

President's Message



Hi, all:

Despite my constant moaning about the need for a younger person to assume the position of President, I am excited by the upcoming activities in the Chapter.

On September 18th, Harriet Richardson will be explaining the changes made in the new Yellow Book, issued just last month. Harriet, the City Auditor of Palo Alto, is on the Yellow Book Advisory Council, so she really knows whereof she speaks. If you do government audits, I strongly recommend you plan to attend her session.

Then, on September 25th, Bob Adachi will present a full day class on the subject of Reducing Risk in Performance Audits.

What keeps auditors up at night? The possibility that their work is wrong or that something was missed, otherwise known as audit risk. Bob will discuss techniques to address those risks and to ensure that the auditor meets the Yellow Book requirements when assessing risk. Another "must attend" for government auditors.

We have another 8-hour class set for December 4th, this one on Performance Auditing. We are still working on the details, however, we are planning a three-person panel to discuss performance auditing: Bob Adachi, Chuck Hester and you-know-who. We are planning to make this lively presentation, with case problems and war stories.

I had a fruitful discussion with Chuck Hester today about training programs next calendar year. We expect to have at least five full days of training in addition to our monthly meetings. In short, we hope to have a very useful Chapter for you this coming year.

I won't discuss the future luncheon meetings and training sessions here. However, I am sure that they will continue the Chapter's fine tradition of excellent presentations.

Hope to see you at our next luncheon meeting on September 18th.

-Sefton

September 2018 Issue

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GAO Updates "Yellow Book," the Preeminent Standards for Government Auditing

WASHINGTON, DC (July 17, 2018)—The U.S. Government Accountability Office (GAO) today issued a new revision of Generally Accepted Government Auditing Standards, also known as the "Yellow Book." Last revised in 2011, the Yellow Book is designed to help government auditors at the federal, state, and local levels produce high-quality audits that reflect competence, integrity, objectivity, and independence.

"First-rate audit work is an essential component of government accountability and oversight," said Gene L. Dodaro, Comptroller General of the United States and head of the GAO. "I'm very proud of the effort that's gone into the new Yellow Book standards. This is an important step forward in assuring taxpayers that public resources are being used responsibly and efficiently."

Some of the key changes to the 2018 Yellow Book include:

- A new format that differentiates requirements from application guidance
- Updated independence requirements for auditors who prepare the financial statements of an audited entity
- Revised peer review requirements for audit organizations
- New guidance to address waste and abuse as defined under government auditing standards
- Updated internal control guidance for performance audits

To ensure that the new standards meet the needs of government auditors, the Comptroller General established an advisory council consisting of representatives from federal, state, and local governments, as well as the private sector and academia, to review the proposed changes. GAO is extremely grateful for their dedication and expertise and a full list of members is below. The new Yellow Book reflects the advisory council's input, as well as feedback received during the public comment period on the exposure draft of the proposed revisions.

The 2018 Yellow Book, which supersedes the 2011 revision (GAO-12-331G), is available on GAO's website at <https://www.gao.gov/yellowbook/overview>.

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Changes in the 2018 Yellow Book

Monthly Luncheon | One Hour CPE

Tuesday, September 18, 2018 | 11:30 am – 1:00 pm
San Francisco, CA

For our September meeting, I am very pleased to announce that Harriet Richardson, Palo Alto City Auditor and member of the Yellow Book Advisory Council, will talk about the brand new Yellow Book that was issued only last month. During this session, Harriet will discuss the changes between the 2011 and 2018 versions of the Yellow Book, including why they GAO made some of the changes and how the changes will affect how you conduct your audits. You are encouraged to review the new Yellow Book before the meeting and come prepared to ask about changes where you have questions.

I doubt that there many organizations will have so current a presentation by such a knowledgeable speaker. I will definitely attend, and I encourage all government auditors to avail themselves of Harriet's information.

Presenter: Harriet Richardson, Palo Alto City Auditor

Location: San Francisco Federal Building
90 7th Street (between Market and Mission Streets), Suite 4-400 (in the Annex)

Cost: With lunch: free for SF Chapter members, \$10 for non-members

Without lunch: free for SF Chapter members, \$5 for non-members

RSVP: Register by email at agaluncheon@gmail.com. If you have any dietary requirements or have any questions, you can email Lela Wong and Connie Tan at agaluncheon@gmail.com. We will get in touch with you. If you find that you can't make it to the luncheon after registration, please email Lela Wong and Connie Tan at agaluncheon@gmail.com by the close of business, September 17th.

About the Speaker:

Harriet Richardson is the Palo Alto City Auditor and has 28 years of experience as a performance auditor at the federal, state, and local levels of government. She is a Certified Public Accountant, Certified Internal Auditor, Certified Government Audit Professional, and Certified in Risk Management Assurance. She graduated with presidential honors from City University in Seattle with a bachelor's degree in accounting and a master's degree in business administration with an emphasis in financial management.

Harriet served for five years on the board of the Association of Local Government Auditors (ALGA), including a term as president, is past chair of ALGA's Professional Issues Committee, and served seven years on the Association of Government Accountant's (AGA) Financial Management Standards Board. She has served on several ALGA peer review teams, written articles for ALGA's *Local Government Auditing Quarterly*, and provided presentations at many conferences for organizations such as ALGA, AGA, The IIA, the International Law Enforcement Auditors' Association, the Intergovernmental Audit Forums, and the League of California Cities.

Harriet has received several of ALGA's Knighton Awards, which recognizes the best local government audits during the award years, received the AGA's Excellent in Government Leadership Award in 2017, and received the David M. Walker Excellence in Government Performance and Accountability Award in 2018. She is currently one of two local government representatives on the U.S. Government Accountability Office's Government Auditing Standards Advisory Council.

Reducing Risk in Performance Audits

Full-Day Training | Eight Hours CPE

Tuesday, September 25, 2018 | 8:30 am – 5:00 pm
San Francisco, CA

What keeps auditors up at night? The possibility that their work is wrong or that something was missed, otherwise known as audit risk. The Yellow Book defines audit risk as

...the possibility that the auditors' findings, conclusions, recommendations, or assurance may be improper or incomplete, as a result of factors such as evidence that is not sufficient and/or appropriate, an inadequate audit process, or intentional omissions or misleading information due to misrepresentation or fraud.

Usually this occurs just as the audit report is being written and the audit is being completed. What can assist the auditor during the audit to reduce the risk and lessen their fears?

The Yellow Book requires that auditors plan the audit to reduce audit risk to an appropriate level for the auditors to obtain reasonable assurance that the evidence is sufficient and appropriate to support the auditors' findings and conclusions. When risk factors are identified, auditors should document the risk factors identified, the auditors' response to those risk factors individually or in combination, and the auditors' conclusions. In planning the audit, auditors should assess risks of fraud occurring that is significant within the context of the audit objectives. Fraud involves obtaining something of value through willful misrepresentation.

The class will discuss some fundamental planning steps that the auditor can perform in connection with attestations and performance audits to meet the Yellow Book requirements. We will discuss audit risk that can be used in the four types of performance audit defined in the Yellow Book. The class will also discuss some fraud detection steps that the auditor can take to reduce the audit risk. This course will also discuss how an auditor can use either the Attestation Standards in Chapter 5 of the Yellow Book or the Performance Standards in Chapter 6 and 7 of the Yellow Book. We will also discuss the various reporting formats that can be used and go through examples of various audits of grants and contracts that have followed both the Attestation and Performance Audit Standards.

Presenter: Robert Adachi

Location: San Francisco Federal Building
90 7th Street (between Market and Mission Streets), Suite 4-400 (in the Annex)

Cost: \$125 for AGA members, \$150 for non-members
The AGA chapter will provide lunch (sandwiches and sodas) and morning coffee.

RSVP: Register with Charles Hester at charlesHester@msn.com by Tuesday, September 18, 2018.

About the Speaker:

Robert Adachi, Director of Forensic Audits, EPA OIG (Retired)

After graduating from UC, Berkeley, Bob Adachi worked for IRS for a number of years before joining the OIG for the Environmental Protection Agency. In EPA, he was involved in every type of audit, including performance audits, financial audits, and contract audits. He also provided assistance to the investigative staff in connection with grant and contract fraud.

Job Announcement

The Presidio Trust – Controller

The Presidio Trust is seeking a Controller to direct the financial activities of the Trust. Once an Army base, the Presidio is a unique national park located in San Francisco at the edge of the Golden Gate. With 1500 acres rich with history, nature, and open space, the Presidio contains hundreds of restored former military buildings animated by more than 3,000 residents and 200 companies, including high tech start-ups, innovative non-profits, and other organizations that offer a welcoming mix of visitor experiences. On any given day at the Presidio, you'll find organizations pursuing new ideas, scientists conducting research, and people of all ages volunteering, learning, playing, and exploring.

Our ideal candidate is an experienced Controller who loves numbers, but can also plug into and inspire a committed team. You have robust technical accounting and fundamental skills, and an ability to communicate a vision for the department. Your proactivity and resourcefulness aligns your attention to detail with high output, and you are able to do things quickly, do them well, and ensure the integrity of accounting processes and data. If you are seeking interesting work aside from the hustle and bustle of the city, and amongst San Francisco's most iconic views, we could be a great fit!

Applications received by September 10th 2018 will receive first consideration; applications received by Sep 24th will receive second consideration. We are planning to hold the first round of interviews beginning the week of October 8th, the second round of interviews beginning the week of October 15th, make a job offer before the end of October, and set a work start date in November, 2018.

Responsibilities

- Oversee accounting operations including general ledger maintenance, accounts receivable and payable, project and fixed asset accounting, and billing and collections activities.
- Develop and manage comprehensive program of financial policy and financial control which includes aligning resources with the mission, human capital, and information management priorities. Financial program includes but is not limited to funds control, resource management, financial systems, managerial financial reporting and analysis, internal control, travel, cost recovery, and accounting for grants and donations.
- Provide management direction and serve as a financial advisor to management. Recommend modifications to existing programs and develop programs to enhance current practices or accommodate new business lines.
- Prepare reports which summarize and forecast business activity and financial position, and develop complex financial analysis as appropriate.
- Establish and improve system controls for new and existing financial systems, and participate in system implementation through coordination and leadership of the accounting functions. Identify areas for technological improvement/automation to enable best use of the organization's resources.
- Provide management with timely reviews of organization's financial status and progress in its various programs and activities.
- Arrange for and oversee the audit of the annual financial statements and other financial audits as required.
- Prepare or direct the preparation of various financial reports to include reports required by regulatory agencies, financial statements, etc.

- Perform process reviews and routinely implement improvements that emphasize efficiency of operations and quality of outputs.
- Possess a broad knowledge of principles, methods, techniques, and systems of financial management.
- Provide staff with internal professional development. Possess technical knowledge and the ability to cross train subordinate staff on a myriad of technical issues.
- Direct and coordinate difficult and complex programs.
- Coordinate the process for federal reporting to government regulatory agencies in accordance with their standards and directions.
- Prepare and present to the audit committee as necessary.
- Develop plans to attain agency objectives.

Required

- Certified Public Accountant (CPA) OR at least ten years of recent financial accounting experience, AND at least 5 years of experience managing an accounting team
- Exceptional verbal and written communication skills, able to clearly and concisely interface with all levels of management
- Critical thinker who can seek innovative solutions to complex business/technical issues and multitask in a fast paced environment
- Excellent analytical and problem solving skills, combined with impeccable business judgement
- Strong organizational and leadership skills with above average accuracy
- Strong communication skills, both verbally and in writing
- Strong emphasis on integrity and teamwork

Desired

- Passion for parks; strong desire to work for the Presidio.
- Experience with Oracle Financials and federal budgetary accounting is highly desirable.
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About the Presidio Trust Finance and Business Management Team

Our Finance and Business Management Team is a diverse group of professionals. As part of a one-of-a-kind organization, the team brings together innovative private sector strategies while following federal policies and guidelines to develop and maintain the Presidio Trust's budget, support all accounting and reporting activities, and ensure the park is self-sufficient and continues to be available for all visitors.

Background Investigation

The Presidio Trust has identified this position as subject to an employment background investigation which shall consist of a review of applicable county, state and Federal criminal and civil records, state bankruptcy indexes and a credit report. An individual's granting of an investigation and resulting report is voluntary. However, employment in this sensitive position is contingent upon the successful completion of an investigation. The Presidio Trust may refuse to hire an individual, may rescind an offer of employment to an individual, or may review and terminate the employment of a current employee not successfully completing the investigation.

Financial Disclosure

This position may require the completion of the U.S. Office of Government Ethics (OGE) Form 278, Public Financial Disclosure Report, both as a New Entrant into the position and annually thereafter. The purpose of the financial disclosure system is to assist employees and their agencies in avoiding conflicts between official duties and private financial interests or affiliations.

Bridging Cost, Performance and Evidence: Building on Insights from the PIO-CFO Summit

Webinar | One Hour CPE

Monday, September 6th, 2018 | 10:00 am – 11:00 am

Free for AGA Members

Program Level:	Overview
Prerequisite:	None
Advance Preparation:	None required
Field of Study:	Management Services (MGMT)

What are the costs of federal programs and policies? What results do we get for that spending? These two questions are fundamental to understanding public value and cost effectiveness, yet issues of cost, performance and impact often exist in silos. That's a problem, since when financial management, performance, and evidence communities work together to tackle important agency or cross-agency challenges and opportunities, government produces better results, often at lower cost. This webinar will explore the causes of those silos and discuss recommendations for bridging them. It will also discuss how one agency, the Small Business Administration, has worked to successfully connect cost, performance and evidence.

Speakers:

- Jason Bossie, Director of the Office of Performance Management, SBA
- Andrew Feldman, Director, Grant Thornton
- Robert Shea, Principal, Grant Thornton
- Kathy Stack, Former VP, Laura and John Arnold Foundation

Learning objectives:

- Understand why the financial management, performance, and evidence communities often exist in different silos, with each often asking different questions about agency performance.
- Understand how, despite these differences, the three communities have important overlapping interests and approaches that can benefit each other.
- Learn about five suggestions that agencies can use to bridge cost, performance and evidence in order to better tackle important agency challenges and opportunities and, in doing so, produce better results, often at lower cost.

Registration:

To register for this course, follow the link below and sign in using your AGA login. After logging in, continue with the registration steps. This webinar is free for AGA members.

<https://www.agacgfm.org/Training-and-Events/Event-Registration.aspx?ID=353>