

# Association of Government Accountants

## San Francisco Chapter



### President's Message



We had a great luncheon on June 19, 2018. Both Gopa Guha and Lillian Chong, senior audits from HHS OIG, discussed their audits on foster care. I especially appreciated the pictures they shared with us because those pictures vividly showed the problems the audit found, such as bedbugs, moldy food, inaccurate prescribed drug usage documentation, skipped background checks, and unhealthy living conditions. Thank you, Lilian and Gopa, for sharing your important childcare-related audits with us.

We are excited to announce that AGA now offers [complimentary student memberships](#). Student memberships provide students access to resources needed to develop their skills, to expand their knowledge, and to build connections to assist them with finding their first job. In addition, our San Francisco Chapter will offer complimentary monthly luncheons to these student members.

While we are still securing speakers for our next AGA luncheon on September 18, 2018, the following are our upcoming 8-hour training sessions:

- On July 10, 2018, Sefton Boyars will provide training on the administrative requirements for federal grants.
- On September 25, 2018, Bob Adachi will provide training on reducing risk in performance audits.

A year has quickly drawn to a close. On June 20, 2018, the board held its election luncheon. We are happy to announce that Sefton Boyars will pick up the presidency after a year of hiatus, while other board members will serve another term in various positions effective July 1, 2018. The newly elected board members are shown on the second page of this newsletter.

It has been an honor to serve you as the chapter president. I hope our chapter has provided you with many training and networking opportunities. I would like to thank the board members for their dedication to serve our members. In addition, I'd like to thank our guest speakers and all-day trainers for their willingness to share their knowledge and expertise. Finally, I would like to thank all of you for your support of the chapter.

I wish you all a great summer! I hope to see you at one of the chapter functions next program year!

Linda

### July 2018 Issue

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## How to Improve Your Whistleblower Program and Address Impediments to Reporting

Free CPE Self-Study

Authors: Center for Audit Quality Anti-Fraud Collaboration

Publisher: American Institute of CPAs

All publicly traded companies are required to have a process that employees can use to report occupational misconduct—i.e., the whistleblower program. How do you know if your company has an effective program? What do you do to build awareness across the company? What department is best equipped to manage the whistleblower hotline? Does your program leverage social media? What steps can you take to mitigate the fear of retaliation and encourage employees to report misconduct?

In this CPE course, our panel of experts will provide insights into how leading organizations have successfully integrated the whistleblower hotline into the corporate culture. They will provide actionable recommendations that all companies can use to retool their existing programs. You will also learn how to address one of the major impediments to effective whistleblower programs: reluctance of employees to come forward because of the real or perceived fear of retaliation. Retaliation can take many forms—verbal abuse, physical threats, demotions—all of which can undermine an otherwise strong ethical culture.

We encourage all of the key players in the financial reporting supply chain—audit committee members, financial executives, internal auditors, and external auditors—as well as compliance professionals, to take this informative course.

### Topics Discussed:

- Fear of Retaliation
- Ethical Behavior
- Corporate Culture
- Whistleblower Program
- Major Components of Successful Compliance Monitoring Programs
- Reporting, Investigating, and Remediating of Ethical Misconduct

### Who Will Benefit?

- Internal auditors and external auditors
- Financial executives and accounting staff
- Audit committee and board members
- Other financial reporting stakeholders

This self-study course qualifies for 1.5 hours of behavioral ethics. Register to this course via the [AICPA Store](#).

### Board of Directors

#### **President**

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## Administrative Requirements for Federal Grantees

Full-Day Training

**Tuesday, July 10, 2018 | 8:30 a.m. – 5:00 p.m.**

**San Francisco, CA**

The San Francisco Chapter of the AGA continues its practice of providing high quality low-cost training sessions for the Bay Area audit community. On July 10, 2018, we will sponsor a one-day class on Administrative Requirements for Federal Grantees.

### Administrative Requirements for Federal Grantees

Effective December 26, 2014, federal grant rules changed. OMB issued its final guidance on federal grant rules (2 CFR 200), impacting the administrative rules, the cost principles and the Single Audit requirements. This training session will address the administrative requirements.

We will cover the following subparts of 2 CFR 200:

- Subpart A, Acronyms and Definitions
- Subpart C, Pre-award requirements
- Subpart D, Post-award requirements

The new provisions include changes in the allowability of indirect costs, greater clarity in differentiating between contracts and subrecipient agreements, and an increased emphasis on monitoring.

If you administer or audit federal grants, you need to be sure that you are up to date on the requirements.

**CPE:** 8 hours CPE

**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  
Morning coffee and lunch (sandwiches and sodas) are included.

**RSVP:** Register with Chuck Hester at [charleshester@msn.com](mailto:charleshester@msn.com) by Tuesday, July 3, 2018.

### About the Instructor:

During his 35-year career, Sefton Boyars, CPA, CGFM worked for a variety of federal government audit agencies and a California county. Sefton is active in his profession. He is a member of the California Society of CPAs and was a long-time Chair of his chapter's committee on Government Accounting and Auditing. He served on the Qualifications Committee of the California State Board of Accountancy for three years. Sefton is a Certified Public Accountant and a Certified Government Financial Manager. He is currently a member of the California statewide Government Auditing and Accounting Committee.

Sefton is an experienced trainer and has taught for numerous organizations, including federal, state and local governments, professional associations, the California CPA Foundation, the USDA Graduate School and Management Concepts, Incorporated. He is the author of the Association of Government Accountants' study guide for Course 3 of the Certified Government Financial Manager: Governmental Financial Management and Control.

## Reducing Risk in Performance Audits

Full-Day Training

**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](mailto: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.

## Accountability Talks

New Podcast from AGA

"Accountability Talks" is a new podcast from AGA focused on the government accountability community. We hope these conversations will provide you with fascinating insights from government thought leaders, enlighten and inspire you as you navigate your career and encourage you to take part in this vibrant community.

Episodes one-five are now available on [Apple Podcasts](#) and [Google Play](#)!



### [Episode 1: Enterprise Risk Management at the Architect of the Capitol](#)

In our inaugural episode, we check in with Architect of the Capitol's CFO, Tom Carroll, to learn what inspired this legislative branch agency to implement an Enterprise Risk Management program. We discuss challenges, successes and how to talk about risk openly with senior leaders and the Office of the Inspector General.



### [Episode 2: The AGA Journal](#)

Have you ever wondered how to write and submit a scholarly article to the Journal of Government Financial Management? Learn tips and best practices from AGA insider experts, Wendy Payne and Wendy Morton-Huddleston. Wendy Payne discusses her role on the Journal board, where she reviewed submissions and provided guidance to budding accountability journalists. Wendy Morton-Huddleston provides the perspective of someone who has submitted several articles (successfully) to the Journal!



### [Episode 3: The U.S. Coast Guard's Journey to Auditability](#)

As the U.S. Department of Defense and intelligence community agencies attempt to obtain their first audit opinions, we thought it would be a good time to speak with an agency that's "been there, done that." Mark Rose, director of financial operations/comptroller for the U.S. Coast Guard, walks us through the long and challenging journey to auditability, as well as how to keep a clean opinion once you've got one!



### [Episode 4: Grants Management](#)

Join us as we discuss grants management with Lucy Mungle from the Department of Justice and Doug Godesky from the Corporation for National and Community Service. During this episode, we talk about AGA's Candidate Assessment Tool for Grants Management Professionals that helps hiring managers identify candidates who have the right skill sets for grant management and serves as a self-assessment for current grants professionals. We also discuss the common financial management issues grantees face throughout the grants lifecycle and how to fix them.



### [Episode 5: Jeff Steinhoff](#)

Jeff Steinhoff is one of the undisputed legends in the field of government accountability. During this episode, we have the opportunity to hear about Jeff's experiences as a leader in the government accountability community as he discusses mentoring, how to work with leadership, navigate your career and much more.