historic and recent misconduct which led to licensees being discipline

About the Speaker: Charles W. Hester, CPA/CFE/CGFM:

Charles (Chuck) Hester, Sr. served as the Western District Inspector General and Audit Manager for the Federal Emergency Management Agency (FEMA) until his retirement on September 30, 1995. Chuck currently conducts training sessions for numerous organizations, including the Association of Government Accountants' Education and Research Foundation, and various other professional accounting and auditing organizations. In addition, Chuck has served as the Team Leader for External Peer (Quality Control) Reviews for Various national, state, and local government audit agencies.

Chuck is a member of various professional auditing and accounting organizations and has written several articles that have been published in professional journals. Chuck currently serves as member of the Qualifications Committee for the California Board of Accountancy.

Chuck is the recipient of the Faculty Excellence Award from the Graduate School. Chuck has also received numerous other awards including the Jack Birkholz Leadership Award presented by the Western Intergovernmental Audit Forum and the Education and Training Award presented by the National Association of Government Accountants.

Fraud and Internal Control Training Session

Eight Hour Training Session

Tuesday June 16, 2020 | 8:30am – 5:00pm

- Topics:** **Prevention and Detection of Fraud**
Conducting Effective Assessments and/or Audits of Internal (Management) Controls
- Presenter:** Charles W. Hester, CPA/CFE/CGFM
- Location:** Room 4-400, Federal Building
90 7th Street – San Francisco
- Cost:** **\$125** for AGA SF Members
\$150 for non-members
- RSVP:** If you would like to attend this training, please contact Chuck Hester via e-mail at CharlesHester@msn.com. Space is limited and spots will be filled on a first-come, first-served basis. If you register, and discover you cannot attend, please notify Chuck no later than Friday June 12th.

For payment information or question, please contact Daniel Flores (danielflorescpa@gmail.com) or remit payment at the following PayPal link (paypal.me/AGAsanfrancisco). You may also pay by check or credit card (see credit card authorization form at the end of this newsletter) at the training site.

About the Course: Prevention and Detection of Fraud

Auditing for fraud involves a different mindset and different techniques than other audit procedures. This presentation makes participants aware of the nature, causes and types of white-collar crimes; clarifies professional responsibilities; and provides an understanding of basic and extended audit procedures applicable to preventing and detecting fraud, waste and abuse. In addition, we will also cover the definition of fraud, characteristics and common types of fraud, fraud auditing techniques and some “red flags.” At the completion of the presentation, participants will be better able to:

- Identify auditor responsibilities for the prevention and detection of fraud.
- Describe where fraud is committed and who commits it.
- Identify common indicators and detection techniques associated with illegal activity and abuse.
- Describe threats to and identify safety measures for computer-based systems.
- Describe the Federal rules of evidence and criminal statutes related to fraud.
- Identify factors relevant to auditor’s cooperation with investigators and the timing and content of investigative referrals.

The 4-Hour class will include lecture, discussion and case problems.

About the Course: Conducting Effective Assessments and/or Audits of Internal (Management) Controls

This 4-hour class focuses on the unique characteristics and requirements of assessing internal (management) controls. The session will not make participants “Internal Control Auditors.” It will, however, introduce them

to key concepts, issues and “Control Standards” relevant to assessing management’s efforts to design and implement policies and procedures to achieve the organization’s objectives. The presentation is designed to help attendees understand the nature, functions, and scope of internal controls. Participants will become familiar with the recently updated COSO’s Integrated Framework, which builds on what has proven effective in the original version.

What is not changing...?

1. Definition of internal control
2. Five components of internal control
3. The fundamental criteria used to assess effectiveness of systems of internal control
4. Use of judgment in evaluating the effectiveness of systems of internal control

What is changing...?

1. Codification of principles with universal application for use in developing and evaluating the effectiveness of systems of internal control
2. Expanded financial reporting objectives to address internal and external, financial and non-financial reporting objectives
3. Increased focus on operations, compliance, and non-financial reporting objectives based on user input

This course will also provide auditors, accountants and management personnel with the knowledge and skills to understand and conduct control self-assessments. The control self-assessment is a process through which internal control effectiveness is examined and assessed with the objective of providing reasonable assurance that all organization objectives will be met. The self-assessment is conducted within a structured environment in which the process is thoroughly documented and the process is repetitive as an incentive for continuous improvement.

Objectives

Upon completion of this course, participants will be able to:

- Gain an understanding of the types of the various control self-assessment models and techniques,
- Identify organization objectives, risks and the controls needed to mitigate risk to an acceptable level, and
- Learn to apply the best practices related to control self-assessment.
- Understand the relationship between controls and financial management
- Evaluate their own organization’s management control system
- Understand the limitations of control systems
- Develop controls that are appropriate to your organization
- Determine what could go wrong and why

The class will include lecture, discussion and case problems. The course is directed towards all levels (basic/intermediate/advanced) of individuals who assess or audit internal controls.

About the Speaker: Charles W. Hester, CPA/CFE/CGFM:

Charles (Chuck) Hester, Sr. served as the Western District Inspector General and Audit Manager for the Federal Emergency Management Agency (FEMA) until his retirement on September 30, 1995. Chuck currently conducts training sessions for numerous organizations, including the Association of Government Accountants' Education and Research Foundation, and various other professional accounting and auditing organizations. In addition, Chuck has served as the Team Leader for External Peer (Quality Control) Reviews for Various national, state, and local government audit agencies.

Chuck is a member of various professional auditing and accounting organizations and has written several articles that have been published in professional journals. Chuck currently serves as member of the Qualifications Committee for the California Board of Accountancy.

Chuck is the recipient of the Faculty Excellence Award from the Graduate School. Chuck has also received numerous other awards including the Jack Birkholz Leadership Award presented by the Western Intergovernmental Audit Forum and the Education and Training Award presented by the National Association of Government Accountants.

Revised OMB Uniform Guidance

Eight Hour Training Session

Tuesday August 25, 2020 | 8:30am – 5:00pm

- Topics:** Revised OMB Uniform Guidance and its Impact on the Grant Community
- Presenter:** Charles W. Hester, CPA/CFE/CGFM
- Location:** Room 4-400, Federal Building
90 7th Street – San Francisco
- Cost:** **\$125** for AGA SF Members
\$150 for non-members
- RSVP:** If you would like to attend this training, please contact Chuck Hester via e-mail at CharlesHester@msn.com. Space is limited and spots will be filled on a first-come, first-served basis. If you register, and discover you cannot attend, please notify Chuck no later than Friday August 21st.

For payment information or question, please contact Daniel Flores (danielflorescpa@gmail.com) or remit payment at the following PayPal link (paypal.me/AGAsanfrancisco). You may also pay by check or credit card (see credit card authorization form at the end of this newsletter) at the training site.

About the Course: Revised OMB Uniform Guidance

Revised grants management reform is here! And you need to begin now to adjust your procedures to shift their focus from “process” to “performance.” On January 21, 2020, Office of Management Budget issued proposed revisions to regulations covering Federal grants and agreements. The document has been dubbed “Super-Circular²” because it revises virtually all of the general grant regulations: the administrative rules, the cost principles, and the Single Audit requirements. All persons who deal with Federal grants will need to be aware and be ready for the coming changes. This course will present:

- The federal shift from compliance to performance
- Additional focus on risk
- Additional rules on procurement
- Additional controls on cash management and allowability
- Additional rules on travel, meals, and conferences
- Additional controls on computers
- Conflicts/fraud/gratuity rules
- Administrative costs/Indirect costs
- Additional rules on audits/monitoring
- Changes to close-out/management decisions

Learning Objectives: For the past few years, the Office of Management and Budget (OMB), in conjunction with the Council on Financial Assistance Reform (COFAR), has been working on plans to further streamline and improve the Federal grant requirements. Understanding the actions underway, and their implications by

program officials who award grants, recipients who receive grants, and auditors who audit those grants is critical to improving accountability and transparency.

The Office of Management and Budget is proposing to revise sections of Title 2 of the Code of Federal Regulations (CFR) Subtitle A—OMB Guidance for Grants and Agreements. The proposed revisions are limited in scope to support implementation of the President’s Management Agenda, Results-Oriented Accountability for Grants Cross-Agency Priority Goal (Grants CAP Goal) and other Administration priorities; implementation of statutory requirements and alignment of 2 CFR with other authoritative source requirements; and clarifications of existing requirements in particular areas within 2 CFR. These proposed revisions are intended to reduce recipient burden, provide guidance on implementing new statutory requirements, and improve Federal financial assistance management, transparency, and oversight.

About the Speaker: Charles W. Hester, CPA/CFE/CGFM:

Charles (Chuck) Hester, Sr. served as the Western District Inspector General and Audit Manager for the Federal Emergency Management Agency (FEMA) until his retirement in 1995. Chuck is currently an instructor for various organizations, including Graduate School’s Government Audit Training Institute in Washington, DC, and the Pacific Islands Training Institute in Honolulu, HI. Chuck has also taught for the Association of Government Accountants’ Education and Research Foundation, the California Association of State Auditors, and various other accounting and auditing professional organizations.



Association of Government Accountants – San Francisco Chapter
Credit Card Authorization Form

Event Name _____

Date _____

Total \$ _____

Attendee Names

1.	9.
2.	10.
3.	11.
4.	12.
5.	13.
6.	14.
7.	15.
8.	16.

CREDIT CARD SECTION

Credit Card Type (AMEX/VISA/MASTERCARD) _____

Credit Card Number _____

Name on Credit Card _____

Expiration Date _____

CVV (3 or 4 digit number on back of credit card) _____

Billing Zip Code _____

AUTHORIZATION SECTION

Name _____

Organization _____

Signature _____

Phone _____

Date _____

Email Address _____