

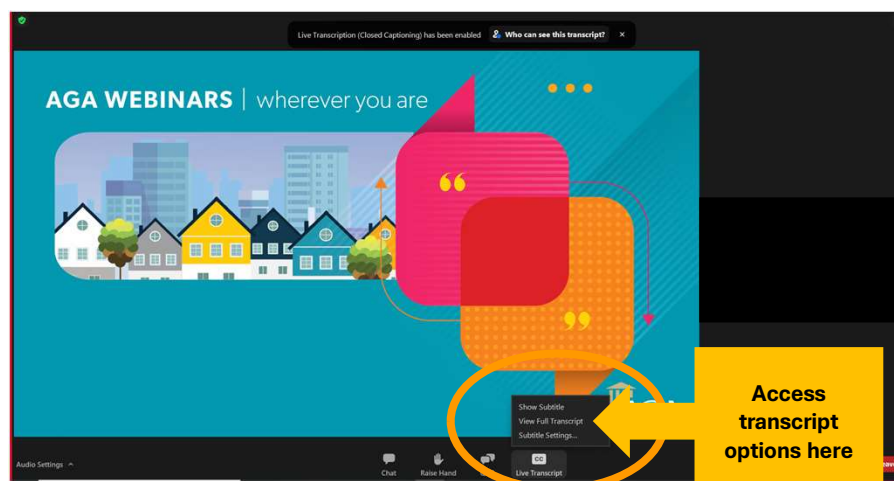


FY2024 CEAR Reviewer Training

Dec. 3, 2024 | 9 – 11:00 AM ET
2 CPEs | FOS: AUDG

1

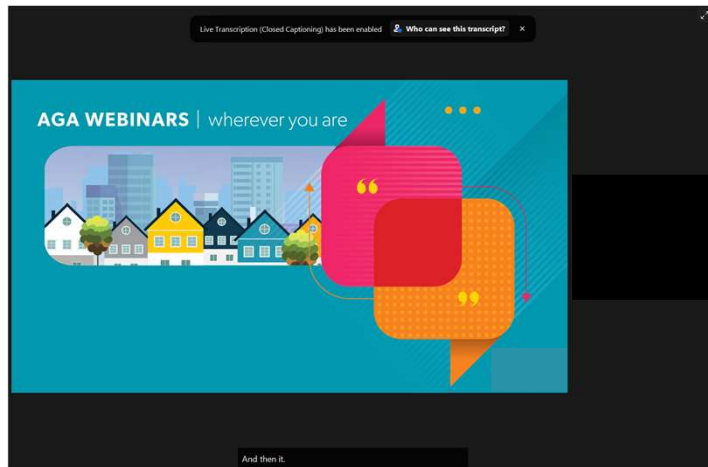
Want to access today's transcript?



AGA Webinars

2

Want to save today's transcript?

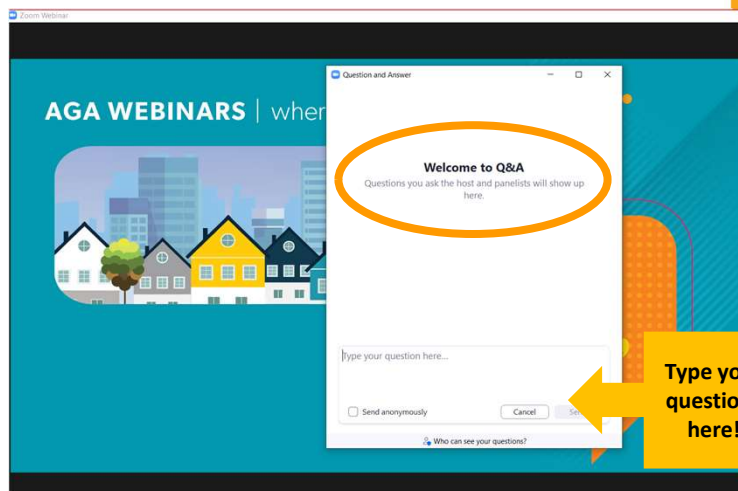


Click save transcript

AGA Webinars

3

Have Questions?

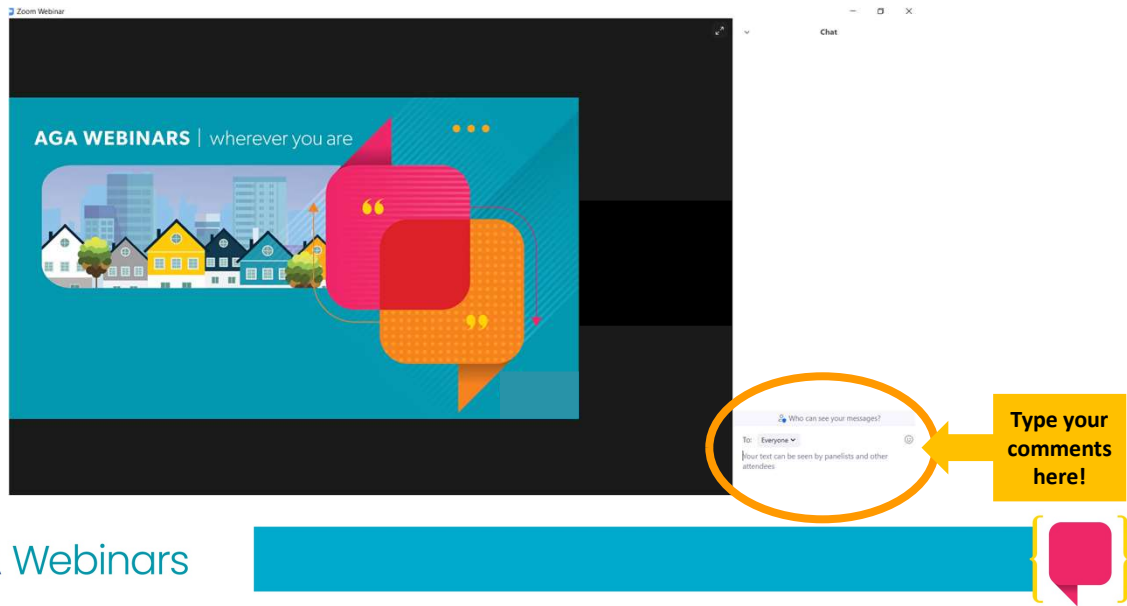


Type your questions here!

AGA Webinars

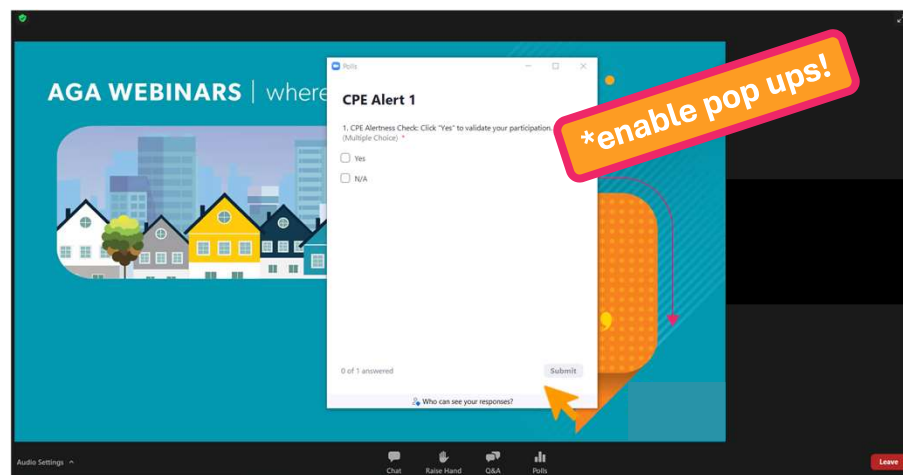
4

Want to chat?



5

CPE Credit

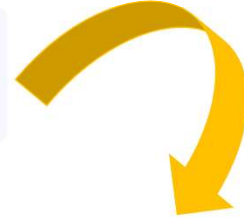


6

Handouts

Ethics: More Ethical Dilemmas—You Make the Calls

Date & Time Apr 6, 2022 02:00 PM Eastern Time (US and Canada)
 Webinar ID 843 0772 3000
 Passcode 450275



Materials/Handouts: All materials for this webinar is available here - [https://www.agacgm.org/Webinars/2021-2022-Webinars/Ethics-\(1\).aspx?ID=MATERIALS](https://www.agacgm.org/Webinars/2021-2022-Webinars/Ethics-(1).aspx?ID=MATERIALS)

CPE Tracking Instructions:

AGA adheres to the National Association of State Boards of Accountancy (NASBA) standards for CPE programs, which requires an attendance verification process for all events. Please follow the steps below for your CPE credits.

1. During the webinar, CPE Alertness Checks will appear in the form of a poll question at unannounced times. To validate your participation, click "Yes" then click "Submit". NOTE: You may need to enable pop-ups for the poll feature to work.

2. Participants who successfully complete this process will receive an email within five (5) business days stating their CPE certification. NOTE: You must be able to view the Zoom Webinar screen to confirm your participation with the CPE Alertness Checks. All those who do not view CPE Alertness Checks, thus, will NOT be able to receive CPEs. Announcing the CPE Alertness Checks to fellow attendees.

Materials/Handouts

- Presentation (one slide per page)
- Presentation (two slides per page)

AGA Webinars



7



Ann Ebberts, PMP
Chief Executive Officer
AGA

© AGA | 8

8



CEAR Reviewer Training Agenda

- **9:00 AM – Welcome**
 - Ann Ebberts, PMP – AGA CEO
- **9:10 AM – CEAR Program Overview**
 - Andrew Lewis, CGFM, CPA, PMP – Chair, CEAR Board
- **9:45 AM – Lead Reviewer Role and Best Practices**
 - Wendy Payne, CGFM, CPA, MPA – Lead Reviewer
- **10:00 AM – Insights from “Experienced” Reviewers Panel**
 - Sarah Cunningham, CGFM, Summit Consulting LLC
 - Joseph Peter, CGFM, U.S. Department of State
 - Patricia Wareham, CPA, CGFM, Kearney & Company
- **10:40 AM – Timeline/Logistics/Q&A**
 - Stephanie Brady, PMP, AGA Meetings & Programs Manager

© AGA | 9

9

CEAR Board Members

Andrew Lewis, CGFM, CPA, PMP, Partner, KPMG LLP – Board Chair

Tim Gribben, CPA, Commissioner, Bureau of the Fiscal Service – Vice Chair

Sarah Cunningham, CGFM, Director, Summit Consulting – Board Member

Carol Johnson, Policy Analyst, OMB – Board Member

Dawn Simpson, CPA, Director, GAO – Board Member

Alan Perry, CPA, CGFM, Senior Analyst, FASAB – Board Member

Dave Zavada, CPA, Senior Partner, Kearney & Company – Board Member

Ann Ebberts, PMP, AGA CEO (without vote)



© AGA | 10

10

AGA's Lead/Expert Reviewers

- Diane Dudley – Overall Lead Reviewer
- Gloria Jarmon
- Wendy Payne
- Jeff Steinhoff



© AGA | 11

11

CEAR Program

- Overview of the CEAR Program
- Highlights of Changes to CEAR Guidelines
- How to Perform the CEAR Review
- CEAR Reviewer Submission Form
- Reviewer's Letter to Supervisor
- Harold "Hal" Steinberg Award

Speaker:

Andrew Lewis



© AGA | 12

12

Polling:

How many years have you been a CEAR Reviewer?

A. 0

B. 1-5

C. 5-10

D. More than 10 years



© AGA | 13

13

Overview of the CEAR Program



**Certificate of Excellence In
Accountability Reporting®
(CEAR) Program**

**GUIDELINES®
for preparing and evaluating
Fiscal Year 2024 Agency Financial Reports or
Performance and
Accountability Reports**

and

**Summaries of Performance and
Financial Information**

Prepared initially as a public service by KPMG LLP
The material in this document may not be reproduced without the permission of the AGA



© AGA | 14

14

How to Perform the CEAR Review

What **To** Do:

- Each Reviewer has up to three weeks to review agency report
- Allow at least an average of 12-24 hours to review
- Take your time, spread out the effort for a thoughtful review
- Type your comments in CEAR Reviewer Submission Form
- Email the completed MSWord document as an attachment to:
cear@agacgfm.org

What **NOT** To Do:

- Procrastinate, wait until the last week and rush the review
- Handwrite your notes in CEAR Guidelines, then scan it as PDF
- Mark each item in the Guidelines and return it to AGA



© AGA | 15

15

CEAR Reviewer Submission Form

REVIEWER SUBMISSION FORM CERTIFICATE OF EXCELLENCE IN ACCOUNTABILITY REPORTING FY 2024

AGENCY REVIEWED - _____
REVIEWER NAME - _____

IF QUESTIONS ARISE REGARDING YOUR COMMENTS, PLEASE PROVIDE YOUR
PREFERRED CONTACT INFORMATION:
REVIEWER E-MAIL ADDRESS - _____
REVIEWER PHONE NUMBER - _____

GENERAL INSTRUCTIONS

This document provides guidance for reviewers and should be reviewed prior to beginning the assigned AFR/PAR review.

Reviewers should make note of noteworthy features (positive attributes) and recommendations for improvement as they review the assigned AFR/PAR. The template below can be used to document the noteworthy features and recommendations, or the reviewer can provide this information in a separate Word document.

Please note that verbatim compliance with OMB and other guidance is not always required. For example, agencies have some flexibility in the language used, such as the titles of accounts and order of presentation in the financial statements. Unless a particular presentation is clearly incorrect or causes the user to potentially be misled, the fact that an agency did not use the exact language provided by OMB should not be cited as a finding/recommendation. Nevertheless, it is important that the financial statements are fairly presented and supported by footnotes and other explanatory information (which is a judgement call). If in doubt, please propose a recommendation and the lead reviewer will consider it and may bring it up for discussion during the review team meeting.

After identifying noteworthy features and recommendations, reviewers should consider whether (1) any noteworthy features should be nominated for a "Special Award", and (2) whether the report merits receiving the CEAR Award. A separate section of this reviewer submission form is provided for submitting these award recommendations.



© AGA | 16

16

Components of a Recommendation

- The deficient/improvable condition;
- The page number of the condition;
- The specific change recommended; and
- The reason why change would be an improvement.



© AGA | 17

17

Examples of Excellent Reviewer Comments

Components:

- The deficient/improvable condition;
- The page number of the condition;
- The specific change recommended; and
- The reason why change would be an improvement.

Eliminate Reporting or Disclosure Weaknesses:

The MD&A section (pages 19-46) does not disclose x's mission, as required by OMB A-136, Section II.2.2. Specifying x's mission would help readers understand the relationship between x's goals and objectives and its mission. Stating the mission either at the beginning of the "Organization" discussion on page 19 or the "Performance Goals, Objectives, & Results" discussion on page 24 would satisfy this requirement. (This comment is similar to a prior year comment.)

Improve the Report Presentation or Usefulness:

1. Within the Performance subsection, the discussion of APGs (pages 16-17) provides a clear and compelling overview of these two-year priority goals but could be enhanced by adding budget or cost information with the narrative to increase the reader's understanding of their financial impact.
2. The agency switches between the use of thousands, millions, and billions throughout the MD&A narrative and financial charts. For example, most financial figures within the MD&A are presented in millions, but Pages 24 and 36 disclose some in billions, and Page 31 has one figure in thousands. Using a consistent metric for reporting financial information would avoid reader confusion.



© AGA | 18

18

Examples of Excellent Reviewer Comments

Components:

- The deficient/improvable condition;
- The page number of the condition;
- The specific change recommended; and
- The reason why change would be an improvement.

Address editorial matters:

We noted instances in the FY 2022 AFR where acronyms were spelled out multiple times, were not defined when first used, or were not used when defined. For example:

- X is not defined on page 73, when first used in the Notes to the Financial Statements but is defined two pages later (page 75).
- Anti-Deficiency Act (ADA), page 41, does not use the ADA acronym in the first paragraph, but it was defined on the prior page.
- Note 19, page 117, defines x at the top of the page. However, x was previously defined in Note 10 on page 98. Then on page 119, in Note 19, the acronym was not used in three cases.

Acronyms should be spelled out when first used, then consistently used, to improve the readability of the document. (A similar comment was made last year.)



© AGA | 19

19

Examples of What Not-To-Do:

Reviewer comments lack required elements, and as such cannot be included

Eliminate reporting or disclosure deficiencies:

1. None
2. None
3. None

(Add additional recommendation numbers/comments, as necessary)

Improve the report presentation or usefulness:

1. Graphics are great for non-financial people but sometimes the overuse of graphics can cause the report to look busy. Lessen some of the graphics so the reader can focus on the data at hand
2. None
3. None

(Add additional recommendation numbers/comments, as necessary)

Address editorial matters:

1. The location of the Table of Contents
2. None
3. None



© AGA | 20

20

Examples of What Not-To-Do:

Reviewer did not use the required reviewer submission template. Further, not all required elements are included, and the comments are incomplete.

My comments are very minimal.

Mainly the head of the agency's letter does not highlight any of the agency's challenges, as noted by their FMFIA review, the auditors or the OIG. Should make some note if it's challenges.

Positive feedback -- Report uses graphics in a very effective manner.



© AGA | 21

21

Examples of What Not-To-Do: Reviewer Comments

- Handwritten comments, without examples or reasons for the recommendations.
- Comments submitted in a pdf file (not Word)
- Comments that are not submitted using the new CEAR Reviewer Submission form



© AGA | 22

22

AGA Letter to Reviewer's Supervisor

- Reviewers who significantly contributed to improving the reports by providing useful, meaningful comments as defined by the criteria.
- Not everyone will receive a letter to supervisor



© AGA | 23

23

Harold I. Steinberg Excellence in Accountability Reporting Award Eligibility

Current or recently retired federal career employee, political appointee, or contractor who is recognized by his/her peers to have demonstrated evidence of serving as a champion of integrated financial reporting, as a role model for others, and has helped to set standards that further performance and accountability reporting.

Eligible nominees are not required to be AGA members. Self-nomination is allowed.

- Nomination Portal will be posted on AGA Website.
- Deadline: March 2025



© AGA | 24

24

Role of the Lead Reviewers

- Serve as the team leader for the four-person review team
- Receive team member comments/recommendations from the CEAR Reviewer Submission Form
- Consolidate recommendations in draft letter format
- Circulate the draft letter to review team in advance of team meeting
- Organize team meeting to discuss and finalize comment letter (including award decision)
- Collaborate with other Lead Reviewers on significant technical matters
- Identify “best practices” to recommend to the CEAR Board for consideration

Speaker: Wendy Payne



© AGA | 25

25

Teams Should Recognize Extraordinary or Innovative Report Components!

We cite Noteworthy Features in front of every letter. Consider the best features of each report.

- Certain parts of a PAR/AFR may be new; or perhaps you find attractive or innovative descriptions of a report element (e.g., org. structure, processes, outcomes, efficiencies, goals achieved, or relevant vignettes). We laud the agencies (and reviewers) for providing and separately identifying these.
- Certain features provide organization within the AFR. These are long documents. Internal links help, as do footers, headers, and colors, if possible.

Special Awards:

- Best practice features - awards in any report area. Maximum one per year per agency.
- For FY 2024 reports – focus more special awards on integrated accountability – including financial and performance information (these are identified on a subsequent slide).



© AGA | 26

26

Noteworthy Features Examples

Commendable Practices

- Performance/Financial Information
- Inspector General's Summary of Management and Performance Challenges
- Videos of Agency Leaders providing testimony, or volunteers volunteering
- Ability to check on a Table of Contents line in the report's electronic version and jump to that section of the report
- Graphics showing the sources and uses of funding and links to strategic goals (see example)

PERFORMANCE AT A GLANCE

The following table summarizes the status of the SEC's performance—as measured by each individual performance goal (PG)—in support of the agency's 3 strategic goals and 10 strategic initiatives.



STRATEGIC GOAL 1

Protect the investing public against fraud, manipulation, and misconduct

Performance Goal	Measurement	PG 2023
PG 1. Percentage of enforcement actions in which the Commission obtained relief on one or more counts.	Percentage	✓
PG 2. Percentage of Fair Funds and disgorgement fund plans that have distributed 90 percent of the available funds for distribution within 24 months of the approval of the distribution plan.	Percentage	✓
PG 3. Percentage of investment advisers and broker-dealers examined during the year.	Investment advisers Broker-dealers	✓ ✓
PG 4. Number of regulatory initiatives to improve investor disclosure.	Division of Corporation Finance Division of Investment Management Division of Trading and Markets	✓ X ✓
PG 5. Percentage of disclosure-based regulatory initiatives that consider whether it would be appropriate to provide a provision to disburse resources to the extent that the benefits justify the economic costs to enhance transparency.	Division of Corporation Finance Division of Investment Management Division of Trading and Markets	✓ ✓ ✓
PG 6. Investor Engagement Activities	Activities	✓



STRATEGIC GOAL 2

Develop and implement a robust regulatory framework that keeps pace with evolving markets, business models, and technologies

Performance Goal	Measurement	PG 2023
PG 7. Number of regulatory initiatives that enhance transparency in private markets or update the disclosure framework to reflect evolving technologies, business models, and capital markets.	Division of Corporation Finance Division of Investment Management Division of Trading and Markets	✓ X ✓
PG 8. Number of supervisory cooperation requests from foreign authorities for SEC assistance and SEC requests for assistance on supervisory cooperation from foreign authorities.	Requests from foreign authorities SEC requests for assistance	✓ ✓
PG 9. Percentage of supervisory engagements with broker-dealers and clearing agencies to address systemic and infrastructure risks.	Percentage	✓
PG 10. Number of examinations that request information related to an entity's information security.	Examinations	X
PG 11. Percentage of Systemically Important Financial Market Utilities examined by the examinations program.	Percentage	✓
PG 12. Number of new investor education materials on emerging and popular investment topics.	New investor education materials issued Users indicating a positive change	✓ ✓



© AGA | 27

27

Special Award Examples

- The report tells a story or timeline
- Inspiring photos and captions
- Informative financial highlights
- Sidebars/vignettes
- Graphic display of complex matter of interest
- IG summary of challenges

Considerations:

- “Super” noteworthy features
- Should be best practices useful for other agencies
- Reviewers must state why
- No mandatory categories – could be something relatively new (e.g., climate risk)



© AGA | 28

28

FY 2024 Reports - Special Award Focus

- Informative introductory material for the agency's mission, organization, and structure
- Innovative presentation of a matter of wide public interest
- Effective presentation of performance
- Conveying performance information in a creative and inspiring way
- Impressive integration of cost and performance data
- Clear and insightful analysis of financial statements
- Clear and concise financial and performance highlights section
- Informative analysis of systems, controls, and legal compliance



© AGA | 29

29

FY 2024 Special Award Focus (Continued)

- Effective integration of risk (e.g., ERM, internal controls, climate)
- Outstanding presentation of forward-looking information/future challenges
- Comprehensive or insightful Agency Head or CFO's message
- Excellence in required note disclosures
- Outstanding IG summary of management and performance challenges
- Informative payment integrity disclosures



© AGA | 30

30

Special Award Process

- 1) Reviewer identifies these areas for consideration, and provides bulleted support in review submission
- 2) Team discusses and provides additional comments
- 3) Team makes recommendation to the CEAR Board
- 4) CEAR Board discusses each award and makes the decision



© AGA | 31

31

Panel of “Experienced” Reviewers

- **Sarah Cunningham, CGFM**, Summit Consulting LLC
- **Joseph Peter, CGFM**, U.S. Department of State
- **Patricia Wareham, CPA, CGFM**, Kearney & Company



© AGA | 32

32

Goals of the Agency Reviews

How well has the agency report told the “story of the agency financial performance” for Fiscal Year 2024?

- Qualitative not quantitative prospective
- Use of pictures/graphs and other aides
- We are NOT auditing the AFR/PAR

After the qualitative review is assessed, verify that the package includes all the required information.



© AGA | 33

33

Before You Officially Start Your Review

Preparing for the review:

- Please ***do not share the name of the agency*** you are reviewing!
- Search the agency website to see what hot issues the agency faced last year
- Before you review the AFR or PAR, make some notes about the issues the agency has faced during the past year
- Read last year’s recommendations and agency responses
- Read the assessment document so you are familiar with new provisions and requirements



© AGA | 34

34

Performing the Review

Read the report through completely as soon as possible

- Make notes about items that “stuck out” as you read through, note page numbers

Read through again, starting to focus on the requirements

- Write the issues in complete sentences in the correct format for submission prior to the review meeting

Note any outstanding portions for potential awards



© AGA | 35

35

Review Meetings

- Remember -- You are **NOT** auditing these documents.
- You are reviewing the report for quality of the presentation and story – as an informed reader
- Multiple reviewers participate in each review and each may identify different issues or highlights
- Not all comments will always be included in the final report
- There is no attribution of comments; *no agency will know that you (by name) reviewed their submission*



© AGA | 36

36

AFTER the REVIEW MEETING

- ✓ **Do not discuss your Reviews, the agency you reviewed, or any of the items identified outside of your team!**
- ✓ Stay in contact with the Lead Reviewer as they write up the items
- ✓ Stay in touch with the members on your team
- ✓ Encourage others to participate as a CEAR Reviewer by talking about how informative it was to do a review and what you learned that you might be able to take back as a suggestion to your own organization



© AGA | 37

37

Questions for Experienced Reviewers?



© AGA | 38

38

Reviewer Timeline and Deliverables

Mid-December:

- All applicants will be notified via email of application status

Late December:

- Agency assignment notices sent
- Teams will receive reports via email and *at home address*
- All reviews (i.e., completed CEAR Reviewer Submission Forms) are due January 29, 2025

January:

- AGA will schedule team meetings (which will be held in March)
- We will use Zoom for the meetings

Speaker: Stephanie Brady



© AGA | 39

39

Reviewer Timeline and Deliverables (cont.)

Early March

- Teams meet (via Zoom) as scheduled (up to 2 hours of CPEs)

Early April

- Special Award selection by CEAR Board
- AGA will send comments letters to the agencies

Late April

- CEAR Award dinner ceremony invitations will be distributed

May 2025

- CEAR Award Ceremony (black tie-preferred) – Time to celebrate and have fun!



© AGA | 40

40



41

Reviewer Communications - Digital Reviews

AGA contact: Stephanie Brady: sbrady@agacfgm.org or cear@agacfgm.org

- Assignment and related documents will be emailed to all reviewers
- Reviews **should begin** once you receive your assignment
- Your agency assignment **email** will include:
 - FY2024 CEAR Guidelines
 - FY2024 CEAR Reviewer Submission form
 - Agency name and link to its AFR/PAR
 - Prior comments in MSWord document format
 - Agency's response to prior year comments

Upon receipt of your assignment email, reply to Stephanie to acknowledge receipt

- All reviews (i.e., completed CEAR Reviewer Submission Forms) are due **January 29, 2025**
- Reminder emails will be sent **weekly** throughout the process
- Reach out to Stephanie at any time with questions



© AGA | 42

42

Reviewer Communications - Mailed Packet

AGA contact: Stephanie Brady: sbrady@agacfgm.org or cear@agacfgm.org

- Packets will be emailed to all reviewers in Mid-December
- A hard copy of your packet will be mailed via UPS (tracking information will be provided) to the address that you provided on your application
- You should **begin** your review once you receive your agency assignment (electronically).
- A follow-up email will be sent containing:
 - FY2024 CEAR Guidelines
 - FY2024 Reviewer Submission forms
 - Prior comments in MSWord document format
 - Agency's response to prior year comments
 - UPS tracking number

Upon receipt of hard copy packet, email Stephanie to acknowledge receipt

- All reviews (i.e., completed CEAR Reviewer Submission Forms) are due **January 29, 2025**



© AGA | 43

43

Reviewer Communications

AGA contact: Stephanie Brady: sbrady@agacfgm.org or cear@agacfgm.org

Upon receipt of your assignment/packet, email Stephanie to acknowledge receipt

- All reviewer comments are due **January 29, 2025**
- Please begin your review once you receive your agency assignment email and packet (even if you have requested hard copy documents)
- Reminder emails will be sent weekly
- Please reach out to Stephanie with any questions



© AGA | 44

44

Reviewer Assignments/Packets Include:

- 1) Agency's AFR or PAR
- 2) FY2024 CEAR Guidelines completed by agency – (optional)
- 3) Prior year recommendations sent by AGA to the agency
- 4) Agency's responses to prior year recommendations
- 5) FY2024 CEAR Reviewer Submission Form

Note: We strongly encourage agencies to provide responses to the prior year comments and recommendations, however not all agencies provide them

- 6) Optional for agencies -- Summary of Performance and Financial Information (SPFI) – If agency indicates that it plans to prepare a SPFI, the team will be notified and a weblink provided, when the SPFI is available



© AGA | 45

45

Polling:

Have we convinced you to become a reviewer?

- A. Yes!*
- B. Not this year*
- C. Already Signed Up*
- D. Still on the fence*



© AGA | 46

46

Become a Reviewer!

Link –

<https://my.agacgfm.org/AGA-Public/Website/CEAR/CEAR-Reviewer-App.aspx>



© AGA | 47

47

Your CPE Certificate

- Notifications will be sent within five business days
- Access your CPE certificate from your AGA account
- Questions? Contact: Stephanie Brady – sbrady@agacgfm.org



© AGA | 48

48

