

Hawaii Kukala



Association of Government Accountants

Oct/Nov 2013 Issue

President's Message

October 2013

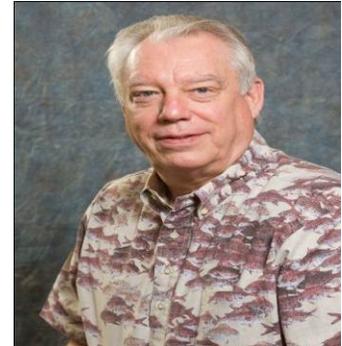
Aloha and I am pleased to provide you with an update on the activities of your Hawaii Chapter of AGA. Your Chapter has just completed the first quarter of the fiscal year and continues to move forward with its members in mind.

I wanted to take this opportunity to point out that the success of our chapter is entirely dependent on YOU, the members, for your involvement and support. Your attendance at the various educational and networking events is critical to our success. Each of our scheduled events is an opportunity to get to know each other a little better, meet new persons in our field, gain new knowledge or support and reinforce the relevance of prior knowledge. These events don't just happen. They are the result of the volunteer efforts of the various committees. To "spread the wealth," we have a number of committees that are tasked with different responsibilities. It is that involvement and shared

responsibility that enables us to accomplish the many things we undertake each and every year.

I want to express our appreciation to Pat Oki for arranging the August 15th Yellow Book and Green Book update. The feedback received was very positive and we intend to provide additional topical CPE next year. The venue chosen worked very well and hopefully we can have more training there.

The first of four scheduled, two hour CPE, audio conferences was October 9th. Future teleconferences will include fees to help defray costs for the bridge phone call. The fees will be \$15 (\$5 for each CPE and \$5 telephone access fee) for members and \$25 (\$10 for each CPE and \$5 telephone access fee) for non-members. To keep the cost to AGA down, we encourage you to team up and call in from one phone line using a speaker-phone whenever possible.



On November 20th we offered the second audio conference and were able to host it at the PKF 24th floor training room. We also had our November AGA luncheon meeting in the training room following the two-hour audio conference. Our speaker at lunch was Jan Yamane, the Acting State Auditor and the presentation provided another hour of CPE. This was a great opportunity to obtain three hours of CPE and network with fellow members and hopefully prospective members.

I encourage all of you to check out our website at www.agahawaii.org for updates to our events calendar and other news of interest.

Aloha,
Dallas Weyand, President

Round-up of Recent Events

Yellow Book/Green Book Seminar

The first educational event of the 2013 – 2014 program year was a seminar on the government auditing standards contained in what is commonly referred to as the Yellow Book. The speaker for this four CPE event on August 15, 2013, was Mr. James R. Dalkin, a director in the U. S. Government Accountability Office (GAO) Financial Management and Assurance Team. He is responsible for directing GAO's efforts to develop and maintain the government auditing standards and is also a member of the Auditing Standards Board of the AICPA, and is on the adjunct accounting faculty of Georgetown University.

Early in his presentation, he asked the attendees if they preferred to follow rules or principles? The answers were somewhat evenly divided between the two. He explained that all the recent and upcoming revisions in the auditing and internal control standards were moving to a conceptual framework that was based on principles rather than rules as it had in the past. He compared it to driving down H-1 with basic rules to follow but where judgment also needs to be applied.

In the future, more attention needs to be paid to identifying threats and risks, and the safeguards and mitigations of conducting audits. There will be less prohibitions for conducting audits, for example, auditors may now be able to audit a system they helped implement provided there were safeguards taken and the auditors documented that they had the necessary skills, knowledge, and experience required for the audit.



Mr. Dalkin also talked about the Green Book or the standards for internal controls in the Federal Government which are about to get a lot bigger. One area that will surely be expanded is information technology security.

The attendees also discussed internal controls during a review of a case study of a very trusted employee who was known as “Mama” and who stole \$45 million from New York.

One of the interesting things about this seminar was that it was held in a furniture store at the Cupola Theatre on the second floor of the Honolulu Design Center. A big plus was that there was ample free parking.

Mr. James R. Dalkin in front of the big screen at the Cupola Theater at the Honolulu Design Center.

Audio Conference on Effective Internal Control: Understanding the New COSO Framework

On October 9, 2013, members could dial in or listen to the national teleconference. For those of you who attended the Yellow Book Seminar, this provided additional information on the topics of internal controls and audit standards. The speaker at the teleconference was Mary Peck, Director of the Office of Internal Control for the NYS Office for People with Developmental Disabilities. She has previously provided training on internal auditing, internal controls, control self-assessment, and risk management.

Audio Conference on Effective Internal Control (continued)

Ms. Peck identified some of the reasons for the purpose of the COSO update that included the following: “Internal Control is a living process” and changing business conditions and environment such as globalization of markets, demands and complexities of rules and regulations, revolving technologies, and the expectations of detecting and preventing fraud. During her presentation, she contrasted the control environment between 1992 and 2013. She also provided suggestions on how to transition to the 2013 COSO framework by December 15, 2014. A special thanks to Casey Ratica for coordinating the teleconference.

October Luncheon Meeting

Dallas Weyand, current AGA Hawaii Chapter President, gave a presentation titled “Examining Audit Techniques Through Case Study Reviews”, at the October luncheon meeting held October 10, 2013, at



the Lokahi Learning Center. He originally gave this presentation at a training symposium of the Asia-Pacific Chapter of the Association of Inspectors General in September 2013. This worked out great for us because Dallas was able to fill in at the last minute when the original planned speaker cancelled because he was furloughed by the Federal Government.

Dallas making a point during his presentation. Casey Ratica and the fabulous view from the Lokahi Learning Center is in the background.

Dallas’ presentation addressed items to consider when auditors find the need to develop specialized or unique audit techniques when situations come to their attention during an audit or investigation. These considerations include:

- The work would still be in-scope of the audit or investigation
- The objectives to be achieved are clear
- The audit work to be performed is clearly designed to help get to the objectives; and
- Consider looking at a breakdown of processes vs. focusing on the end product

Dallas also discussed various specialized audit techniques from “real-life” audits that he had been involved with. Thanks, Dallas for the fine presentation and for filling in when we needed a speaker on very short notice.

A Talk-Story Night with AGA
Contributed by Sean Nakamura

On Monday, October 21, 2013, a number of the Hawaii Chapter of AGA members met with over thirty students at the University of Hawai'i Shidler College. The purpose of this student interaction event was to inform students of the career opportunities in government service and the related benefits.

The students who attended the event were from the University of Hawai'i Accounting Club and Beta Alpha Psi as well as the University of Hawai'i West Oahu. The students are at various stages in their journey toward graduation, ranging from those taking introductory accounting classes to those in their final semester before graduation.

The event started at 5:30 PM and officially ended at 7:30 PM although many stayed until after 8:00 PM.

The students were genuinely interested in hearing about the experiences of the various professionals and were actively engaged. Professionals discussed questions such as, "What made you go into government accounting", "What do you like/dislike about government accounting" and "What do you find most interesting and challenging about your job".



e of the participants at Student Night.

Many thanks to Dallas Weyand and Bob Hatanaka who were instrumental in persuading current and potential AGA members to attend the event, Bowha Kang who helped in planning the event and to Ji Woo Kim, Yixiang Lim and Bich Duyen Pham from the Beta Alpha Psi and Accounting Club for coordinating the event, getting the food and drinks for everyone and organizing the facilities.

Representatives of AGA and government agencies were Linda Siu, U.S. Department of Health and Human Services, Mabel Yeung, U.S. Probation Office, Lisa-Marie Tam, Center on Disability Studies for the University of Hawai'i at Manoa, Paul Kikuchi, Honolulu Board of Water Supply, Amy Surratt, Department of Education, David Haney, Department of Defense, Ray Kim, Department of Commerce and Consumer Affairs, Kyle Chang, Deloitte, Bowha Kang, Deloitte, Ryan Yamasaki, City and County of Honolulu, Raelynn Gaspar-Asaoka, City and County of Honolulu, Dallas Weyand, KMH LLP and Sean Nakamura, Accuity LLP.

Community Service Project – Beach Clean-up



Pictured l to r: Jamie Asato and her daughter Brooke, Michelle Gibson, Del Tanabe, Mark Eder and Ryoko Lung.

On Saturday, October 21, 2013, the Hawaii Chapter participated in a beach clean-up from 7:00 – 9:00 a.m. at Kuhio Beach Park. Participants met at the Duke Kahanamoku statue and picked up rubbish. The event was hosted by the Community Service Chair, Michelle Gibson and was also sponsored by the Waikiki Ohana Workforce (WOW) of the Waikiki Improvement Association. Validated parking was available at the Hyatt Regency Waikiki and participants were also treated to a continental breakfast. Thanks to all those who got up early in the morning and participated.

UPCOMING EVENTS!!

- | | |
|------------------|---|
| January 15, 2014 | Teleconference “Fraud Detection/Prevention” 2 CPE |
| January 15, 2014 | Luncheon Meeting on Income Tax Updates to be presented by PKF Pacific Tax Partners 1 CPE |
| May 8, 2014 | Luncheon Meeting on the health of our local economy to be presented by Dr. Christopher Grandy 1 CPE |
| May 15, 2014 | Teleconference on Ethics 2 CPE |

SAVE THE DATE!

November Audio Conference and Luncheon Meeting

The second audio conference sponsored by the Chapter this year was entitled, “How To Stay Cutting Edge in Tough Financial Times” and took place the morning of November 20, 2013. The presenters were Gloria Jarmon, CGFM, CPA, Deputy Inspector General for Audit Services, U.S. Department of Health and Human Services and Melinda Miguel CFE, CIG, CFSA, PMP, CICA, Chief Inspector General, Executive Office of the Governor, State of Florida. Participants could call in to the conference on their own or join other members at the Lokahi Learning Center where a luncheon meeting followed.



Jan Yamane, pictured above, the Acting State Auditor for the State of Hawaii, was the featured guest speaker at the luncheon. The State Auditor’s Office reports on performance audits, special studies requested by the legislature, analyses of public trust funds, and other engagements. She discussed the recent study, “Procurement Examination of the Department of Transportation”. The study concluded that the ‘Airports Division surrendered oversight and management responsibilities to the contractor’ which resulted in subverting public interest.

If you attended both events, you were able to earn 3 CPEs. If possible, the Chapter will try to combine future audio conferences and luncheon meetings.

Scholarship News

The Hawaii Chapter established a scholarship fund with the U. H. Foundation a few years ago which earned enough income to award a \$1,000 scholarship for Fall Semester 2013 to Patrick Ma, a Junior majoring in accounting at the University of Hawaii at Manoa.

The scholarship is administered by the U.H. Foundation and the recipient is chosen by David Yang, Roger Debreceny, and Hamid Pourjalali, all tenured professors. They review all the applications and read the essays, then select which students are awarded scholarships.

Since the Hawaii Chapter requested that the endowment principal of \$50,000 be preserved, earnings may not be enough to award a scholarship every year so we are very fortunate that this year we were able to help a worthy accounting student.

Thanks to Robert Hatanaka for providing the above information.

National News

The National Office of AGA offers a number of opportunities on-line to earn Continuing Professional Education (CPE) hours. A couple of these are summarized below.

CGFM Study Guides

Study Guides for the Certified Government Financial Manager (CGFM) are available on-line and in print for the following three areas:

Part I – Government Environment

Part II – Governmental Accounting, Financial Reporting and Budgeting

Part III – Government Financial Management and Controls

Read, search and review the study guide content on your laptop, tablet or phone — a convenient way to prepare for the CGFM Examinations. Upon purchasing the online version of each guide, you'll have immediate access to the entire publication for a period of 12 months. In addition, if a newer version of this study guide is published within this period, you'll also have access to the new version!

As with the printed version, the online study guides feature textbook-like format with learning objectives, a chapter summary and a reinforcement quiz for each chapter. In addition to the relevant resources, the appendices contain a glossary of terms, a list of reference materials, answers to reinforcement quizzes with explanations and end-of-course review questions. Those ordering the study guides can purchase the option of earning Continuing Professional Education (CPE) hours upon passing an online CPE examination.

An on-line study guide for one of the three parts was listed at \$69. CPEs and exams related to the study guide may be purchased for additional amounts.

Journal CPE Quizzes

AGA members receive the quarterly publication, Journal of Government Financial Management. To earn up to four CPEs from each journal, register on-line, read the journal, and take the quizzes. The fee is \$30 per credit or \$109 for four credits. On occasion, AGA sponsors sales. For example, AGA recently sponsored a back-to-school sale for \$89 for four credits. Non-members pay higher rates.

The national AGA website is www.agacgfm.org.

Membership Corner

We have a number of new members. Meet one of them, **Lisa Marie Tam!**

Aloha! My name is **Lisa-Marie Tam** and I am happy to be one of your newest members of the Hawaii AGA chapter. In 2012 I earned my BBA in Accounting from the Shidler College of Business. As an administrative and fiscal support specialist, I now work on managing federal and state grants pertaining to employment and disability benefits at UH Manoa's Center on Disability Studies. One of my favorite things to do is to travel, so I'm really excited for my upcoming trips to Chicago and L.A. this year.

Looking forward to meeting you all soon! ~Lisa

2013-2014 Chapter Executive Committee and Committee Chairs

Officers:

President	Dallas Weyand II, KMH LLP
President-Elect	Edwin Young, C&C of Honolulu Auditor
Treasurer	Donn Nakamura, Accuity LLP
Secretary	Robert Hatakenaka, CW Associates, CPAs
Immediate Past President	Ross Okumura, Air Force Audit Agency

Directors:

Mark Chandler	Valerie Shintaku
Milagros Handel	Mabel Yeung
Ray Kim	Kerry Yoneshige
Howard Todo	Cindy Yee
Wei Lum	Dwayne Takeno

Committee Chairs:

Audio Conferences	Casey Ratica
By-laws & Policies	Cindy Yee
Community Service	Michelle Gibson
Education and Conference	Board and Officers
Luncheon Programs	Dwayne Takeno / Warren Lum
Media	Pamela Young / Mark Eder
Membership	Warren Lum / Sean Nakamura
Networking/Aloha Event	Valerie Shintaku
Newsletter	Kay Murakami
Nominations	Edwin Young
Student Relations	Robert Hatanaka / Bowha Kang
Website/Social Media	Milagros Handel
Citizen Centric Report/ Student Liaison	Bowha Kang
Chapter History	Clarence Kuwahara

Association of Government Accountants Hawaii Chapter
P.O. Box 4474 Honolulu, HI 96812
www.agahawaii.org
