

President's Message



Hi all,

Time flies when you are having fun! In September, we had an all-day training on reducing audit risks taught by Robert (Bob) Adachi, a retired EPA OIG Forensic Audit Director. His class was well received by the attendees. The highlight of his class covered the various software and websites that he utilized to detect fraud and to develop audit findings. What made his class interesting was not only those story-telling audit pictures, but also how he applied those audit tools to achieve great audit results. Bob also shared with us his innovative report format, which drastically cut down both the report-writing and peer-review time. Thank you, Bob, for sharing your audit knowledge with us!

This is the first year that our Chapter is offering pilot webinars instead of the monthly luncheons, so more members can benefit from our AGA programs. We are excited to announce that on October 30, 2019 (originally scheduled for October 15, 2019), Harriet Richardson will discuss the Yellow Book updates in our inaugural AGA webinar.

Harriet Richardson is the first Inspector General for BART and she is also a local government representative on GAO's Government Auditing Standards Advisory Council. She has worked closely on the revision of this Yellow Book. We are looking forward to her presentation.

For this inaugural webinar, we are offering complimentary registration for everyone. However, 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. Within a week, a CPE certificate will be emailed to participants who entered the codes correctly. For registration details, please refer to the webinar announcement section of this newsletter.

Our webinar program strives with great speakers. If you have any good leads or would like to showcase your audits, please let us know. Currently, we are happy to announce that the following two City Auditors have tentatively agreed to share their audit with us. We appreciate their time and effort with sharing their audit knowledge with our AGA community in advance!

- Oakland City Auditor's presentation on February 13, 2020
- San Francisco City Services Auditor Division's presentation on March 17, 2020

Have a great fall season. Hope you will join us at one of our upcoming events.

Linda

October 2019 Issue

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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.

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Yellow Book Updates

One-hour Webinar

Wednesday October 30, 2019 | 10:30am – 11:30am

GAO issued the 2018 revision to the Government Auditing Standards (Yellow Book) in July 2018, which is the first major change to these standards since 2011. The revision includes a modernized version of the standards that considers developments in the accounting and auditing professions. The changes are intended to reinforce the principles of transparency and accountability and provide the framework for high-quality government audits. The revision includes changes in the areas of auditor competence, continuing professional education, internal control, quality control, and external peer review. This webinar will cover the major changes in the standards.

Topic:	Generally Accepted Government Auditing Standards (Yellow Book) Update
Presenter:	Harriet Richardson, Inspector General
Date:	Wednesday October 30, 2019
Time:	10:30am – 11:30am, 1-hour CPE credit
Cost:	Free
RSVP:	Please register at the following link. AGA 10/30/19 Webinar Registration
CPE Info:	After the completion of your registration, a link to access the webinar will be sent to you. To verify your attendance, we will broadcast codes at several unannounced times during the webinar. To earn CPEs, all participants must be able to view the PowerPoint slides and correctly type in the codes broadcasted within the time limit. Partial credits will not be issued.

About the Speaker:

Harriet Richardson is the first Inspector General for the San Francisco Bay Area Rapid Transit District. She has 29 years of experience as a performance auditor at the federal, state, and local levels of government, including serving as City Auditor for the City of Palo Alto, Audit Manager for the City of Berkeley, Deputy State Auditor for the Washington State Auditor's Office, and Audit Director for the City and County of San Francisco.

Harriet 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 a local government representative on the U.S. Government Accountability Office's Government Auditing Standards Advisory Council.

Internal Control

Applying ERM Programs to Address Cybersecurity Risks

Webinar | 2 Hour CPE

Wednesday October 23, 2019

In the webinar Applying Enterprise Risk Management (ERM) Programs to address cybersecurity risks the audience will hear about GAO's recent report "Agencies Need to Fully Establish Risk Management Programs and Address Challenges" and learn about practical steps to address report's key recommendations and build a risk-based approach to cybersecurity. While the topic of ERM has been discussed frequently, the nexus between ERM and cybersecurity is still being defined and tested. The audience will learn about key challenges to establishing a robust and compliant cybersecurity risk management program and the corresponding recommendations on how to achieve better outcomes.

Cost:		Online	Email/mail
	AGA member	\$49	\$75
	Nonmember	\$69	\$94

Program level: Overview

Prerequisite: None

Advance preparation: None required

Field of Study: Auditing - Governmental (AUDG)

Learning objective: The attendees have the benefit of hearing from GAO's report authors on the lessons learned from their research as well as other agency speakers on how to build a roadmap for an effective cybersecurity risk management program. In addition, the participants will understand the importance of the following learning objectives:

- Learn how to manage competing priorities between cybersecurity and operations, such as when operational needs appear to conflict with cybersecurity requirements
- Learn how to implement consistent cybersecurity risk management policies and procedures across an agency
- Learn how to incorporate cyber risks into enterprise risk management, and
- Learn how to establish agencies' cybersecurity risk management strategies

How to Register: To register for this webinar, follow the link below.

<https://www.agacgfm.org/Webinars/2019-2020-Webinars/Internal-Control.aspx>

Ethics

Building a Culture of Ethical Excellence

Webinar | 2 Hour CPE

Wednesday November 20, 2019

An ethical crisis happens in an organization, and the normal response is to create additional rules to handle the breach and ensure that that breach doesn't happen again. But is this the right response? Or by creating more policy - more prescription - do we actually set ourselves up for an even more catastrophic ethical breach the next time?

So, if policy or prescriptive rule making isn't the answer; what is?

This webinar will look at four key actions organizations can take to build a culture of ethical excellence and develop the individual and organizational ethical muscle needed to create trust with key stakeholders.

Key Take-aways

Learn about the downsides of a compliance or prescriptive approach to ethical behavior. Gain understanding around a framework that enables you to build ethical muscle and move away from a compliance-only approach.

Cost:		Online	Email/mail
	AGA member	\$49	\$75
	Nonmember	\$69	\$94

Program level: Overview

Prerequisite: None

Advance preparation: None required

Field of Study: Behavioral Ethics (BETH)

Learning objective: During the webinar you will learn the fundamentals of four tools you can use to create a more holistic approach to building a culture of ethical excellence:

1. Conducting 3 Factors audit;
2. Constructing a values hierarchy;
3. Assessing obligations; and
4. Identifying organization's catastrophic risks.

How to Register: To register for this webinar, follow the link below.

<https://www.agacgfm.org/Webinars/2019-2020-Webinars/Ethics.aspx>