

IGFOA

Island Government
Finance Officers' Association

MAY 22-27, 2016
Toronto, Ontario, Canada




Graduate School USA

Pacific & Virgin Islands Training Initiatives
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ISLAND GOVERNMENT FINANCE OFFICERS' ASSOCIATION (IGFOA)

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EXECUTIVE SUMMARY

Since 2000, the summer meeting of the Island Government Financial Officers' Association (IGFOA) has immediately followed the annual conference of the Government Finance Officers Association. The theme for the 110th Annual Conference of the GFOA was "Sharing Solutions and Strategies." This theme was carried into the 2016 Summer IGFOA Conference, where best practices across the insular governments were shared among working professionals.

The objectives of the 2016 Summer IGFOA Meeting were to:

- Review key issues and ideas presented during the GFOA Conference and discuss how they apply to the insular governments;
- Review the progress of the insular government's single audits and attempts to measure finance office performance;
- Review Finance Office Best Practices being employed by the insular governments;
- Provide the insular government Finance Directors and Managers with grants management training specific to the responsibilities of finance officers with particular emphasis on the administrative requirements of the recent Federal OMB Omnibus Super-Circular and how it affects finance office operations;
- Introduce a financial forecasting model as a management tool;
- Review recent GASB announcements and requirements; and
- Build government specific plans to address single audit improvement, enhance finance office grant related process improvement, improve financial office performance, and implement the financial forecasting module.

WELCOMING REMARKS

The Palau Minister of Finance, Hon. Elbuchel Sadang, welcomed participants to the IGFOA Conference and to Toronto with the following remarks:

Good afternoon Honorable Minister Wase, and all the participants from Guam, the CNMI, RMI, FSM, Palau, American Samoa, the US Virgin Islands, the Graduate School, ladies and gentlemen,

I am honored to be able to welcome you today to the IGFOA annual meeting but also am humbled by the task. This IGFOA annual meeting is happening at a time of uncertainty. This world is in a crisis mode—the refugee crisis, worries in the world economy, the ongoing environmental crisis, especially the drought in Palau, the FSM

and the RMI, which is caused by climate change. Unplanned events can wipe out all the good work or surplus you have accumulated over the years. This is why we need to share the solutions and strategies with each other. We do not need to reinvent the wheel.

I believe that our political and economic systems on the State, National and International levels have not yet found a way to adopt to the two most fundamental realities of the 21st century. First our challenges are global and second, our challenges are long-term. The two most fundamental illnesses of our times are nationalism which is disrespectful of others (so you don't want to share) and short-termism which is disrespectful of the future.

Why is it so hard to cope with the irrefutable nature of interdependence? Be it our economies, climate change, tourism; our challenges are connected. We should share the solutions and strategies. No sustainable solutions can be found by one nation alone. Policies pursued at one end of the globe have an effect on the other end.

My point is this—more than ever our countries need you, the IGFOA participants. Do not underestimate the part you can play. Think big. Challenge old ways. Find new paths to push forward change, transformation and transparency in your government. Change at the grassroots level can translate into great transformation in government. Make change happen where the people can see it, feel it, breathe it. Have courage to pursue policies which are good not only for our generation but also for our children's children, even if it means confronting resistance. Listen to each other and again share the solutions and strategies, because no one person has all the answers.

Before closing, on behalf of all of us, let me thank the Graduate School, especially Stephen and Jason for finding the support to make our annual meeting possible. Also we thank our resource persons, Debbie, Frank, Dave and Chad for giving us the tools we can use to continue to improve our policies and procedures.

Again, thank you all for the opportunity to welcome you and I wish us all the productive, visionary and joyful meeting. Remember "sharing is caring".

Thank you.

Following Minister Sadang's opening remarks, Mr. Stephen Latimer welcomed participants on behalf of the Graduate School USA. Mr. Latimer thanked participants for their extensive travel to join this year's IGFOA meeting. Mr. Latimer explained that the Graduate School USA is a non-profit organization based in Washington, DC, and that the office has been working with the Department of the Interior's Office of Insular Affairs

since 1991. The Graduate School USA is grateful for the opportunity to work with the islands, and grateful for the support the office receives from DOI-OIA, and its Assistant Secretary, Ms. Esther Kia'aina.

Mr. Latimer recapped a range of Graduate School USA activities that have been undertaken in the insular areas throughout the years, which have included:

- Thousands of training courses on a variety of topics
- Insular government Financial Management Improvement Plans
- Insular government Performeters
- Finance Office Performance Measures
- Regional Grants Conferences
- Finance and Audit Office Assessments
- The Executive Leadership Development Program
- Association of Pacific Islands Public Auditors
- The Island Government Finance Officers' Association

Mr. Latimer shared his perspective that the governments which have developed the most are those that have taken advantage of the opportunities that DOI-OIA present through the PITI-VITI program. For example, governments that incorporate performance measures, present Performeter reports, and actively plan for HR challenges, have experienced measurable successes.

THE GOVERNMENT FINANCE OFFICERS' ASSOCIATION SESSIONS

Prior to the start of the GFOA Conference, IGFOA participants met to organize participation at select GFOA sessions. Since multiple GFOA sessions run concurrently, participants agreed to attend specific sessions and to report back to the insular IGFOA group. Ms. Debbie Milks facilitated the review of sessions, which were designed to answer the specific questions: (i) what were the most important ideas, concepts, issues, or practices you heard about during the GFOA Conference?, and (ii) How do they apply to you and your government? A list of sessions and key take-aways are included below.

IT Policies and IT Guide for Finance Directors

- Two companies in the US: those which have been hacked by the Chinese, and those who don't know that they've been hacked.
- Early identification is key.

- Policies for end users as well as IT staff, including agreement of usage policies. IT staff should have a reason to access employee information.
- Use of office email was an example—as it gets used for personal reasons.
- Slide of real-time cyber attacks happening.
- IT layers: data, app hosts, internal network, etc. Each layer should have its own policies.

ERP War Stories

- Stories resonated with personal experience in the islands. In FSM, for example, the plan was to have a uniform system to provide cross-support across governments.
- Challenges with vendor selection
- Challenges identifying a project manager
- Importance of management committees (include accounting and IT in the same group, for RFP development and vendor selection)
- Success factors include departmental involvement—ensuring section managers are empowered and have a voice in the system.
- Don't always try to mimic the old system...we should expect more from new systems.
- Identify wants vs needs...if you can't do it, find a way around it.
- Pay attention to reporting needs...ultimately the outputs are critical to the functionality of the system.
- Be mindful of the stress levels of the staff—system transitions can be challenging
- Block the politics from pushing finance offices in preferred directions.

Fraud (Stopping, Detecting, High Tech Fraud)

- Need good internal controls
- When detected, fraud should be treated confidentially
- Tools and red flags, for example amounts don't balance between what's deposited and what's inputted, needs to be investigated.
- Interviewing techniques

- Fraud triangle...we can control the opportunity by not placing too much trust on employees, monitoring, oversight, and tightened internal controls. Create an atmosphere where nobody is tempted.
- Examples of red flags
- Examples of non-verbal clues
- When investigating, LISTEN. Ask the question and then shut your mouth!

Building a Finance Office and Recruiting and Retaining Staff

- Suggestions for how to change policies for how qualified employees are determined and rated.
- Consider updating policies and practices relating to HR. Often only the top five applicants are forwarded to the agency.
- In order to recruit and conduct succession planning we need a funded FTE...so somebody must retire or resign in order for recruitment to start.
- Try to conduct cross-training to make sure other employees learn the jobs.
- Create a culture with values that engages employees meaningfully...especially in the islands where the pay scale is unattractive.
- If employees are treated well and appreciated,
- Establish clear mission, vision and values so that employees know what they are contributing to.

Financial Transparency

- Important to government...needs to be more than simply posting PDFs online.
- Tools such as open checkbooks that can enhance online presence in countries.
- Two examples of transparent governments are Fort Pierce, Florida, and Amherst, Massachusetts. Both have award-winning websites that provide extensive information—including expenditure-level information.
- Information needs to be displayed simply so that people can understand it.

Grants Management and OMB Circular

- Don't take grants for granted...analyze first and make sure that the grant is a good fit for the organization, and focus on a strategic alignment with your organization.

- Best practices included monitoring grants and analyzing benefits of the grants.
- When trying to do more with less federal grants can be a strong resource
- Expression “buy the puppy, raise the dog...” It’s tempting to buy a cute puppy without realizing the level of maintenance that will be required. This is particularly relevant for insular governments, since the costs are so significant.

Financial Resilience and Accurate Forecasting

- Presentation of his Excel forecasting model
- Plans made on average assumptions are wrong on average.
- Uncertainty is a law of the universe and risk is in the eye of the beholder
- Forecasting is important for decision makers, and to address opportunity costs in terms of funding trade-offs.
- Assumptions need to reflect reality.
- After forecasting, monitoring is important to track inflows and outflows, and compare projections to actual performance. Awareness of changes in governments and islands—salary requirements, legal settlements, etc.—all require revisions to forecasts.
- Be aware of outliers, especially one-time revenues (or expenditures) that won’t be repeated.

Budgeting Sessions

- Budgeting framework from National Advisory Council.
- The Budgeting cycle never ends!
- NACSLB is the acronym for the Council...the website has many resources
- Importance of evaluating performance in the budget cycle
- Financial policies...especially around debt issuance and reserves (not just a paper reserve, but actual funds that are tucked away for rainy day purposes.)
- Budget should be understandable by the general public: citizen-centric reporting

ISLAND GOVERNMENT PRESENTATIONS

Each of the insular governments prepared presentations in advance of the conference. Conference participants were asked to prepare presentations that addressed:

- The current status of the FY15 audit;
- Any expected changes in audit qualifications or findings from prior years;
- Two or three challenges that governments have experienced during the course of the audit;
- The status of each government's action plan which was developed at the conclusion of the December 2015 meeting, including the status of each task, major accomplishments, and areas where progress may have been stalled;
- The action plan status of subject areas such as Uniform Grant Guidance, Finance Office Outreach, Cash Management Plans, Employee Engagement, or any other areas;
- Update on insular government finance office performance measures, including the timeliness of vendor payments, travel advance collections, bank reconciliations, budgeted vs actual revenues, and other performance measures.

Highlights of the governments' presentations include some major accomplishments. Guam produced a CAFR for the 3rd year as well as removing the fixed asset finding and qualification from their financial report. It is a significant accomplishment that they have worked towards for many years. They have also been able to essentially remove the performance measure for timely bank reconciliations as they reconcile on a daily basis.

The Virgin Islands had an interesting accomplishment as a follow up to the Personnel section of last year's action plan. They ensure they have annual employee evaluations and for team building they hold quarterly mixers for the employees.

A first in the IGFOA membership is American Samoa's completion of their FY15 annual audit by April 30th. They were under a deadline from their bond board and were able to complete the audit in spite of some major personnel changes in Treasury. ASG deserves a big congratulation on this accomplishment.

The CNMI made significant improvement with the timeliness of their bank reconciliations as they are now using the on-line information provided by the banks. The Republic of Palau was able to remove a long standing qualification on their FAA grants. Kosrae State continues to maintain a clean unmodified financial and single audit. They are also now working with their local governments and component units on financial training. Both the FSM National government and the RMI highlighted the completion of their Public Finance Road Maps.

FORECASTING THE ROAD AHEAD: FINANCIAL FORECASTING MODEL

Thursday morning May 26, 2016 Chad Salvadore delivered a presentation entitled Forecasting the Road Ahead: Financial Forecasting Model. The presentation was intended to provide high-level strategies and recommendations for forecasting revenues and expenditures tailored for governments without much prior experience in financial projection experience. The presentation was structured as follows:

- Introduction to Forecasting
- USVI Example Model Overview
- Forecasting Template Usage Guide
- Conclusion and Next Steps

The introduction section focused on developing an understanding of what is meant by “financial forecasting” and eliminating pre-conceived notations about the difficult to implement forecasting processes. This section was followed with an overview of the financial model developed in conjunction with USVI’s Department of Revenue in January 2016. The model was used to showcase a range of potential applications for financial forecasting as they are used by USVI. After walking through the USVI model, Chad presented step-by-step user instructions for how government can utilize the forecasting template distributed prior to IGFOA. Finally, the presentation concluded by summarizing key points from the presentation and discussing next steps for government wanting to pursue use of the financial forecasting template for their governments.

Next Steps:

Graduate School has received preliminary interest from three governments; Palau, Guam, and CNMI regarding potential interest for additional support to adapt the financial forecasting models for their governments.

The Graduate School presented on a new initiative that was originally requested by the Virgin Islands, to develop a forecasting model for General Fund revenues and expenditures. The VI is now the model, which was shared with conference participants.

UNIFORM GRANT GUIDELINES: FINANCIAL OFFICERS' GUIDE TO REVISIONS, UPDATES, AND IMPLEMENTATION CHALLENGES

Thursday afternoon, Mr. David Rykken presented to representatives of the USAPI an overview of the updated Uniform Guidance, which included changes in the cost principles, administrative requirements, internal controls and audit expectations. During the presentation, he answered questions related to reporting, cash management, and

inventory control as well as allowable costs, procurement and suspension and debarment.

During Mr. Rykken's second presentation, the group discussed some of the repeat findings in the USAPI that show a lack of effective internal controls such as a lack of documentation, lack of policies and the inconsistency of implementing policies due to the lack of communication and knowledge of policies concerning inventory management, records management and procurement.

Some of the key recommendations from the presentation are: (1) Programs should work closely with finance to ensure that they understand general and administrative requirements and specific compliance requirements applicable to the grant awards outlined in the funding opportunity announcement and the terms and conditions in the notice of award. (2) Programs should ensure that they are aware of the reporting requirements of the grants so they can show improvement in performance. (3) Finance departments should consider updating the policies for the management of fixed assets and consider raising the amount to be closer to the Federal (USA) level to make it easier for compliance. (4) Finance departments should communicate to programs the expectations around life expectancy of fixed assets and the process of surveying equipment.

On Friday morning, IGFOA participants further discussed the uniform guidance and controls and the need to ensure that program objectives are being met. The participants shared with each other how programs can improve their documentation and justifications to ensure that activities lead directly to grant objectives. Guam and American Samoa shared several examples of IT systems that have made it easier to implement federal programs through automatic internal controls. CNMI is moving towards having a single entity whose job it is to consistently monitor performance. FSM is working towards updating and implementing standard operational procedures.

BEST PRACTICES PANEL DISCUSSION

Government of Guam's CAFR and Citizen-Centric Reports

Kathy Kakigi, from the Guam Department of Administration, led a discussion on progress Guam has made developing a Comprehensive Annual Financial Report (CAFR). Ms. Kakigi described the annual audit report as the roast beef sandwich, but the CAFR is the combo meal. The CAFR is sponsored by the GFOA and tells the financial story of individual governments to be eligible to receive a GFOA Certificate of Excellence. The GFOA has an extensive checklist to ensure compliance prior to eligibility for the

certificate of excellence. Audit reports need to be issued within six months, although they allow for one extension. Audits must express an unmodified opinion.

There are three components to the CAFR: an introductory letter of transmittal that outlines the local economy, major initiatives, and long term financial planning. The CAFR Introduction also includes an organizational chart that outlines the Executive Branch, and a list of elected officials (governor, senators, etc.) The second component is the financial section, including the MD&A, and supplemental financial information. Guam's experience was that Deloitte had to spend additional time to ensure compliance with GFOA standards. The third section is a statistical section that focuses on financial trends, revenue capacity, debt capacity, demographics and operating information (employees, public and private, school enrollment, tourism indicators, etc.) The CAFR generally required ten years of data for each category. Guam's experience was that identifying the operation information was the most challenging, especially coordinating with each of the agencies.

Manpower and resourcing was a challenge to prepare the CAFR. Guam applied for Technical Assistance from DOI-OIA for one position and a dedicated computer, and then hired an external consultant to assist with CAFR development. The total cost was roughly \$100,000, with a goal of achieving a Certificate of Excellence.

Guam's goal is to be transparent, and to consider its constituents and stakeholders.

Guam offered a few helpful tips for other governments that might be considering CAFRs. Guam has produced three CAFRS since 2012:

- Start compiling information three months prior to the report deadline;
- Try as much as possible to use existing sources of information
- Establish a good relationship with the data compilation counterparts and to stay in touch, especially if they plan to retire.
- Create email groups
- When data is requested, be precise and clear, and offer deadlines.
- Be respectful to your data people!

Guam High Risk Status Removal

Ms. Grace Edrosa shared progress in getting High Risk Status removed from a National Highway Transportation grant. This grant was on high-risk from 1999-2012, which delayed processing of drawdowns and expenditures. The initial findings that were cited were not related to the timely submission of financial reports. In the early period of the grant there was only a single staff member overseeing the grant. When the grantor

conducted a staff visit they noticed that only a single staff member was on hand for a large-scale grant, and that large carryover was happening annually. The agency was cited for:

- Late implementation of the grant period
- Absence of performance-based requirements (this grant was supposed to improve highway safety—drunk driving, click-it or ticket, etc.) Sub-grantees were not providing objectives.
- No project monitoring
- No policies and procedures. A new policies and procedures manual was updated with specific goals and program objectives, financial management, etc.
- Under-budgeted expenditures.
- No physical inventory
- No employee time and attendance

It took many years to resolve the above issues, but the Government of Guam addressed these issues individually over a multi-year period. Over time, the Guam staff developed a close relationship with the grantor, given the level of compliance that was required.

RMI Finance Office Assessment

Mr. Ywao Elanzo, Jr., the Assistant Secretary for Budget/Procurement and Supply for the RMI Ministry of Finance offered an overview of recent work in the RMI conducting a finance office assessment. Mr. Elanzo provided some background, explaining a pattern of high turnover among senior management staff, as well as mid-level staff and the loss of support for their FMIS. Collectively, this has led to five consecutive years of late audits. The US recognized this pattern of difficulty, and were on the verge of placing the RMI on high-risk status. The Graduate School team visited the RMI and conducted a Risk Assessment, which highlighted three high-risk areas: enhancing management and staff, the compelling need for a new FMIS, and reasserting the deadline for the single audit.

The team conducted extensive interviews with management staff to gather information to produce the report. Many of the issues identified in the Assessment had already been identified by the Ministry itself, so the Assessment provides a response plan designed to stabilize the Ministry. Finally, the elements of the response plan are receiving funding support from other donor agencies, including the Asian Development Bank, the World Bank, and others. At this point, the senior management within the Ministry has demonstrated strong political support and technical support to implement the plan.

Ms. Debbie Milks noted that the Assessment Tool can also be used for self-assessment. The tool was developed several years ago and takes a large, comprehensive look at the overall operations of any given finance office.

Recruiting the Future Finance Ministry: The Republic of Palau

Ms. Ruth Wong, the Director of the National Treasury for the Palau Ministry of Finance, shared strategies undertaken by the Republic of Palau to new recruit and retain staff to the Ministry. During the previous administration, several key staff left the office, and in the years prior, many of the staff were hired for political expediency. When the key staff left, the Ministry suffered. This led politicians and others to realize that it was important for the Ministry of Finance to have talented staff. One of the conditions of Ms. Wong's re-hiring was that she had the ability to hire support staff. During the same time, the administration hired a director of public services that had a Master's degree, and she took the lead with recruiting as well. The Minister regularly called meetings with former employees, recent graduates and other prospective staff to encourage them to consider coming back to the Ministry.

In addition, the HR Director used various websites to post job vacancies to enhance recruiting efforts. In addition, the scholarship office provided a list of recent graduates with accounting degrees, or with accounting related studies. Ms. Wong also personally took on recruiting responsibilities. Ms. Wong also served as a mentor to an aspiring employee within the Government of Palau. Finally, many key staff were approaching retirement, which presented opportunities to get young, new staff in key positions.

Currently, the challenge is to retain the new staff that has been recruited, and to make their positions attractive so that they are not tempted to run to other agencies. Many staff are currently on contracts, which doesn't carry the same job security as permanent positions. The Ministry conducted some in-house training, but also sent individuals off for professional development as well.

Finally, the Ministry has worked hard to recognize superior programs with certificates of appreciation, which was presented during their annual meetings for special education.

GASB UPDATE: GOVERNMENT FINANCIAL LANDSCAPE CONTINUES TO CHANGE

Mr. Frank Crawford offered a presentation on anticipated GASB changes that may affect the insular areas. The GASB Update session provided the participants with a high-level overview of 11 new standards issued by the Board in the form of GASB Statements 72-82, three current exposure drafts, and two projects. Certain of these standards are effective for the September 30, 2016 year-end, while others will have later effective dates.

The major discussions centered around GASB 72, Fair Value, which focused on concepts, recognition and measurement of fair value reporting requirements; GASB 75, which deals with reporting issues for employer-related OPEB, or Other Post-Employment Benefits; and GASB 77, related to Tax Abatement disclosures, which will require the government to disclose agreements with the private sector in situations where any tax revenues are "abated" or rebated by the government back to the private sector.

For the future projects on the table, the IGFOA discussion focused on the new financial reporting model project, which will potentially result in a new financial reporting model on par with the last change in the reporting model, GASB 34.

PREPARING TO PROCURE A NEW FINANCIAL MANAGEMENT INFORMATION SYSTEM (FMIS)

Ms. Deborah Milks presented a session on the acquisition steps for financial management systems. She emphasized that no system is perfect, but if the government follows a structured process there is a higher likelihood they will select a system that is adequate to meet the needs of the government for a reasonable length of time.

The most important point is that the government should drive the process, not the software vendors. It is too easy to allow a vendor to present what they think is needed. The government should hire a project manager who is familiar with governmental accounting systems as well as dedicate local staff to the process. They should take the time to become educated on the possibilities, prepare a detailed requirements analysis, thoroughly vet the vendors and their references and ensure the vendors demonstrations follow a script which will show their understanding of the requirements.

The acquisition process is likely to take a fairly long period of time. A part of managing the process is to set realistic timelines for acquisition and implementation. Many times this process will overlap a change in government leadership so the structure of the project should be strong, broad and transparent enough to withstand that change.

PUTTING FINANCE OFFICE PERFORMANCE MEASURES AND BEST PRACTICES TO GOOD USE

"It is not the numbers; it is what you do with the numbers" was the theme for Ms. Milks' presentation on performance measures. For the 5 years that the IGFOA members have been working on performance measures but they appear to be used primarily for presentation at the IGFOA meetings. She reviewed the measures which have been used to date and those which have been suggested to use in the future.

There are differences in the measures that the finance offices use and those which are used to measure government programs which may or may not be funded. The processes which are measured in finance must continue. The offices cannot “close” the programs of bank reconciliation or grant reporting or processing invoices. So the measures should be used to help judge the efficiency of the process and start conversations on how it might be improved.

The response to missing a target on a measure should not necessarily be punitive towards the employee(s) who is performing the task. The problem may be the tools supporting the process (like the example of poor reporting from the bank in the FSM) or the lack of adequate staffing. Or the process may be inefficient with too many reviews or too much routing or too many copies. Process re-engineering should be a first option when examining poor performance results.

At the conclusion of the presentation, Ms. Milks agreed to examine the suggested new measures as well as redesign the performance dashboard currently in place. These will be disseminated to the IGFOA members in advance of the next quarter end.

GOVERNMENT ACTION PLANNING AND REPORT OUT

Each government represented at the May 2016 meeting prepared action plans during the conference and reported their plan to the other members. The action items followed the topics of the conference:

1. Follow up on GFOA sessions and IGFOA presentations---This section encouraged the members to follow up on ideas picked up during the GFOA and/or the IGFOA presentations. Highlights of action items include:
 - a. Kosrae will research and prepare an IT policy and procedures manual
 - b. American Samoa and Palau will consider preparing a CAFR as was presented by Guam
 - c. Guam will follow up on GFOA sessions on transparency and banking technology
 - d. FSM National government will present the ideas learned in Budget 101, Fraud detection and hiring the right financial staff to their budget office staff
 - e. The Marshalls will present the budget information to the Secretary.
 - f. The Virgin Islands will take the ideas back from the GFOA session on Capital Asset planning and work on a planning & maintenance report on a quarterly basis.

2. Financial forecasting model---This section relates to the forecasting model presented by Chad and implemented in the Virgin Islands. Most every government is interested in implementing the model or improving their own models with information they received in that session.
3. Performance Measures---The performance measure action plans included a "vote" on which new measures the members would like to include in future meetings. Several members selected a measure for the percentage of unspent federal funds. In addition, several governments included action steps to improve the results of the measures they already use. The Virgin Islands specifically committed to reporting measures on a quarterly basis.
4. Uniform Grant Guidance—Most of the UGG is already in effect and many of the governments have had local training on the new guidance. Most of the follow up action steps include assuring that the grants managers are following the UGG requirements.
5. GASB updates---The GASB pronouncements most imminent and applicable to the insular areas include determining fair value for leased property, reporting on other post-employment benefits such as health care and reporting of tax abatements. The finance officers' action steps included ensuring that others in their governments are aware of the requirements and that they are prepared to acquire the necessary information such as actuarial reports.
6. Acquiring a new financial management system---This presentation applied primarily to the ROP and the RMI and both governments have committed to hiring a project manager and beginning the process to educate themselves about some of the new systems available. Guam intends to research software for a citizen portal.

CONFERENCE CLOSE-OUT AND EVALUATIONS

At the end of the conference, each participant completed a conference evaluation. Participants agreed that the GFOA sessions were timely and relevant (4.7 out of 5.0), and that the IGFOA sessions were relevant and timely (4.7 out of 5.0). The complete conference evaluation, along with specific participant comments, has been attached to this report.

ATTACHMENT 1: TORONTO 2016 IGFOA AGENDA**ISLAND GOVERNMENT FINANCE OFFICERS' ASSOCIATION (IGFOA)****Annual Meeting****St. Andrew's Club & Conference Centre****Toronto, Ontario, Canada****May 25 - 27, 2016**

The theme for the 110th Annual Conference of the GFOA is "Sharing Solutions and Strategies." The island government finance offices certainly have to be willing to share solutions and strategies so this year's conference theme is very relevant. This IGFOA meeting will continue to focus on efficiency and effectiveness in finance office operations.

The objectives of the IGFOA Meeting are to:

- Review key issues and ideas presented during the GFOA Conference and discuss how they apply to the insular governments;
- Review the progress of the insular government's single audits and attempts to measure finance office performance;
- Review Finance Office Best Practices being employed by the insular governments;
- Provide the insular government Finance Directors and Managers with grants management training specific to the responsibilities of finance officers with particular emphasis on the administrative requirements of the recent Federal OMB Omnibus Super-Circular and how it affects finance office operations;
- Introduce a financial forecasting model as a management tool;
- Review recent GASB announcements and requirements; and
- Build government specific plans to address single audit improvement, enhance finance office grant related process improvement, improve financial office performance, and implement the financial forecasting module.

Sunday, May 22**10:00 – 11:30 am****Overview of GFOA Conference and the IGFOA Meeting /
Introductions**

InterContinental Toronto Centre Hotel

Humber Room, Upper Lobby

- 1:30 pm** **GFOA Conference Concurrent Sessions Begin**
Metro Toronto Convention Centre
- 5:00 – 6:30 pm** **GFOA Conference Welcome Reception**
Metro Toronto Convention Centre, Exhibit Hall E

Monday, May 23

- 5:30 – 6:30 pm** **Check-In on GFOA Conference**
InterContinental Toronto Centre Hotel
Humber Room, Upper Lobby

Wednesday, May 25

- 12:10 pm** **GFOA Conference Ends**
Lunch on own
- 1:00 – 1:15 pm** **Opening of IGFOA Meeting**
St. Andrew's Club & Conference Centre, Room L-4
Sun Life Financial Tower Building, 150 King Street West, 27th
Floor
- Welcome Remarks:**
Elbuchel Sadang, Minister of Finance, Republic of Palau
Stephen Latimer, Program Manager, Graduate School USA
- 1:15 – 1:45 pm** **Review agenda and introductions**
- 1:45 – 2:45pm** **Review GFOA Conference Highlights**
Moderators: Debbie Milks and Frank Crawford
- What were the most important ideas, concepts, issues, or practices you heard about during the GFOA Conference?
 - How do they apply to you and your government?
- 2:45 – 3:00 pm** **Break**
- 3:00 – 4:30 pm** **Island Government Presentations**
Single Audit Update, Finance Office/Grants Management Performance
Measures, Progress on December 2015 Action Plans
Guam

CNMI
 American Samoa
 US Virgin Islands
 Federated States of Micronesia
 Kosrae State
 Republic of the Marshall Islands
 Republic of Palau

4:30 – 4:45 pm

Wrap up Day One and Prepare for Thursday

6:30 pm

Group Dinner

Please meet in front of the InterContinental Toronto Centre Hotel at 6:30 pm for transportation to dinner

Thursday, May 26

7:45 – 8:30 am

Continental Breakfast

St. Andrew's Club & Conference Centre

Sun Life Financial Tower Building, 150 King Street West, 27th Floor

8:30 – 9:00 am

Review results from Wednesday's discussions and overview of Today's Agenda

9:00 – 10:00 am

Forecasting the Road Ahead: Financial Forecasting Model

Chad Salvadore, MBA

10:00 – 10:15 am

Break

10:15 – 12:00 pm

Uniform Grant Guidelines: Financial officers' guide to revisions, updates, and implementation challenges

David Rykken, MPH

12:00 – 1:00 pm

Lunch

1:00 – 2:15 pm

Uniform Grant Guidelines: Financial officers' guide to revisions, updates, and implementation challenges (cont)

David Rykken, MPH

2:15 – 2:30 pm

Break

2:30 – 3:30 pm

Best Practices Panel Discussion:

Panelists:

Panelists: Kathy Kakigi and Grace Edrosa, Department of Administration, Guam

Subject: Government of Guam's CAFR and working our way out of High Risk Grantee Status

Panelist: Ywao Elanzo, Jr, Ministry of Finance, Republic of the Marshall Islands

Subject: RMI Finance Office Assessment

Panelist: Ruth Wong, Ministry of Finance, Republic of Palau

Subject: Strategies for Managing Finance Office Human Resources

Questions and Answers

3:30 – 5:00 pm

GASB Update: Government Financial Landscape Continues to Change

Frank Crawford, CPA

5:00 – 5:15 pm

Wrap up Day Two and Prepare for Friday

Friday, May 27

7:45 – 8:30 am

Continental Breakfast

St. Andrew's Club & Conference Centre

Sun Life Financial Tower Building, 150 King Street West, 27th Floor

8:30 – 8:45 am

Review results from Thursday's discussions and overview of today's agenda

St. Andrew's Club & Conference Centre

Sun Life Financial Tower Building, 150 King Street West, 27th Floor

8:45 – 10:30 am

Break Out Sessions

Option 1: Grants Management Discussion/Questions and Answers

David Rykken, MPH

Option 2: Financial Forecasting Model Questions and Answers

Chad Salvadore, MBA

Option 3: GASB Updates Questions and Answers

Frank Crawford, CPA

10:30 – 10:45 am**Break****10:45 – 12:00 pm****Selecting a Finance Management System / Putting Finance Office Performance Measures and Best Practices to Good Use**

Debbie Milks, CPA

12:00 – 1:15 pm**Working Lunch (To Be Provided)**

Action planning to address (1) audit improvement; (2) finance office performance measures; (3) application of grants management administration requirements specifically for the Federal OMB Omnibus Super-Circular in finance operations; (4) financial forecasting module; (5) GASB Updates; (6) other

1:15 – 2:30 pm**Government Report Outs****2:30 – 3:00 pm****Conference Wrap-up**

- Advancing the plans
- Summary of progress during this session
- Next steps
- Conference evaluation

3:00 pm**Adjourn**

ATTACHMENT 2: GOVERNMENT OF GUAM STATUS UPDATETE



Government of Guam FY 15 Audit Status

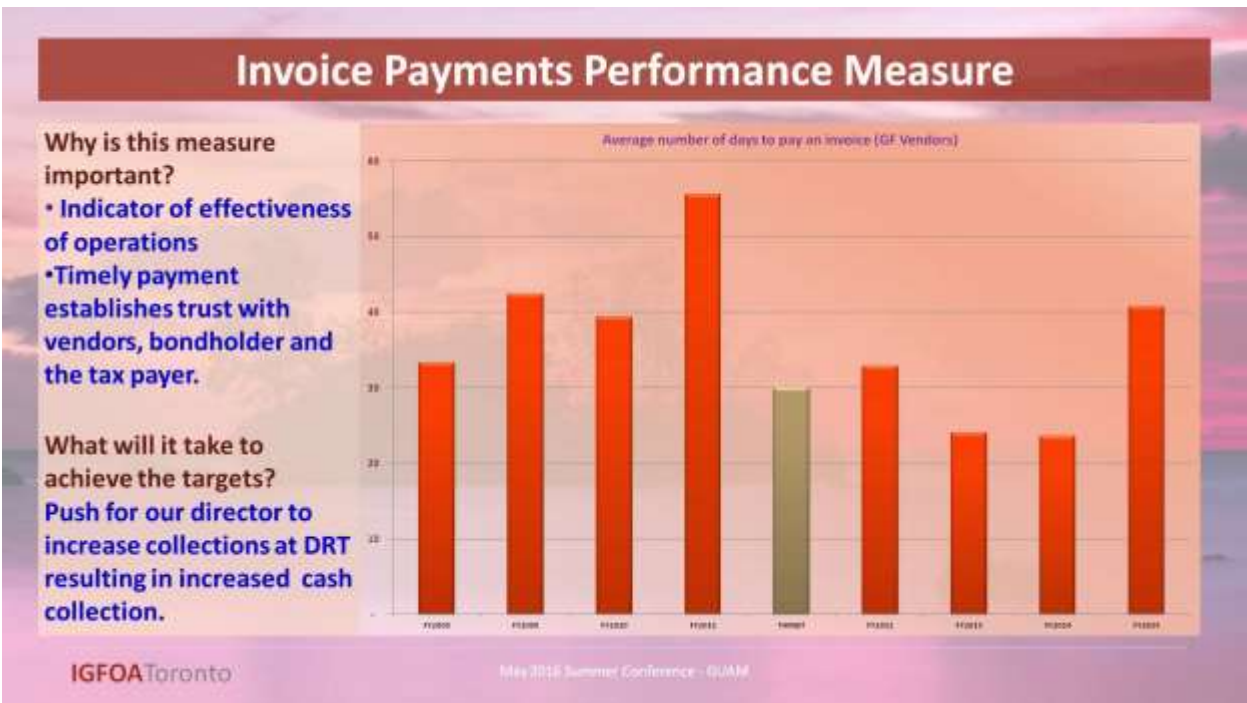
Describe the current status of your FY15 audit.	<p><i>FY15 audit is still on-going.</i></p> <p><i>Anticipating a June 10, 2016 completion date.</i></p>
Describe any expected changes in your qualifications and findings from prior years.	<p><i>No fixed-assets tagging and physical inventory findings.</i></p>
List at least two or three challenges you have had during the course of the audit.	<ol style="list-style-type: none"> <i>1. Disconnect in the communication between the auditors and line agency POC.</i> <i>2. Late submission of preliminary audit findings.</i>

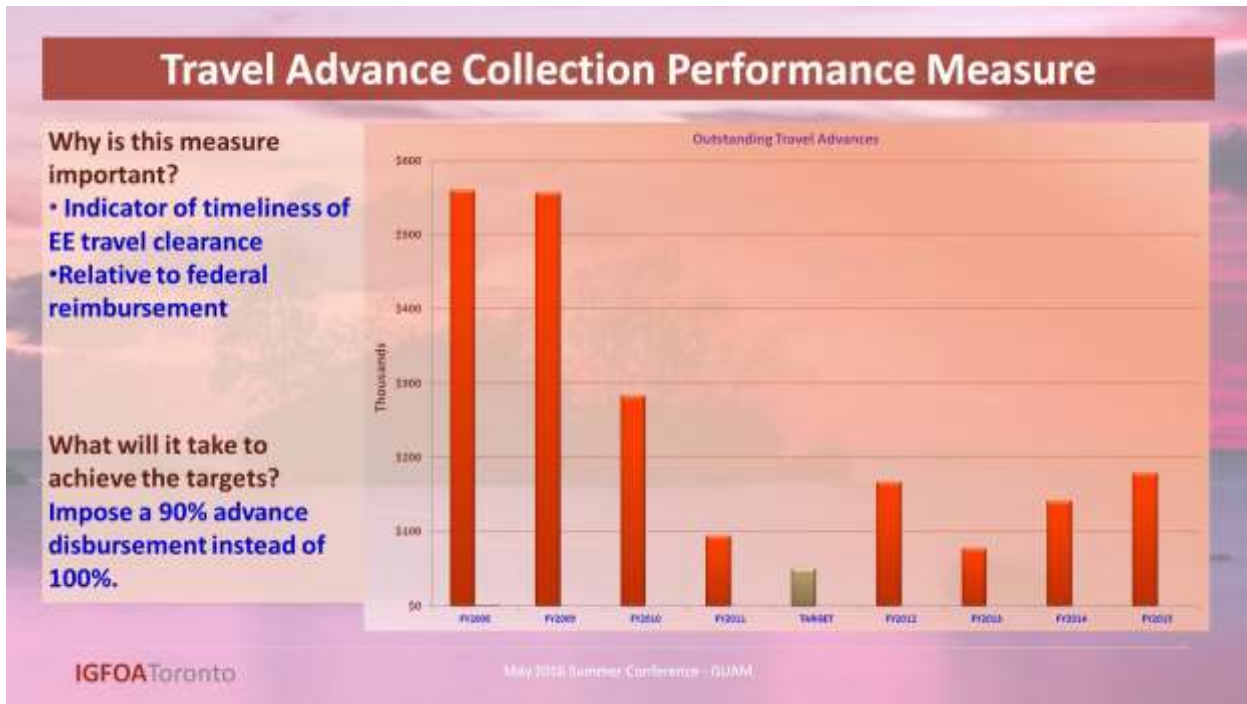
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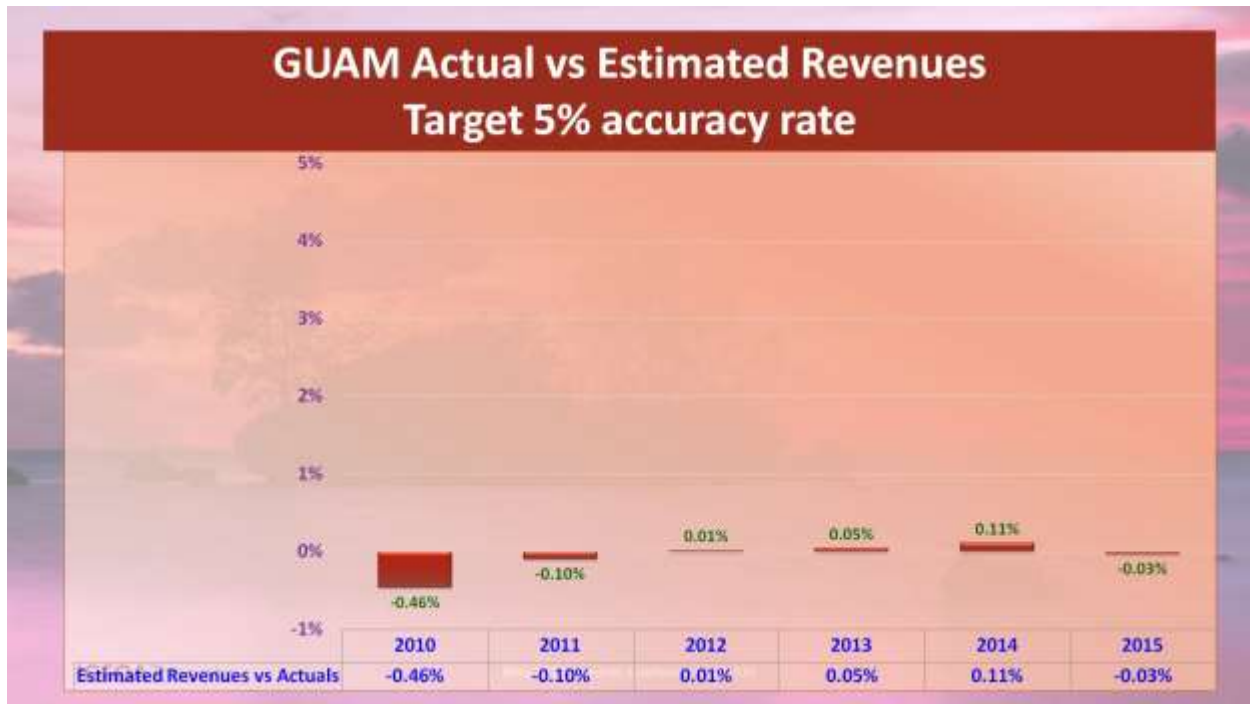
Status of GUAM action plans

Planning Area	Major accomplishment
Uniform Grant Guidance	100% support
Finance Office Outreach (communicating on island)	<i>Structured grant section; training conducted upon request – one-on-one or group sessions</i>
Cash Management Plan	<i>Status quo; due to turnover of Directors.</i>
Employee Engagement	<i>Implemented the employee on-board and separation checklist. (Still need work on mid-review engagement)</i>
Fixed Assets Inventory/Tagging	<i>On track this current FY (FY2016)</i>

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Performance Measures

What other performance measure(s) do you use in your finance operations?

Quantity of invoices processed per technician meeting the performance standard.

Describe how you use your performance measures. Be sure to include use for IGFOA meetings, discussions with staff, when you report measures to leaders, etc.

- *3-5 business days to process/enter invoices*
- *Federally funded invoices not meeting the standard # of days.*
- *Determinable accounts payable balance*

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What is one finance office accomplishment (so far) this year would you like to highlight ?



- Completed the tagging and physical inventory of fixed assets



ATTACHMENT 3: GUAM COMPREHENSIVE ANNUAL FINANCIAL REPORT

BUILDING A COMPREHENSIVE ANNUAL FINANCIAL REPORT

GUAM DEPARTMENT OF ADMINISTRATION

WHAT IS IT?

- GFOA Sponsored Program
- Financial Story – Government
- Checklist Requirements
- 6 months Audit Report Issuance
- Unmodified Opinion
- Certificate of Excellence

3 COMPONENTS

- Introduction
 - Letter of Transmittal
 - Local Economy
 - Major Initiatives
 - Long Term Financial Planning
- Organizational Chart
 - Executive Branch
 - Elected Officials
 - Governor
 - Senators

FINANCIAL SECTION AUDITORS' REPORT

STATISTICAL SECTION

- Financial Trends
- Revenue Capacity
- Debt Capacity
- Demographics & Economic Stats
- Operating Information
 - Employees by Industry
 - Top 10 Private Employers
 - School Enrollment
 - Tourism Indicators

ATTACHMENT 4: GOVERNMENT OF CNMI STATUS UPDATE

**Commonwealth of the Northern Mariana Islands
(CNMI)**

GOVERNMENT STATUS UPDATE

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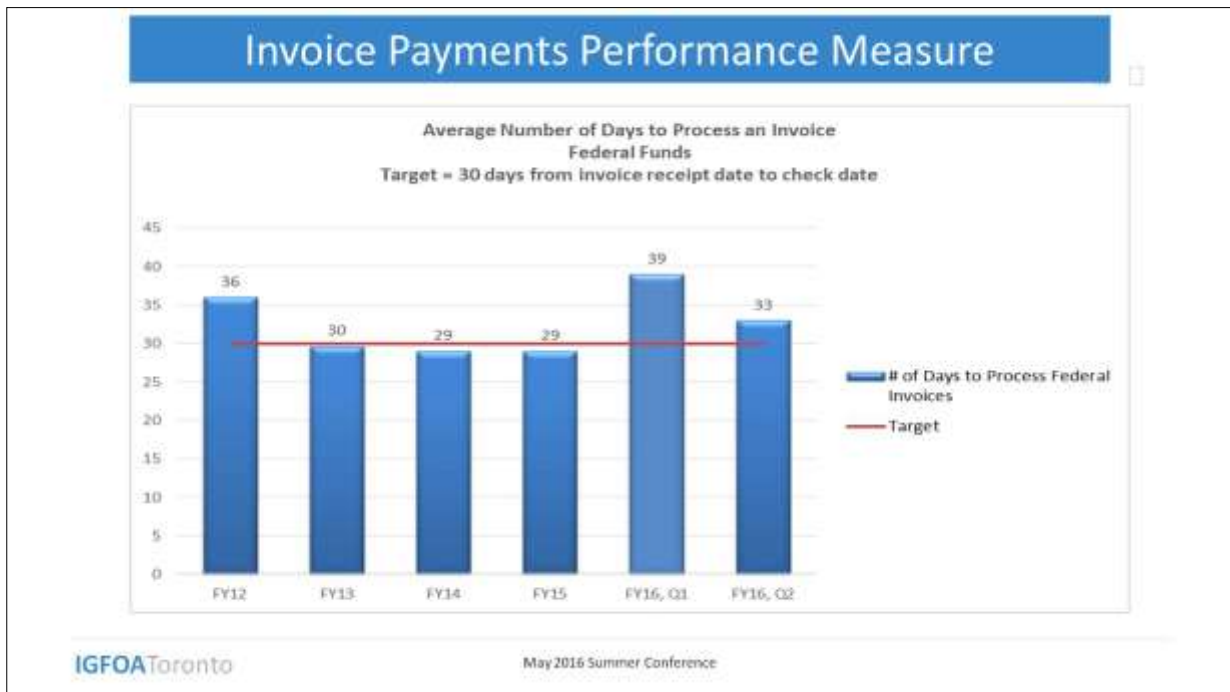
CNMI FY 15 Audit Status

Describe the current status of your FY15 audit.	<i>On-time</i>
Describe any expected changes in your qualifications and findings from prior years.	<i>Same Qualifications</i>
List at least two or three challenges you have had during the course of the audit.	<i>Settlement Fund Audit, Component Units delay of audits, Procurement documents</i>

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Status of CNMI Action Plans	
Planning Area	Scheduled Trainings for FY 16
Uniform Grant Guidance	Successful training in February 2016
Grants Office Outreach (communicating on island)	Approval of TAP grant for Grants Training
Cash Management Plan	Final draft completed, Awaiting approval
Employee Engagement	N/A
Any other??	Restructure of Grants Office

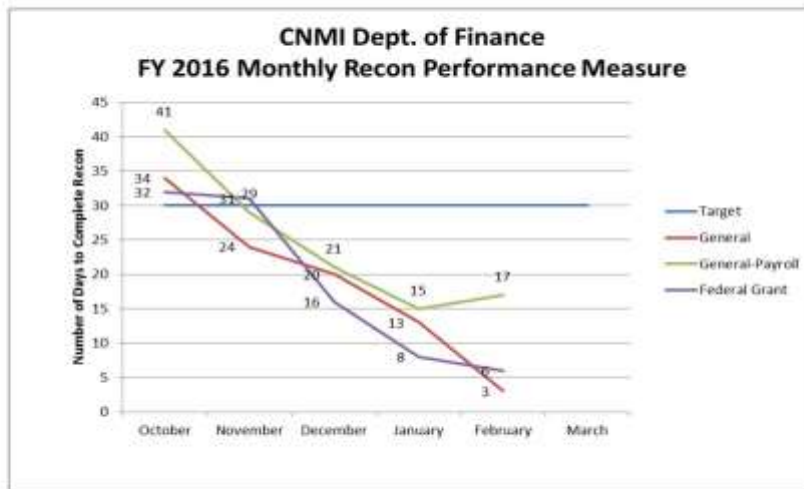
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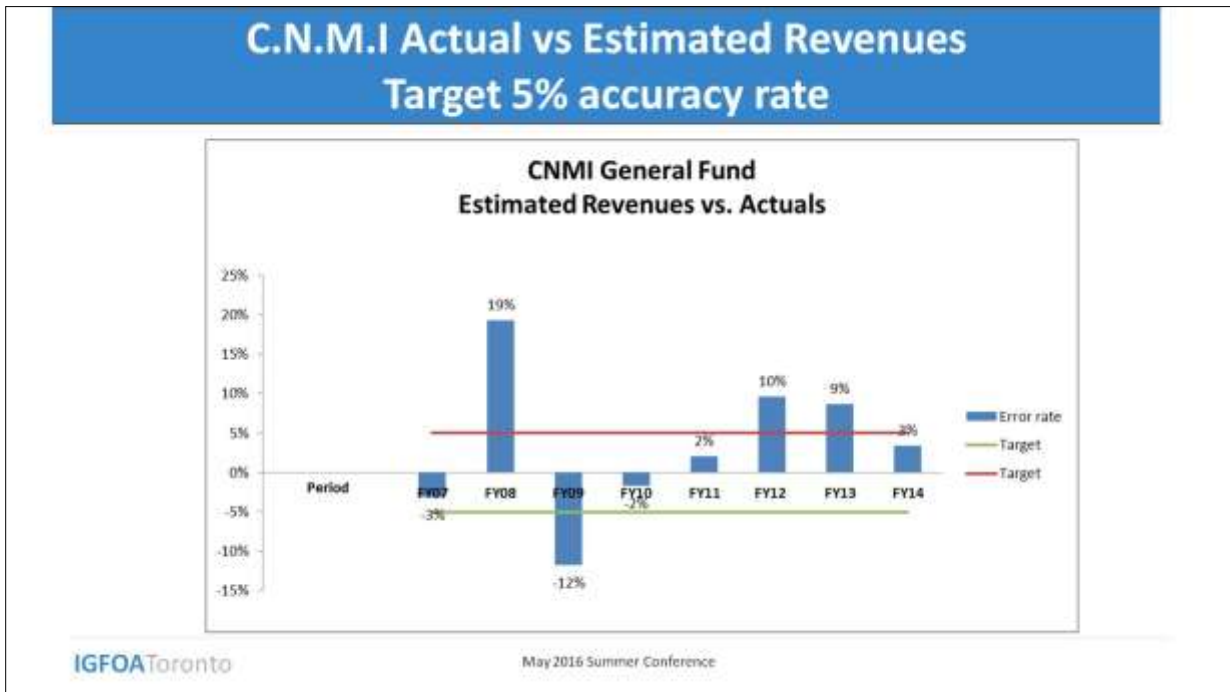


Travel Advance Collection Performance Measure



Bank Reconciliation Performance Measure





Performance Measures

Office of Management & Budget:
Processing of Request for Personnel Action

Average number of days to process a Request for Personnel Action (New Hires, Resignations, Amendments, etc.)

Total RFPA's Received for FY 16 1st Qtr. & 2nd Qtr = 1,452 (See Graph on next slide)

How measure is used:

Used in staff meetings to discuss efficiency, budget discussions, etc. Measure has also been used in prior IGFOA meetings.

OMB Performance Measures



ATTACHMENT 5: AMERICAN SAMOA GOVERNMENT STATUS UPDATE

American Samoa Government

GOVERNMENT STATUS UPDATE



Island Government Finance Officers' Association (IGFOA)
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ASG FY 15 Audit Status

Describe the current status of your FY15 audit.

FY 2015 Audit filed May 25, 2016.

Describe any expected changes in your qualifications and findings from prior years.

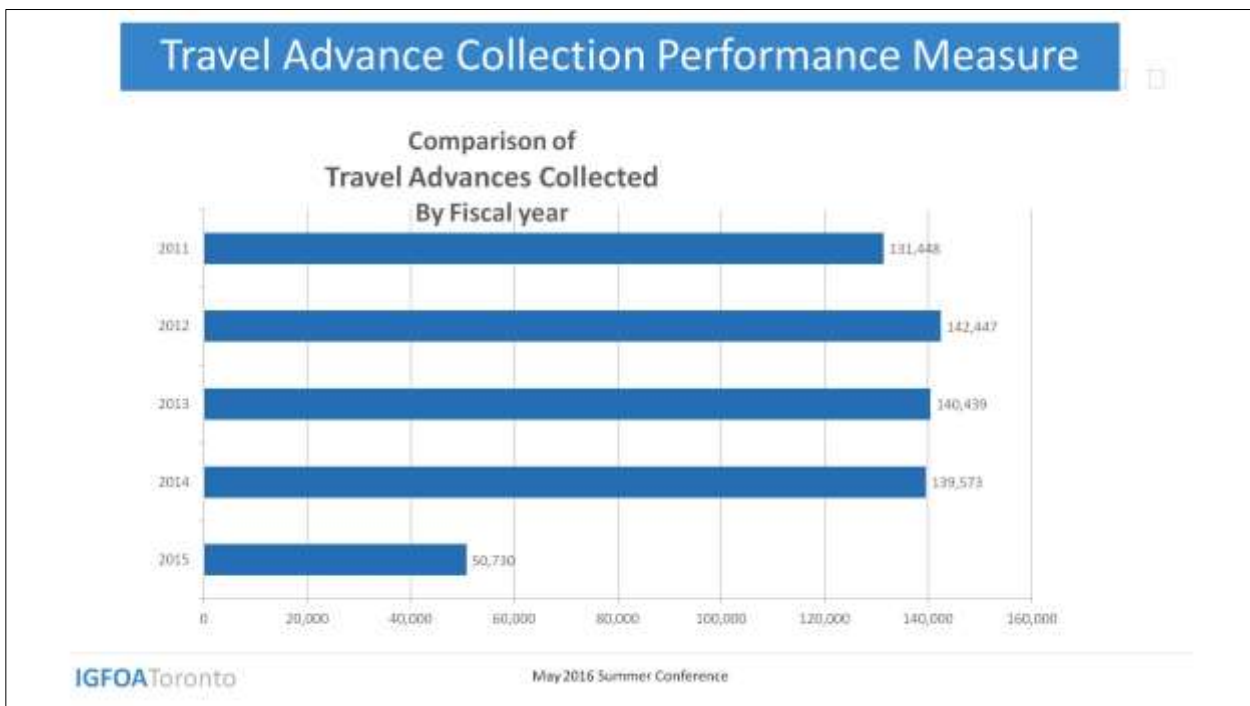
Increase in financial findings
Decrease in Federal Award findings
Decrease in qualified opinions of major programs

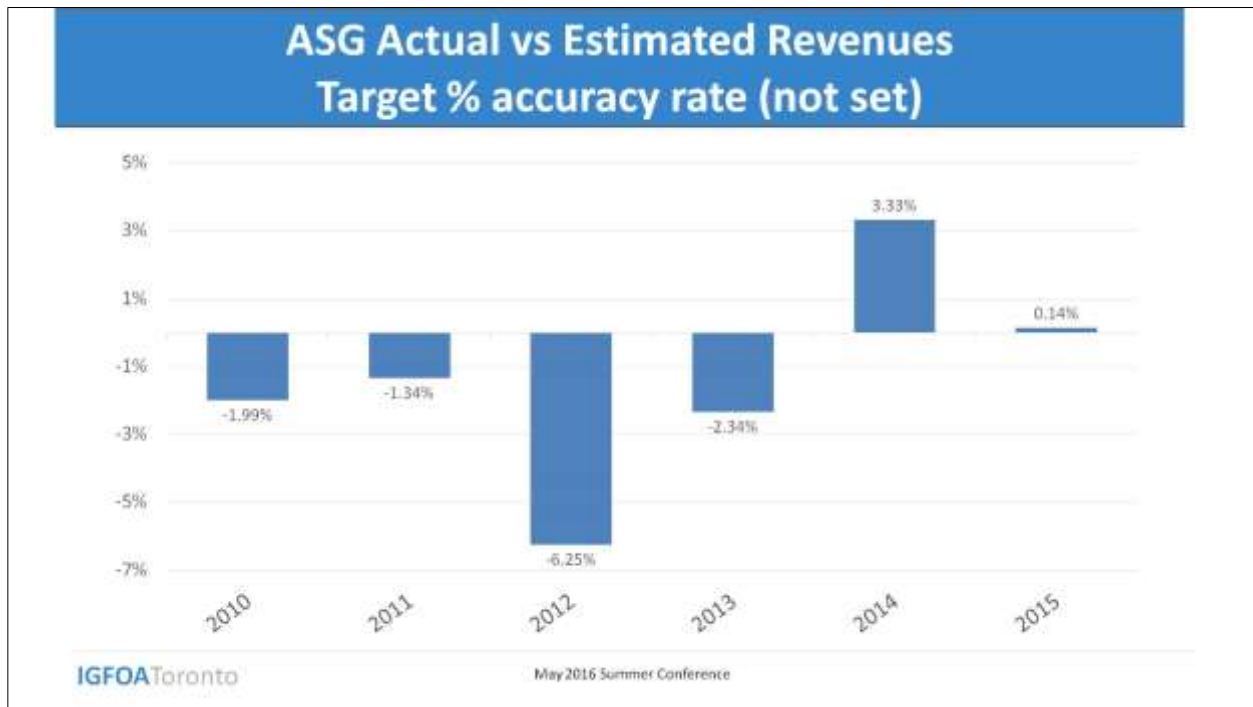
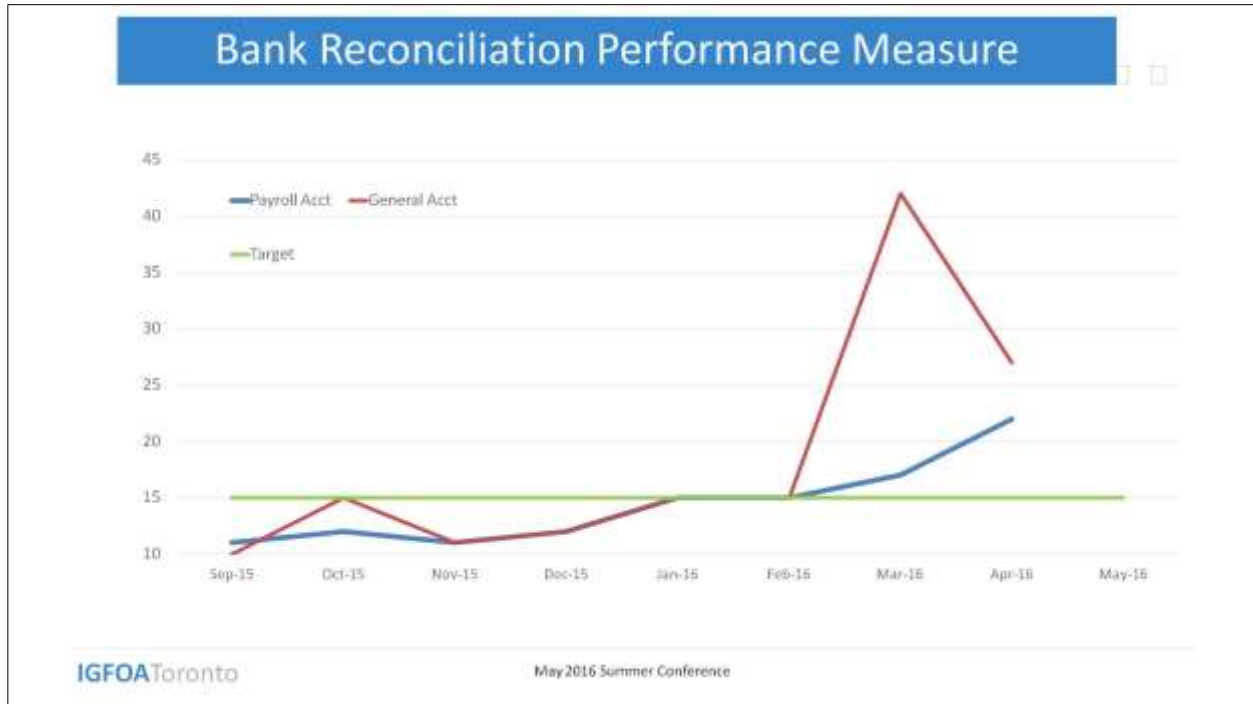
List at least two or three challenges you have had during the course of the audit.

Grant division structure change at August 2015
Completing audit for April 30 issuance

Status of ASG action plans	
Planning Area	Major accomplishment
Finance Office Outreach (communicating on island)	<i>Site visits with various departments Email, Google chat</i>
Cash Management Plan	<i>2015 finding removed 2016 State agreement plan approved and in use 2017 State agreement plan prep currently underway</i>
Employee Engagement	<i>Government Accounting Course April 4-8 Monthly division meetings Grants & General Accounting divisions combined</i>
Federal Grants Receivable	<i>Weekly grant spreadsheet update</i>

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Performance Measures

What other performance measure(s) do you use in your finance operations?

Timeliness of SF-425 Reporting

Describe how you use your performance measures. Be sure to include use for IGFOA meetings, discussions with staff, when you report measures to leaders, etc.

Checklist:

*Grant, account #, dept, finance person, report due date
Due date reminder, report verified, date report verified*

Send email to program managers & officers, schedule reminder

What is one finance office accomplishment (so far) this year would you like to highlight ?

April 30th deadline for financial statements to bond board

Grant receivables clean-up

ATTACHMENT 6: GOVERNMENT OF THE VIRGIN ISLANDS STATUS UPDATE



Government of the Virgin Islands

GOVERNMENT STATUS UPDATE



Island Government Finance Officers' Association (IGFOA)
Summer Meeting, Toronto Canada, May 25-27, 2016

3

Government of The United States Virgin Islands FY 15 Audit Status

Describe the current status of your FY15 audit.	The FY 2015 Financial & Single Audit are ongoing with an expected issuance of June 27, and September 30, 2016 respectively
Describe any expected changes in your qualifications and findings from prior years.	We expect minimal changes to the quantity of findings and qualifications.
List at least two or three challenges you expect during the course of the audit.	Implementation of GASB 68 by Component Units in recording their share of the pension liability; and timely responses from the programs.

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Status of the Government of the United States Virgin Islands action plans

Planning Area	<p>Implementation of the Fixed Assets Module and increasing the threshold for fixed assets are well underway.</p> <p>Completion of GASB 68 report.</p>
Uniform Grant Guidance	<p><i>Dr. Anita Roberts, Deputy Director for OMB Federal Grants Management Unit (FGMU), has been assigned as the government coordinator. FGMU is in collaboration with Property & Procurement (P&P), and is reviewing procurement written procedures.</i></p>
Finance Office Outreach (communicating on island)	<p>Collaborations between Department of Finance and OMB/FGMU include, but are not limited to, assessing the completeness, timeliness, quality, and accuracy of agency's sampled data and the implementation and use of data standards by the federal agency/grantors through trainings, mass email, hard copy and also monthly on site visitation.</p>

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Status of the Government of the United States Virgin Islands action plans (cont.)

Cash Management Plan

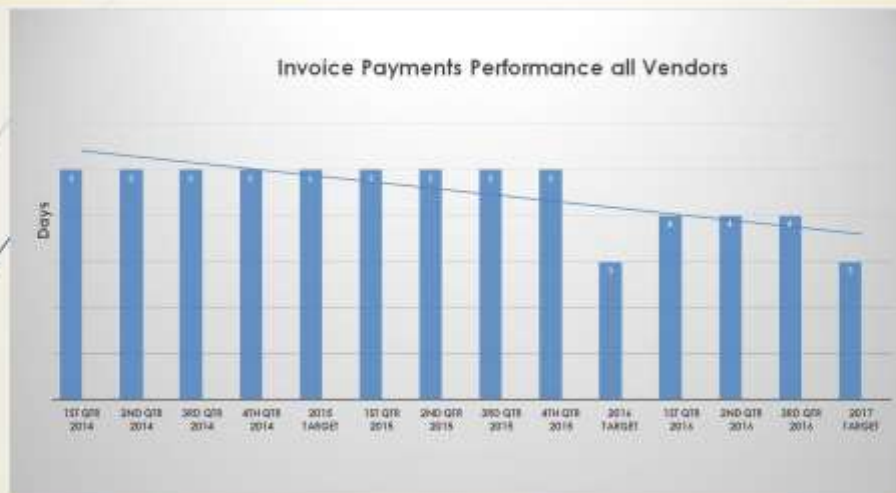
The Cash Management Plan is under review by the Treasury Director, L. Payne and will be promulgated by June 30, 2016.

Employee Engagement

Currently the Department of Personnel hosts a variety of events and classes offered to GVI employees. Such events include Job Fairs and Transform Yourself Recruitment Drive, Battle of the Agencies, Fitness Classes, Health Expos, Relay for Life and many others. The Department of Finance has a semi-annual newsletter and quarterly mixers to address and discuss any departmental concerns, recognition of hard work and dedication to the department and the services provided to all.

6

Invoice Payments Performance Measure



7

Invoice Payments Performance Measure

Why is this measure important?

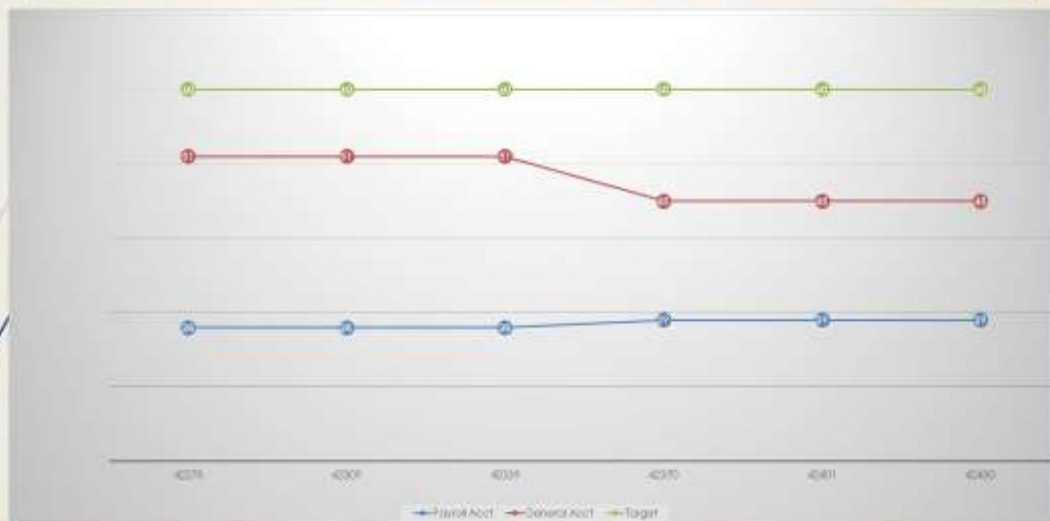
This measure is a guideline for the agencies in preparing all necessary documentation required for faster processing and a productivity/efficiency metric for the DOF. This is important because when a vendor provides a service or product this measure ensures that the vendor(s) will be paid in a timely manner, therefore resulting in a lasting business relationship.

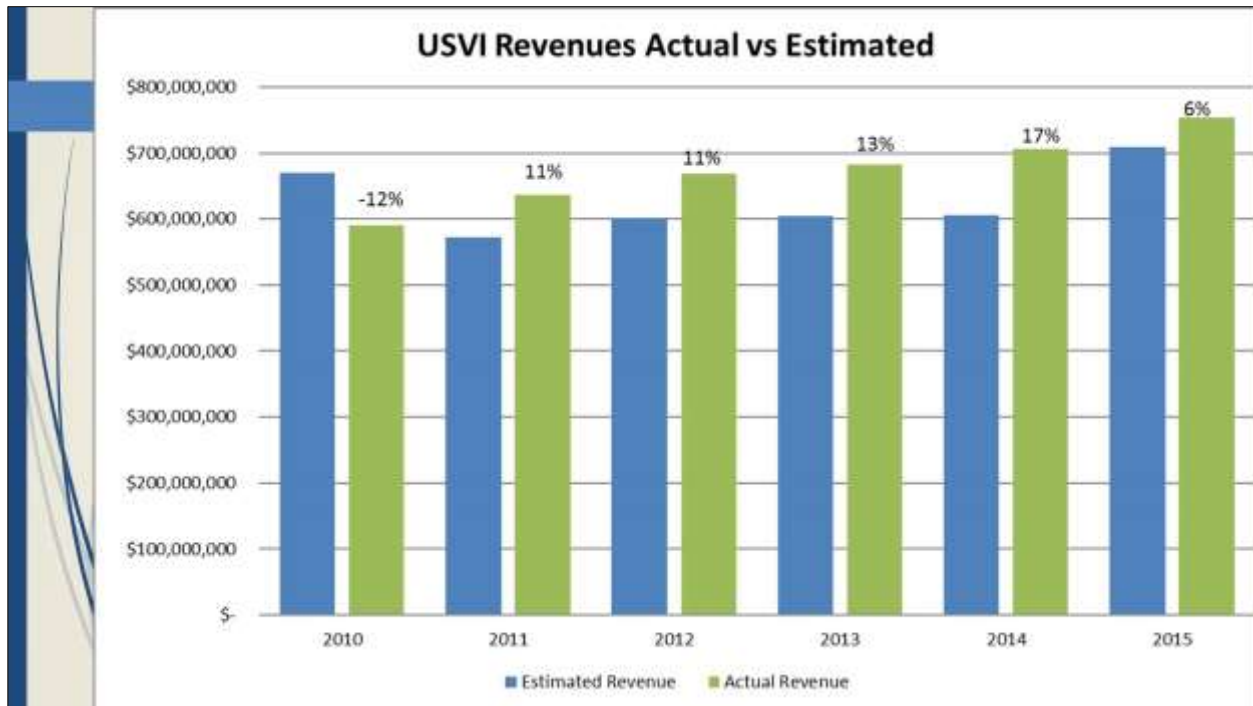
What will it take to achieve the targets?

The Department of Finance has recently assigned and cross trained (2) additional staff to assist with the timeliness of processing invoices, therefore moving toward achieving the target goal.

10

Bank Reconciliation Performance Measure





12

Performance Measures

What other performance measure(s) would you propose for the finance operations?

A proposal for enhancing finance operations will be to revisit SOPP 105 and to provide GVI employees with training on the requisition process(es).

This training needs to be a joint collaboration between the Department of Property and Procurement and the Department of Finance. Training should emphasize on proper organization and object code usage, proper documentation attachments, description titles, and flagging of fixed assets.

Providing this training will overall assist and improve invoice processing, fixed assets inventory, and capital assets reporting on the financial statement audit.

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Performance Measures

Describe how you use your performance measures. Be sure to include use for IGFOA meetings, discussions with staff, when you report measures to leaders, etc.

Currently performance measures are reviewed on a semi-annual basis during leadership meetings held at the Department of Finance, where Standard Operating Policies and Procedures (SOPP's) reviewed and updated as needed basis. This information is shared on the Department of Finance's website as well as through mass memoranda.

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What is one finance office accomplishment (so far) this year you would like to highlight ?

- **Two batches of 2015 income tax refunds (more than \$10 million) have been processed and paid out.**
- **Sign off with the Department of Property and Procurement to co-manage/co-own the implementation of the Fixed Assets Management Module.**

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ATTACHMENT 7: RMI GOVERNMENT STATUS UPDATE

RMI Government

GOVERNMENT STATUS UPDATE



Island Government Finance Officers' Association (IGFOA)
Summer Meeting, Toronto Canada, May 25-27, 2016

RMI FY 15 Audit Status

Describe the current status of your FY15 audit.

***Not complete
Trail Balance Submitted May 24, 2016
Will be late again.***

Describe any expected changes in your qualifications and findings from prior years.

No changes. Qualification expected to remain the same. With same audit findings and no resolutions to audit findings.

List at least two or three challenges you have had during the course of the audit.

Limited Capacity (Specific profession i.e Qualified Accountants)

Status of (RMI) action plans	
Planning Area	<ul style="list-style-type: none"> • Public Financial Management Roadmap <ul style="list-style-type: none"> • With Accounting, Procurement & Human Resources as priority areas. • FMIS to be replaced
Uniform Grant Guidance	No training since 2015 training.
Finance Office Outreach (communicating on island)	MoF Website
Cash Management Plan	<ul style="list-style-type: none"> - Dashboard for Finance Management (Ease of reporting) - Comprehensive & Detailed Cash Management Plan is available
Employee Engagement	<ul style="list-style-type: none"> Monthly Management Meeting Formation of a PFM Steering Committee Reestablishment of Audit Resolution Committee
Any other??	<ol style="list-style-type: none"> 1. Capacity building - Accountants from own resources 2. Securing of Funding from International Partners to implement PFM roadmap

Invoice Payments Performance Measure □

Why is this measure important? To ensure that government is honoring it's commitments in a timely manner keeping Government credibility intact. As well, ensure unnecessarily growth Accounts payables when government has the adequate funds to disburse.

What will it take to achieve the target? Capacity building and revision of procurement code as well as supporting policies and procedures (streamline).

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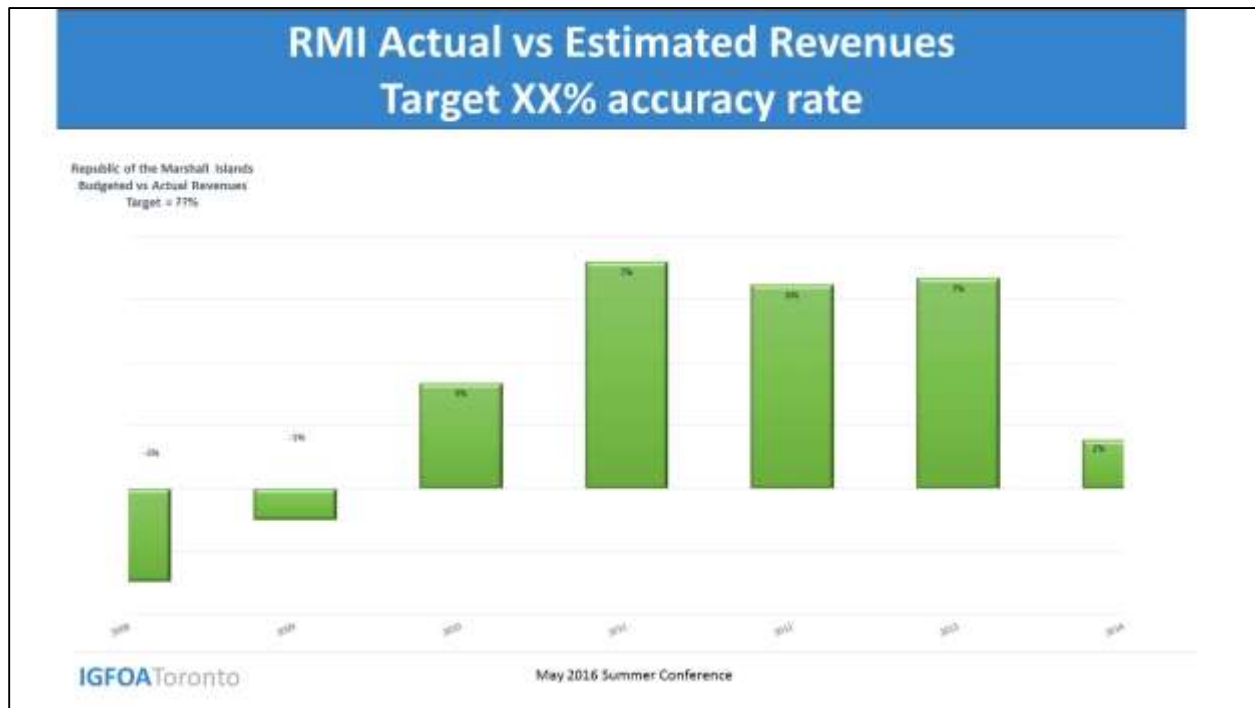
Travel Advance Collection Performance Measure

Why is this measure important? Gauges the effectiveness of the finance's management of public funds but more importantly monitors and regulates travel expense ensuring costs are in line with TA policies. In the case of the Budget, data is used to determine baseline averages that are utilized to justify and annual substantiate allocations.

What will it take to achieve the targets? Target – 10 day policy. Additional qualified staff, compliance training for the TA division and Ministries, and strict enforcement of travel policy. Finance has been enforcing payroll deductions until fully paid back. Or reject TAs for travelers that have outstanding TA.

Bank Reconciliation Performance Measure

Why is it important to reconcile? To validate that financial data are accurate aligning reports with actual cash position.



Performance Measures

What other performance measure(s) do you use in your finance operations?

- *# of Audit Findings*
- *# of Audit Findings resolved*
- *Annual Employment Evaluations*

Describe how you use your performance measures. Be sure to include use for IGFOA meetings, discussions with staff, when you report measures to leaders, etc.

Performance measures are used to gauge the effectiveness and efficiency in managing of office and staff. It is a tool used to reflect on past and current performance then providing relevant information for leaders to deliberate on the best way forward.

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What is one finance office accomplishment (so far) this year would you like to highlight ?

- For FY2015 Audit-1st submission of *Trail Balance is actually **Balanced** compared to prior years 4 version of TB over the course of audit period. FY15 Will be late again.*
- Hiring of 2 Accountants
- Public Financial Management Roadmap Endorsement & ongoing implementation
- Getting TA and Financial support from International Partners to support PFM improvement areas specifically Accounting, Procurement, Human Resources Management & Others
- Establishment of Division of International Development Assistance



KOMMOL TATA

ATTACHMENT 8: REPUBLIC OF PALAU GOVERNMENT STATUS UPDATE



(ROP-MOF) FY 15 Audit Status

Describe the current status of your FY15 audit.

As of April 5, 2016, Auditor was able to update us with the audit status report as of 3/31/16, that most of the audit compliance testing are 70%-90% completed for the major programs. Most of the component units audit reports are in a draft stage and awaiting the actuarial report in order to finalize. We are anticipating the audit to be finalized by the deadline date.

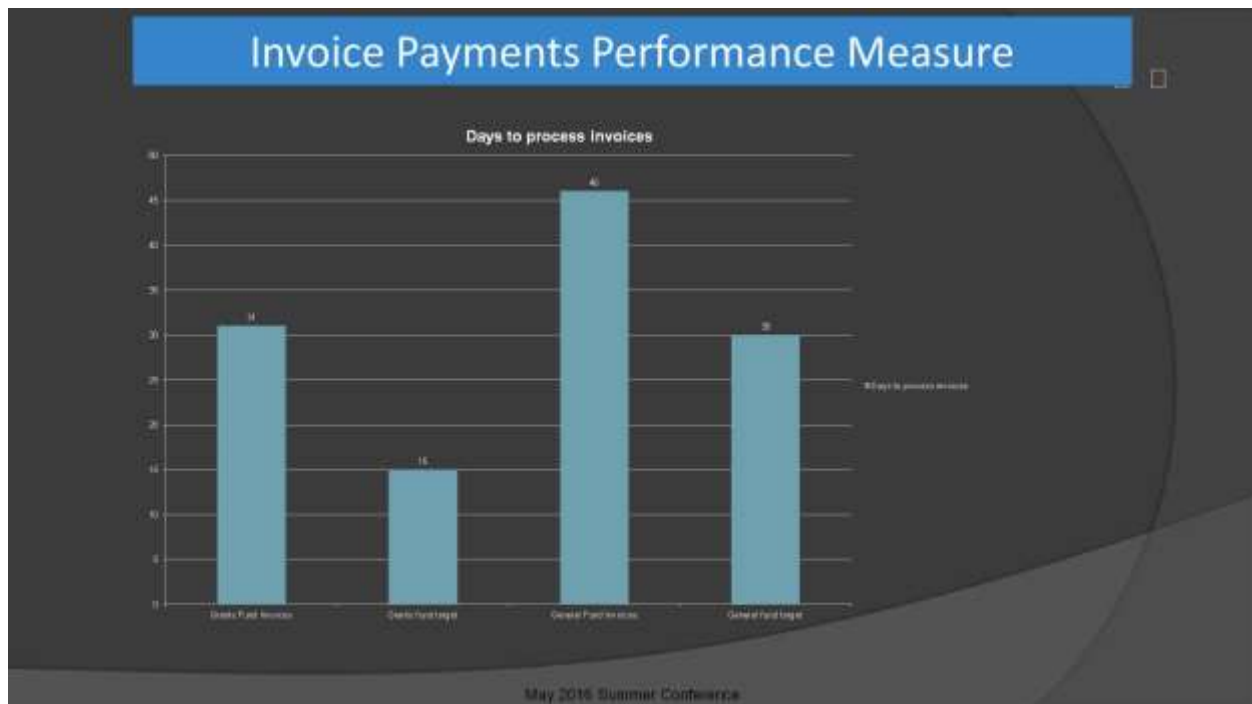
Describe any expected changes in your qualifications and findings from prior years.

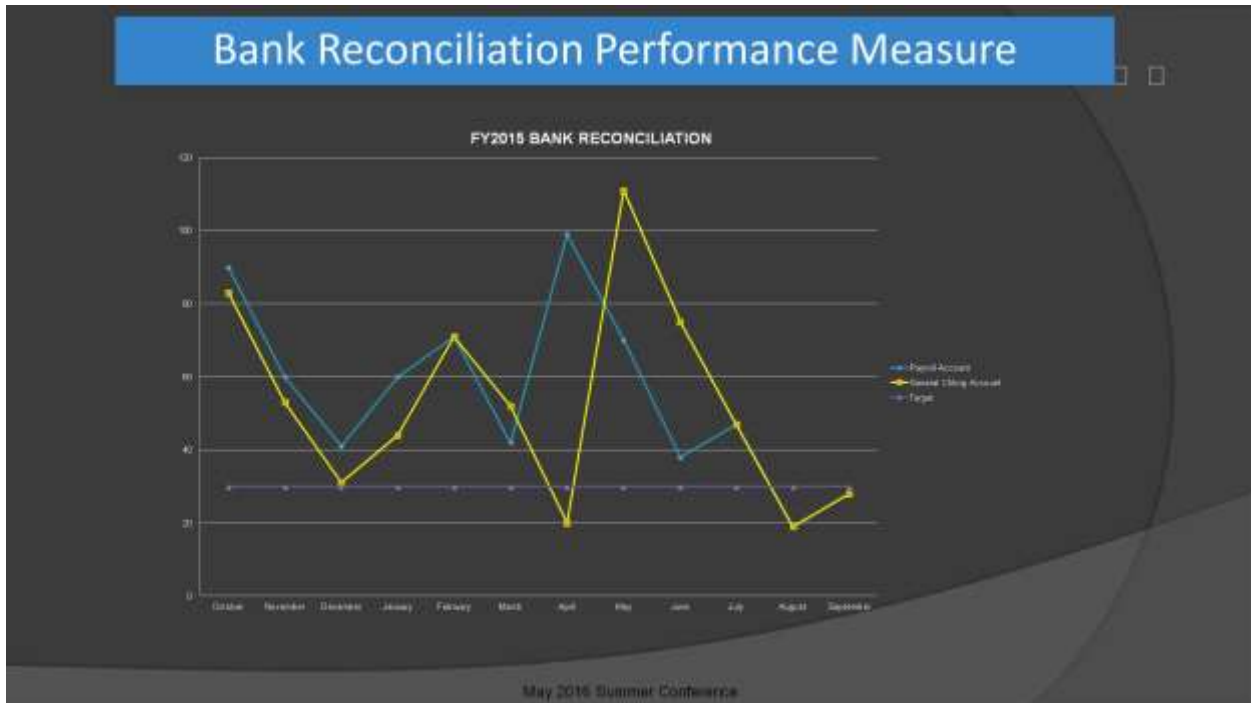
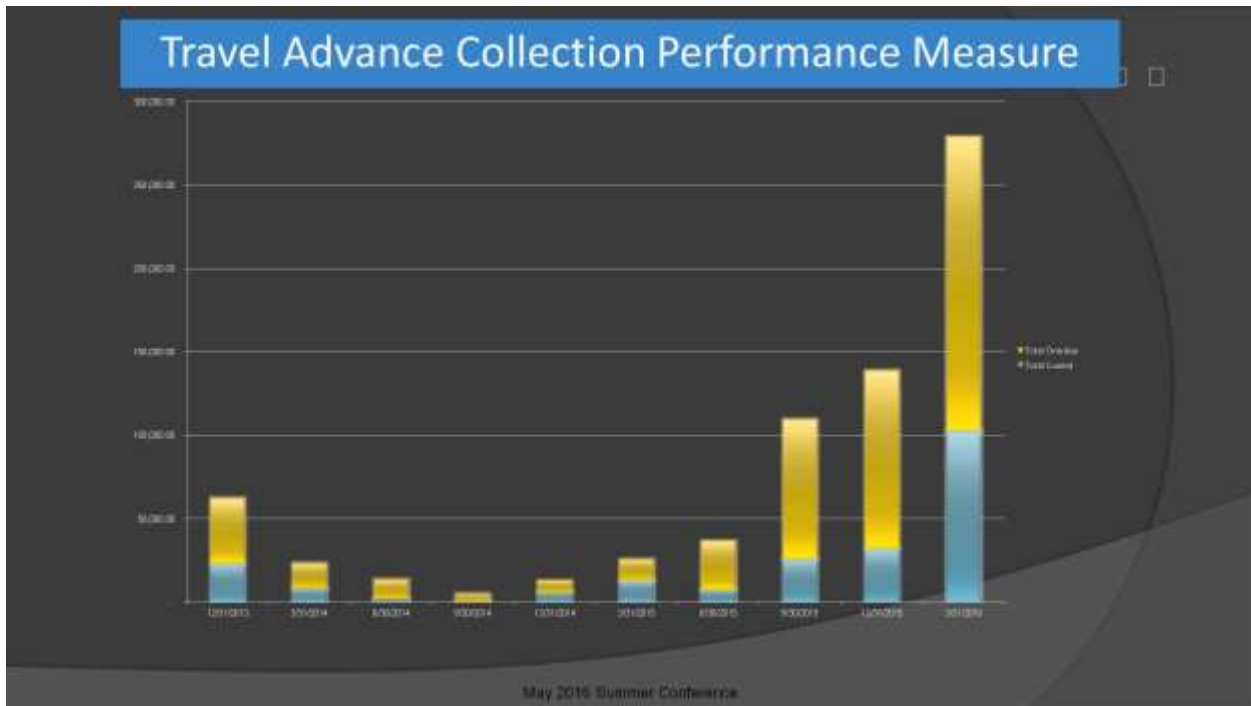
Anticipating to get unmodified opinion and less findings

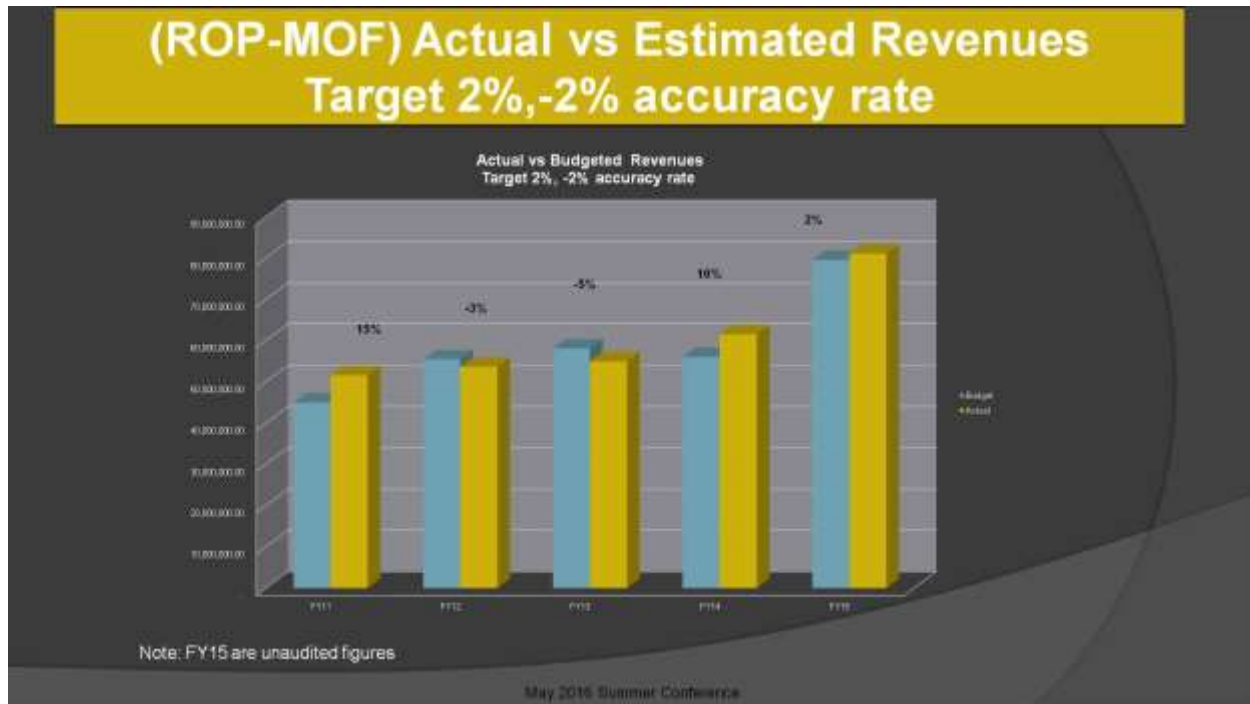
List at least two or three challenges you have had during the course of the audit.

1. *Actuarial report- delaying of finalizing audit report for most of the component units.*
2. *Ministries/Departments that did not improve from the last FY14 audit that causes repeated findings which finance office made time to meet with them and help them with the process.*

Status of (ROP MOF) action plans	
Planning Area	Major accomplishment
Uniform Grant Guidance	Most of the federal grants program are aware with guidance. Since we have implemented the Division of Grants Management, the Division is also working closely now with program managers on meeting the requirements.
Finance Office Outreach (communicating on island)	Outreach continues when issues arises. Meeting with departments/individual by appointment.
Cash Management Plan	We continue to look for improvements and add additional process that needs to be in the cash management plan.
Employee Engagement	Employee engagement continues to be a challenge as we don't have much time to really do what we need to do in order for employees to be engaged. However, HR Team within our Ministry will spearhead this task and train departments on how to engage employees.







Performance Measures

What other performance measure(s) do you use in your finance operations?

1. *Overdue Accounts Receivable-to reduce overdue AR*
2. *Percentage of Unlocated Fixed Assets*

Describe how you use your performance measures. Be sure to include use for IGFOA meetings, discussions with staff, when you report measures to leaders, etc.

IGFOA meetings, staff meeting to identify if we are meeting our goal/target, and for Budget Performance that are submitted to the congress.

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What is one finance office accomplishment (so far) this year would you like to highlight ?

- Department of Transportation Federal Aviation Administration CFDA 20.106 Airport Improvement Program received Unmodified Opinion for FY2014 Audit-this is a major accomplishment for CIP office-MPIIC and Division of Grants Management under the Bureau of National Treasury

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QUESTIONS?????



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ATTACHMENT 9: FSM NATIONAL GOVERNMENT STATUS UPDATE

FSM National Government

GOVERNMENT STATUS UPDATE



Island Government Finance Officers' Association (IGFOA)
Summer Meeting, Toronto Canada, May 25-27, 2016

FSM FY 15 Audit Status

Describe the current status of your FY15 audit.

Financial Statements submitted to Auditor in January 2016. Compliance testing is expected to complete this week. Currently awaiting first draft to be issued. We expected the audit to be completed on time.

Describe any expected changes in your qualifications and findings from prior years.

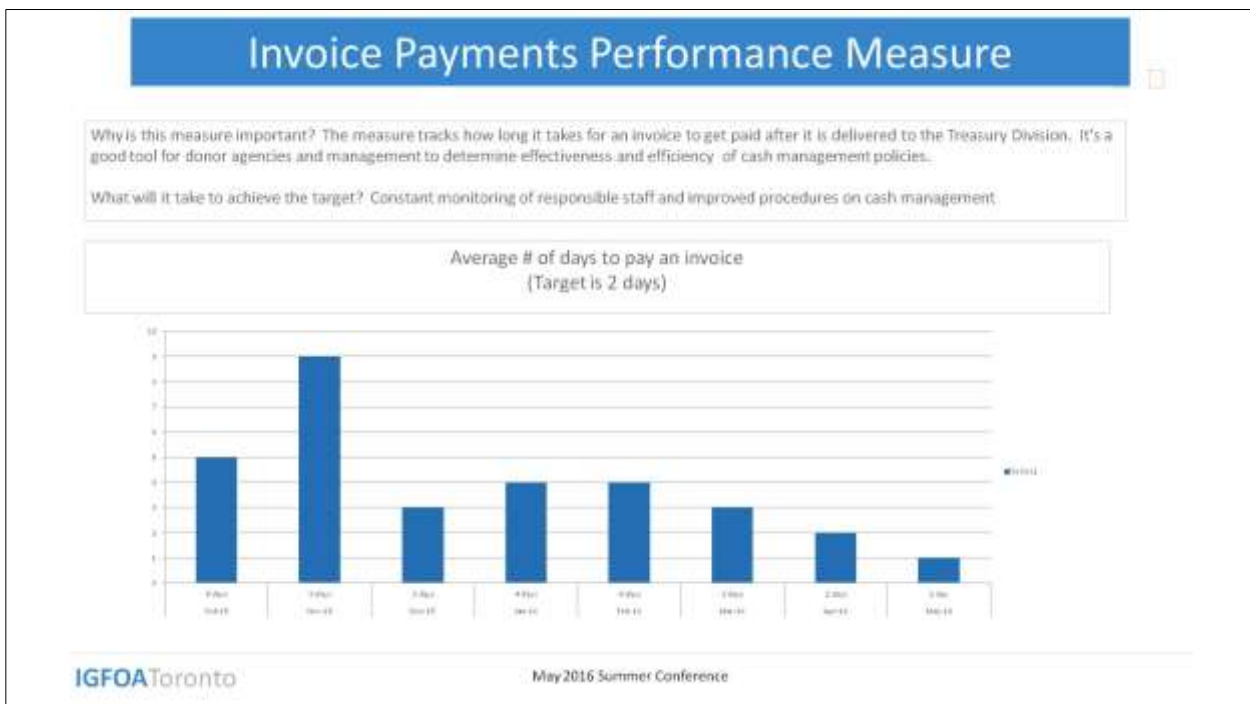
Findings and qualifications are mostly repetition of FY14's audit

List at least two or three challenges you have had during the course of the audit.

Absence of schedules from prior audits, the condition of the general ledger which necessitates the need of schedules from prior audits even more so, and the slow progress of the audit

Status of FSM action plans	
Planning Area	Major accomplishment
Uniform Grant Guidance	<i>A workshop was conducted by Deloitte & Touche during FSM Finance Conference (December, 2015)</i>
Finance Office Outreach (communicating on island)	<i>Treasury Division has not done any outreach due to recent change in management.</i>
Cash Management Plan	<i>We have no accomplishment in this area. We need help in developing one.</i>
Employee Engagement	<i>Treasury division is still attempting to define what the short-term goals are for better employee engagement.</i>
Any other??	<i>Revamping the Financial Management Regulations and publication of Standard Operating Procedures and Guidelines</i>

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Travel Advance Collection Performance Measure

Why is this measure important? The measure tracks compliance with current policies and regulation

What will it take to achieve the target? An improved system of tracking outstanding advances, constant reminders to travelers to file outstanding advances, as well as improved policies on collection measures, for example, automatic payroll deduction for any overdue travel vouchers

DATA NOT AVAILABLE AS OF THIS REPORTING

Bank Reconciliation Performance Measure

Why is this measure important? It measures the Division's capability of providing timely financial data

What will it take to achieve the target? The preferred target is to complete the bank reconciliation within 30 days after receiving the statements. The purchase of a new FMIS to eliminate the cumbersome procedures developed to make up for the deficiency of the current system.

DATA NOT AVAILABLE AS OF THIS REPORTING

**What is one finance office accomplishment (so far) this year
would you like to highlight ?**

Draft Debt Management Act & Policy and PFM Reform Plan

ATTACHMENT 10: KOSRAE STATE GOVERNMENT STATUS UPDATE

Kosrae State Government

GOVERNMENT STATUS UPDATE



Island Government Finance Officers' Association (IGFOA)
Summer Meeting, May 25-27, 2016

FY 15 AUDIT RESULTS

KOSRAE STATE GOVERNMENT

☰ ☱

Current Status

- The audit is ongoing and the draft of the Financial Statements is expected to be provided by the auditors before the end of the month.

Expected changes in findings and Qualifications


- For the primary government audit, we do not anticipate any changes in the auditor's opinions and findings.

Expected Challenges

- The timely completion of the audit is a challenge because of the delays in the completion of the component units' financial statements and the preparation of schedule of loans required by the auditors.

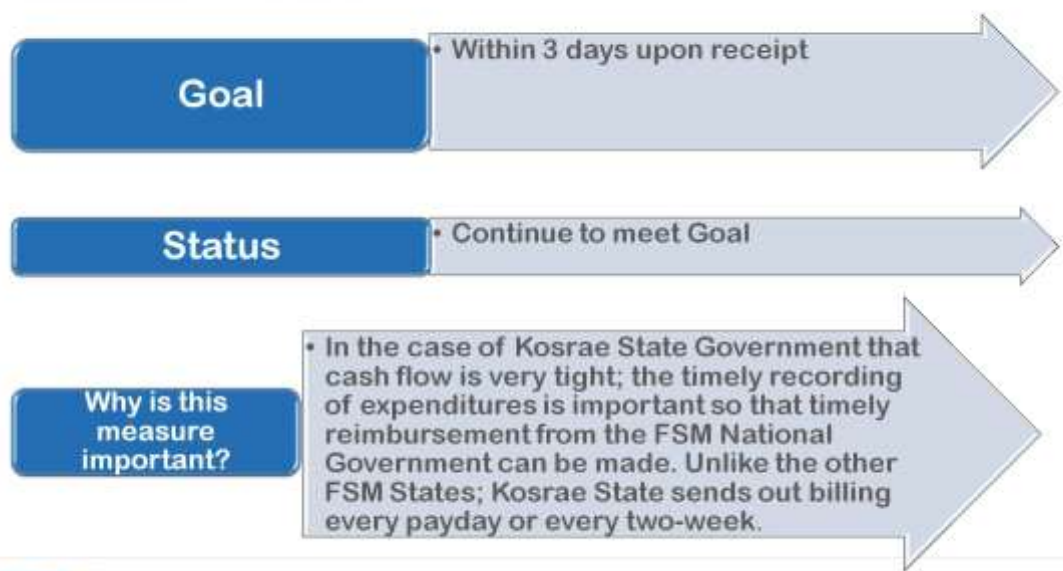
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STATUS OF ACTION PLAN
KOSRAE STATE GOVERNMENT



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INVOICE PAYMENTS PERFORMANCE MEASURE
KOSRAE STATE GOVERNMENT

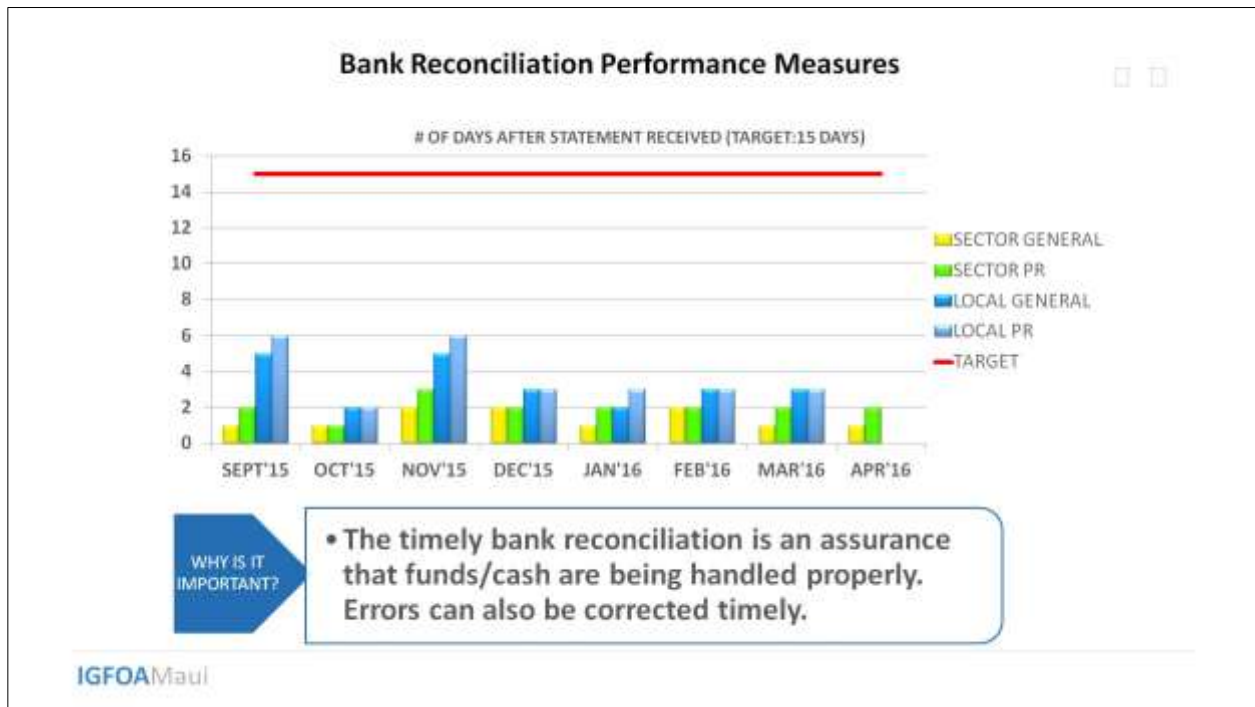
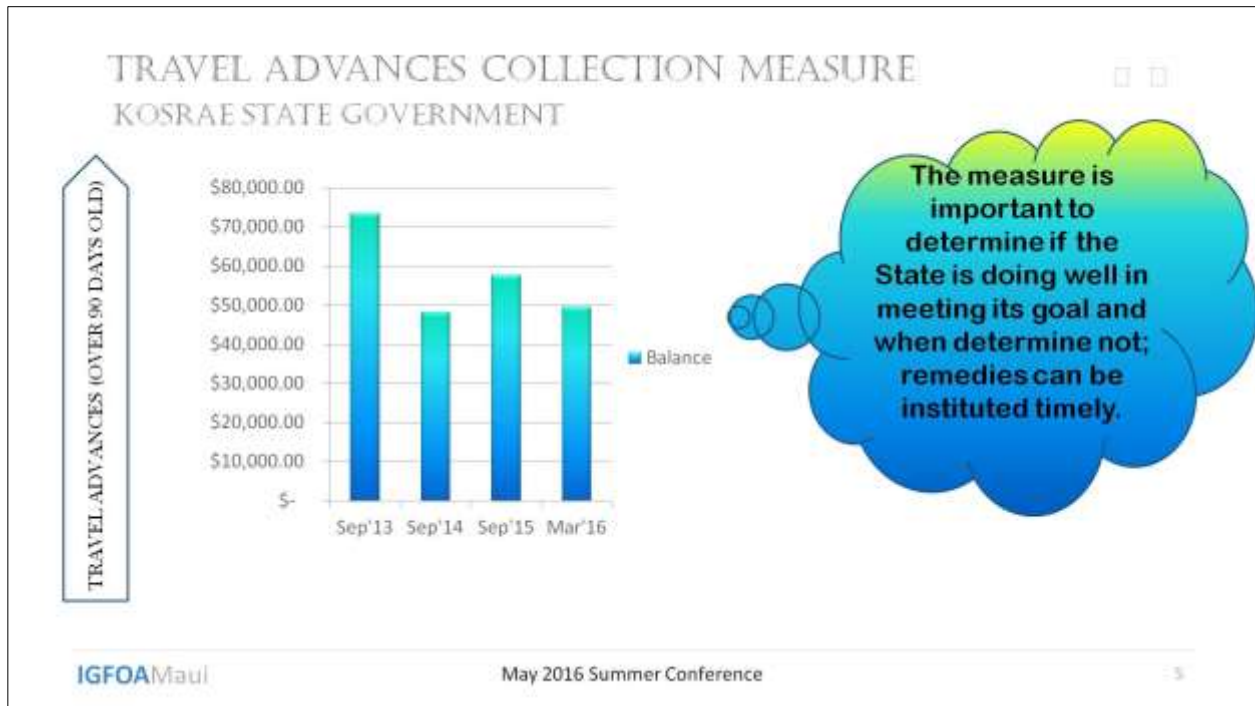


Goal • Within 3 days upon receipt

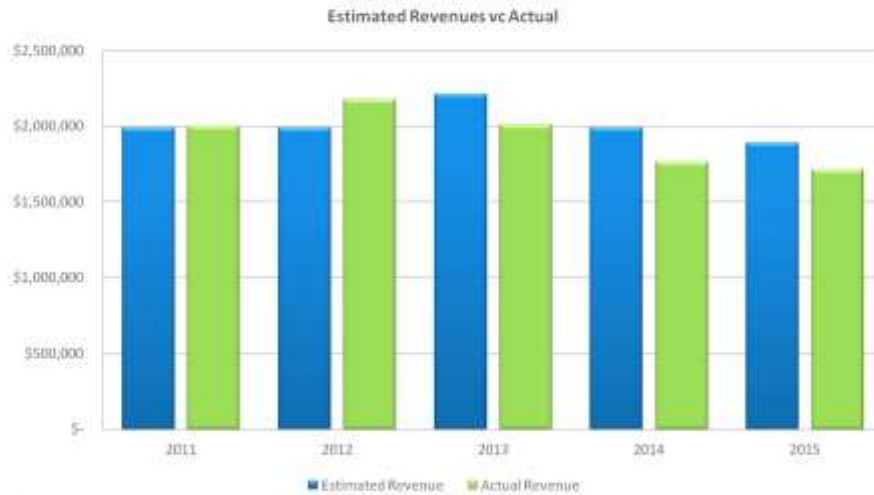
Status • Continue to meet Goal

Why is this measure important? • In the case of Kosrae State Government that cash flow is very tight; the timely recording of expenditures is important so that timely reimbursement from the FSM National Government can be made. Unlike the other FSM States; Kosrae State sends out billing every payday or every two-week.

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Kosrae State Government Actual vs Estimated Revenues

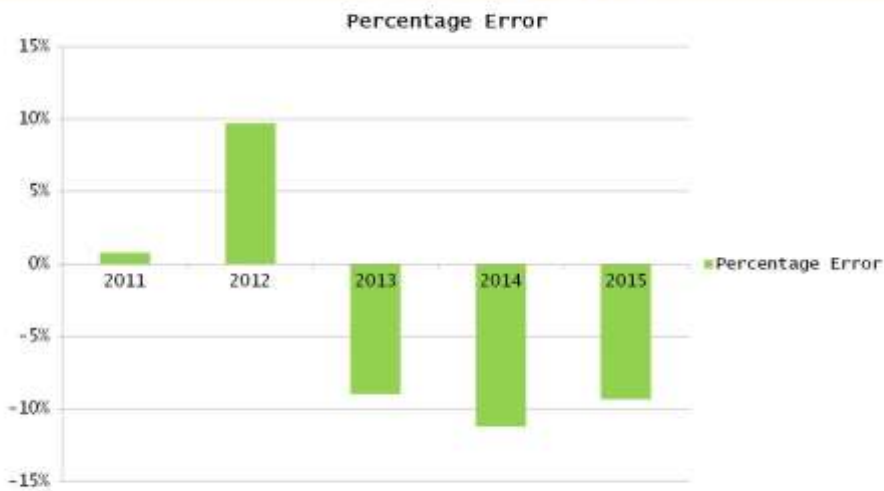


IGFOAMaul

May 2016 Summer Meeting

7

Estimated Revenues vs Actual Percentage Error



IGFOAMaul

May 2016 Summer Conference

ACCOMPLISHMENTS AND HIGHLIGHTS

KOSRAE STATE GOVERNMENT



ATTACHMENT 11: IGFOA – FORECASTING THE ROAD AHEAD



Financial Model Forecasting

Objective: To meaningfully predict future revenue and expenses so we can better plan for the future.

Analyzed through:

- USVI Example Case
- Excel Templates Distributed Prior to IGFOA



USVI Case



Department of Finance



USVI Case

Purpose: Build a user friendly Excel financial model that could use data from the ERP system to forecast revenue and expenses for five years with different assumptions.



USVI Case

Excel Model Functionality

- Five year revenue and expense projections (annual)
- 18 Month cash flow projection (monthly)
- Five year General Fund balance projection (annual)
- Visual “dashboard” summary
- All with the ability to test different scenario assumptions



USVI Case



IGFOA Model



Island Government Finance Officers'
Association (IGFOA)



IGFOA Excel Model

Objective: Adapt model built for USVI to apply to any island government interested in forecasting financials

- Simple and user friendly
- Lay the foundation for additions and expansions to the model to fit individual government needs
- Encourage thinking about drivers of future revenue and expenses



USVI Case



IGFOA Excel Model

Next steps for those who want to pursue using the forecasting model.

- Experiment with existing template
- Decide forecasting goals
- Reach out for help expanding functionality of template to meet goals



IGFOA Excel Model

Forecasting Recommendations

- Define objective (what you want to plan for) before starting
- Understand the revenue and cost drivers
- Forecasting is a collaborative process
- Be aware of (optimism) bias
- Use historical information as a guide but don't overuse
- Estimating is ok (nobody can predict the future)
- Iterating and refining assumptions is good





ATTACHMENT 12: INTERNAL CONTROLS

Internal Controls

May 2016

Disclaimer

- The views expressed do not necessary represent the views of the agency or the United States. I am not here representing HHS and I am conducting this as an outside activity in accordance with the Standards of Ethical Conduct Regulation. I have been approved by the HHS ethics committee to conduct this course according to the HHS Supplemental Ethics Regulation (5 CFR2635.893, 5 CFR 5501.106 (d))

Effective Dates

- **COSO:**
 - Updated Framework will supersede original Framework at the end of the transition period (December 15, 2014)

- **Green Book:**
 - GAO's 2014 revision will be effective beginning with fiscal year 2016

What is COSO?

- **COSO (Committee of Sponsoring Organizations) of the Treadway Commission**
 - American Accounting Association (AAA)
 - American Institute of Certified Public Accountants (AICPA)
 - Financial Executives International (FEI)
 - Institute of Management Accountants (IMA)
 - The Institute of Internal Auditors (IIA)

What is the Green Book?

- *Standards for Internal Control in the Federal Government*
 - Government Accountability Office (GAO)
 - Comptroller General of the United States
 - “May also be adopted by state, local, and quasi-governmental entities as a framework for an internal control system”

OK so why should I care?

- Auditors are required to gain an understand of control framework:
 - COSO Internal Control Framework
 - The Green Book
- Federal Grants & Single Audit
 - The new “Super Circular” adds additional emphasis on internal controls

Identifying Key Controls

Risks of Weak Internal Controls

- Financial misstatements
- Business loss
- Loss of funds or materials
- Incorrect or untimely management information
- Fraud or collusion
- Tarnished reputation with the public
- Program Sustainability compromised
- Missed goals



7

Internal Controls (200.303)

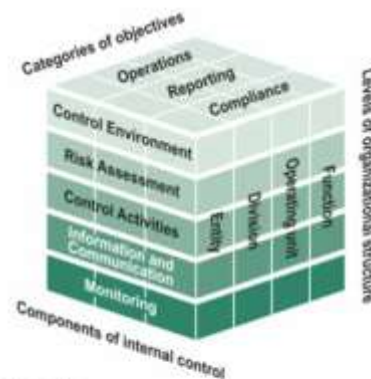
Topic	Uniform Guidance Synopsis	What Does This Mean?
<ul style="list-style-type: none"> • Strong Emphasis on Internal Controls • Mentioned 103 times in the 12/26/2013 Federal Register notice 	<ul style="list-style-type: none"> • References "Standards for Internal Controls in the Federal Government", issued by the Comptroller General (also known as the "Green Book") and "Internal Control Integrated Framework", issued by the Committee of Sponsoring Organizations of the Treadway Commission (COSO) 	<ul style="list-style-type: none"> • While OMB has clarified in an FAQ that there is no expectation that we have to explicitly follow these referenced guidelines (as long as we have effective internal controls in place), it is unclear what the audit community will expect.

8

Internal Controls (200.303)

- The non-Federal entity must:
 - (a) Establish and maintain effective internal control over the Federal award that provides reasonable assurance that the non-Federal entity is managing the Federal award in compliance with Federal statutes, regulations, and the terms and conditions of the Federal award. These internal controls should be in compliance with guidance in “Standards for Internal Control in the Federal Government” issued by the Comptroller General of the United States or the “Internal Control Integrated Framework”, issued by the Committee of Sponsoring Organizations of the Treadway Commission (COSO).

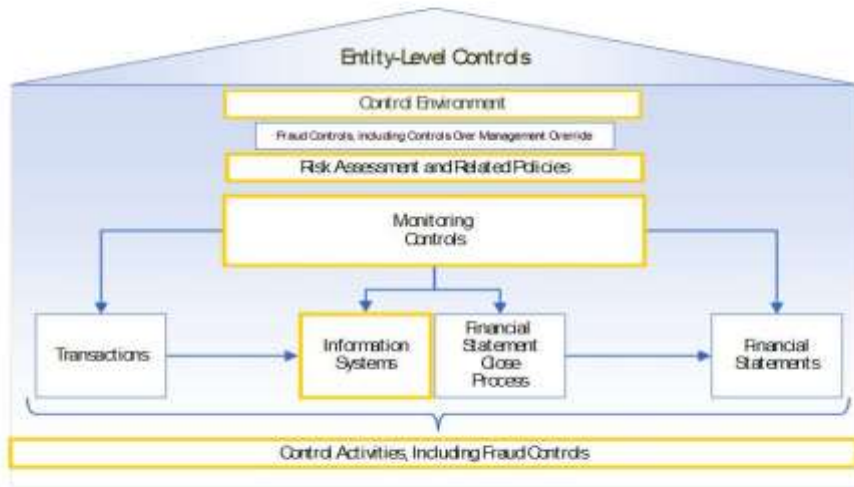
Components of Internal Control



Sources: COSO and GAO. | GAO-14-704G

COSO cube – 5 Integrated Components

Control Environment for Financial Reporting



11

Update principles of effective internal control

Control Environment	<ol style="list-style-type: none"> 1. Demonstrates commitment to integrity and ethical values 2. Exercises oversight responsibility 3. Establishes structure, authority and responsibility 4. Demonstrates commitment to competence 5. Enforces accountability
Risk Assessment	<ol style="list-style-type: none"> 6. Specifies suitable objectives 7. Identifies and analyzes risk 8. Assesses fraud risk 9. Identifies and analyzes significant change
Control Activities	<ol style="list-style-type: none"> 10. Selects and develops control activities 11. Selects and develops general controls over technology 12. Deploys through policies and procedures
Information & Communication	<ol style="list-style-type: none"> 13. Uses relevant information 14. Communicates internally 15. Communicates externally
Monitoring Activities	<ol style="list-style-type: none"> 16. Conducts ongoing and/or separate evaluations 17. Evaluates and communicates deficiencies

Update principles of effective internal control (continued)

Control Environment

1. The organization demonstrates a commitment to integrity and ethical values.
2. The board of directors demonstrates independence from management and exercises oversight of the development and performance of internal control.
3. Management establishes, with board oversight, structures, reporting lines, and appropriate authorities and responsibilities in the pursuit of objectives.
4. The organization demonstrates a commitment to attract, develop, and retain competent individuals in alignment with objectives.
5. The organization holds individuals accountable for their internal control responsibilities in the pursuit of objectives.

COSO cube – 5 Integrated Components

The **Control Environment** should ensure controls are in place, covering areas such as:

- Hiring practices
- Training programs
- Whistleblower policies
- Code of **Ethics**
- Clear lines of responsibility and authority
- Etc.



As part of our regular business processes, we should continually monitor and update the Control Environment for dynamic changes

COSO cube – 5 Integrated Components

Difference between
Compliance v. Integrity Strategy:



A **'Compliance Strategy'** tries to prevent violations of regulations and self-interested behavior by employees by imposing standards of conduct that are intended to compel acceptable behavior.

An **'Integrity Strategy'** seeks to create conditions that support right action by communicating the values and vision of the organization, aligning the standards of employees with those of the organization, and relying on the whole management team, not just lawyers and compliance officers.

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COSO cube – 5 Integrated Components

The **Control Environment** should be documented:

- **Process documentation/ control**
 - Determine extent of existing documentation; leverage this
 - Create new if no documentation exists
 - Update for changes in operations

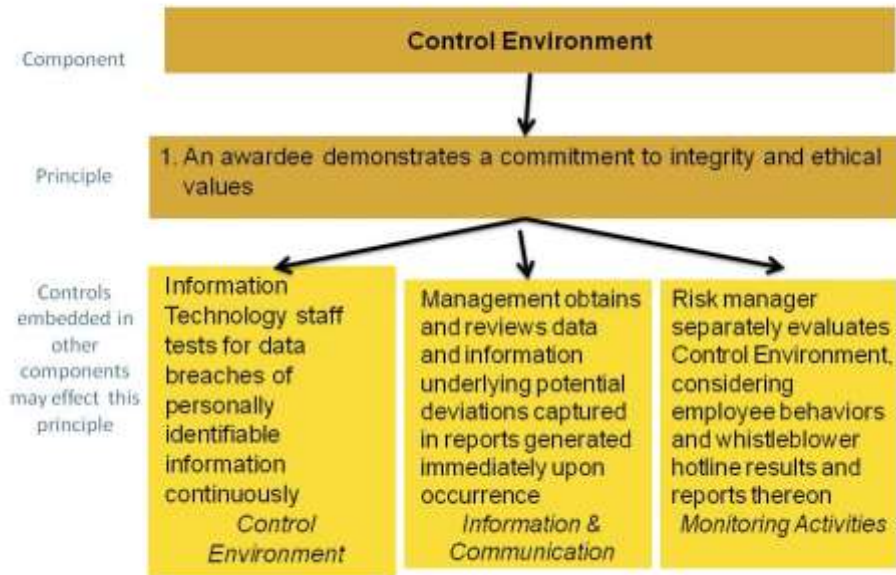


Types of documentation that can be used:

- Process Narratives
- Organizational charts
- Flowcharts
- Questionnaires
- Memorandums
- Checklists

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How Various Controls Effect Principles, e.g.,



Update principles of effective internal control (continued)

Risk Assessment

6. The organization specifies objectives with sufficient clarity to enable the identification and assessment of risks relating to objectives.
7. The organization identifies risks to the achievement of its objectives across the entity and analyzes risks as a basis for determining how the risks should be managed.
8. The organization considers the potential for fraud in assessing risks to the achievement of objectives.
9. The organization identifies and assesses changes that could significantly impact the system of internal control.

COSO cube – 5 Integrated Components



2. Risk Assessment

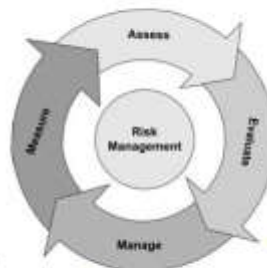
- Involves a dynamic and iterative process for identifying and assessing risks
- Risk: the possibility that an event will occur and adversely affect the achievement of objectives.
- The Board and Senior Management (and you!)
 - Establish **objectives** linked at different levels of the entity
 - Must take holistic approach – look at the full organization
 - Apply internal control to achieve multiple objectives
 - Prevent domino effects, e.g., weakness in financial reporting that jeopardizes operations
 - Establish risk tolerances
- Increasingly important when resources are constrained

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COSO cube – 5 Integrated Components

Risk Management

A **process** applied in a strategic setting and across the entity, designed to identify and **manage risks to stay within risk appetite/tolerance level**, to provide reasonable assurance about achieving entity goals and objectives.



Risk Assessment

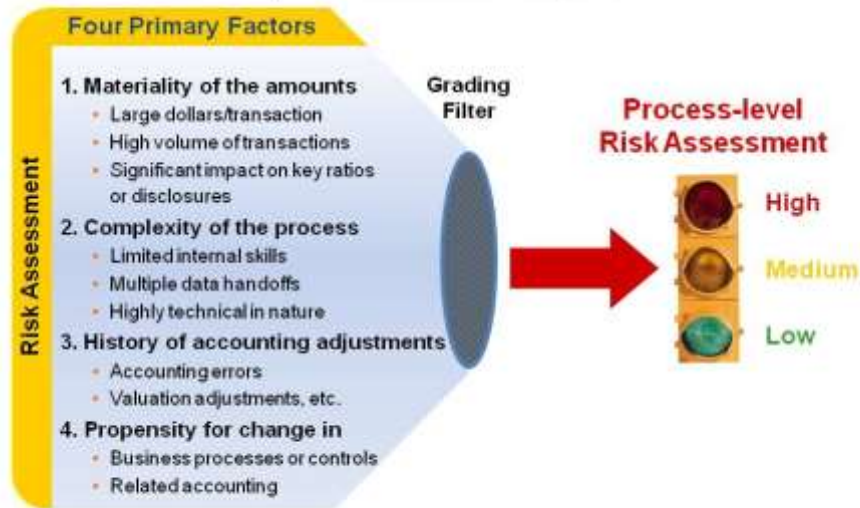
An **element of internal control** within the risk management process that enables management to identify and assess key risks to achieving its objectives; this **forms the basis on which control activities are determined**.

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COSO cube – 5 Integrated Components

Risk assessment

should occur at the business process level as well as the entity level.

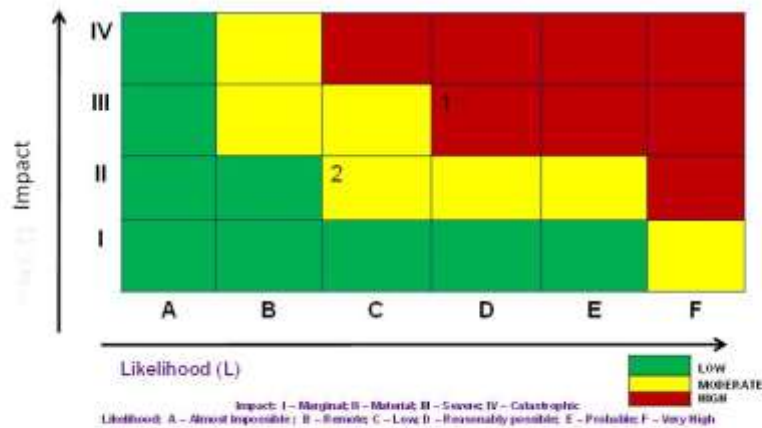


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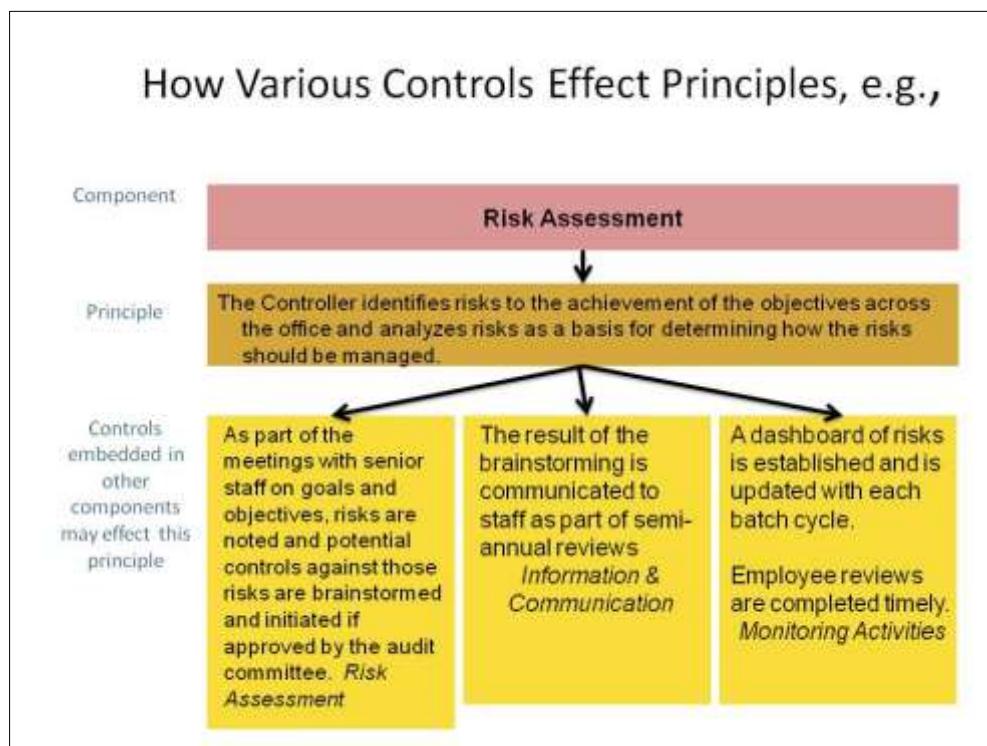
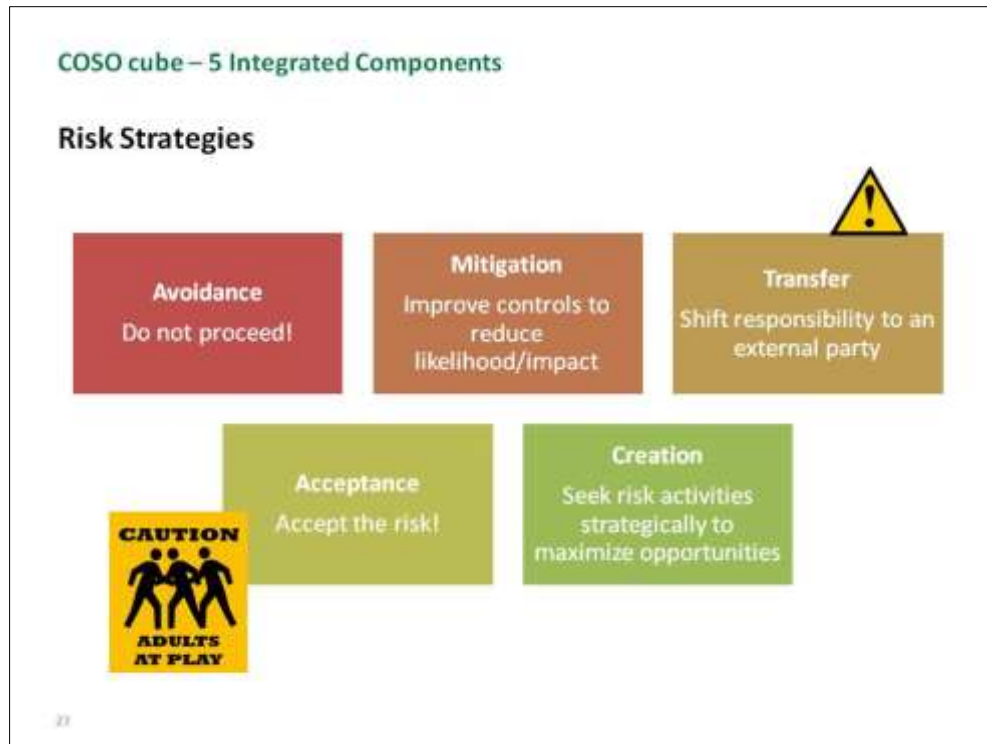
COSO cube – 5 Integrated Components

Risk Mapping

Consider the organization's risk tolerance and risk appetite related to the risk response



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Update principles of effective internal control (continued)

Control Activities

10. The organization selects and develops control activities that contribute to the mitigation of risks to the achievement of objectives to acceptable levels.
11. The organization selects and develops general control activities over technology to support the achievement of objectives.
12. The organization deploys control activities through policies that establish what is expected and procedures that put policies into place.

COSO cube – 5 Integrated Components



3. Control Activities

- The actions established through policies and procedures that help ensure management's directives to mitigate risks are carried out.
- Performed at all levels within the entity

Types:

- Preventive and detective and corrective
- Compensating
- Manual and automated

Examples:

- Approvals & Authorizations
- Embedded verifications
- Reconciliations
- Independent Reviews
- Asset security
- Segregation of duties

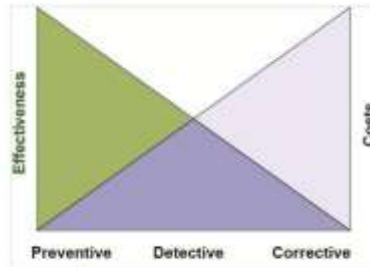
COSO cube – 5 Integrated Components

Preventive Control

Prevents the occurrence of a negative event in a proactive manner

Examples:

- Approval for purchase > \$5,000
- Passwords for access to Banner
- Petty cash held in lockbox
- Security and surveillance systems
- Pre-numbered checks



Detective Control

Detect the occurrence of a negative event after the fact in a reactive manner

Examples:

- Supervisor review & approval
- Report run showing user activity
- Reconcile petty cash
- Physical inventory count
- Review missing/voided checks

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How Various Controls Effect Principles, e.g.,



COSO cube – 5 Integrated Components

Control Activities

- If a weakness or limitation exists within the control environment, a **compensating control** may be relied upon to mitigate the risk
- Can be preventive *or* detective
- Example: A unit does not have the staff resources to establish an adequate segregation of duties. Potential compensating controls could include:
 - Automation of certain transaction data that cannot be altered by the staff
 - Manager review of detailed summary reports of the transactions initiated by the staff
 - Peer staff and/or manager selects a sample of transactions and vouches back to supporting documentation

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Update articulates principles of effective internal control (continued)

Information & Communication

13. The organization obtains or generates and uses relevant, quality information to support the functioning of internal control.

14. The organization internally communicates information, including objectives and responsibilities for internal control, necessary to support the functioning of internal control.

15. The organization communicates with external parties regarding matters affecting the functioning of internal control.

COSO cube – 5 Integrated Components

Control Activities

Require action to be taken by employees, e.g.,

- Obtain supervisor's approval for overtime
- Reconcile bank accounts
- Match receiving to POs



Built into network infrastructure and software applications, e.g.,

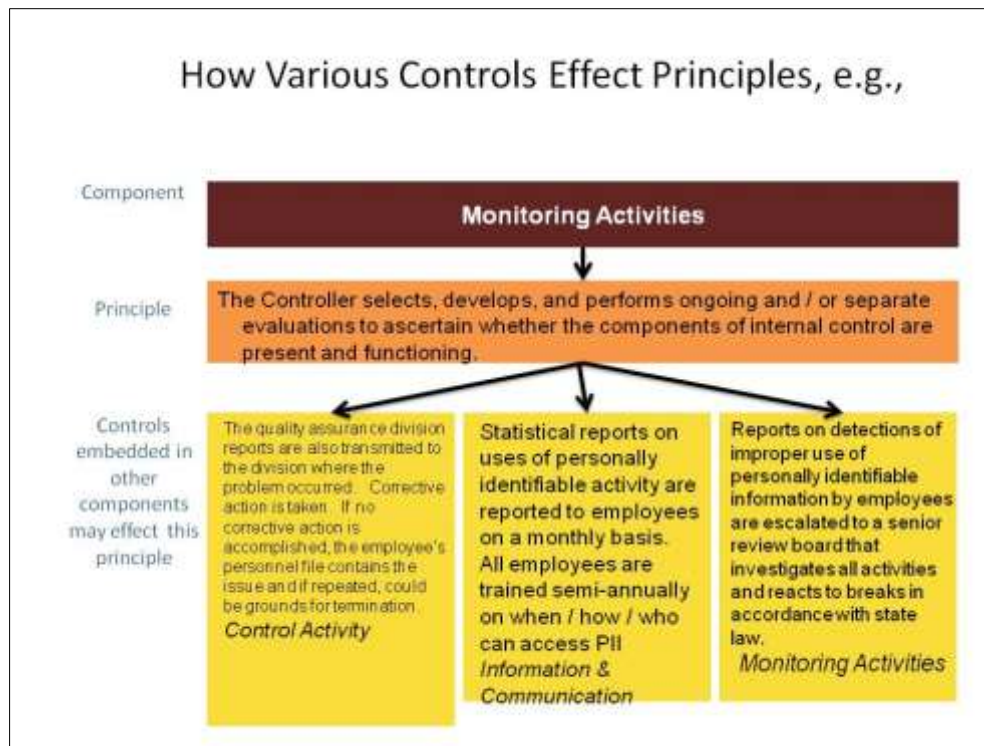
- Passwords
- Data entry validation checks
- Batch controls

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Update principles of effective internal control (continued)

Monitoring Activities

16. The organization selects, develops, and performs ongoing and/or separate evaluations to ascertain whether the components of internal control are present and functioning.
17. The organization evaluates and communicates internal control deficiencies in a timely manner to those parties responsible for taking corrective action, including senior management and the board of directors, as appropriate.



Example Attribute

- **Component – Risk Assessment**
 - **Principle-** “Management should identify, analyze, & respond to risk relate to objectives”
 - **Attributes to Principle:**
 - Identification of Risks
 - Analysis of Risks
 - Response to Risks

Documentation Requirements

- If management determines a principle is not relevant, management supports that determination with documentation that includes the rationale of how, in the absence of that principle, the associated component could be designed, implemented, and operated effectively.

Documentation Requirements

- Control Environment
 - Management develops and maintains documentation of its internal control system.
- Control Activities
 - Management documents in policies the internal control responsibilities of the organization.

Documentation Requirements

- Monitoring
 - Management evaluates and documents the results of ongoing monitoring and separate evaluations to identify internal control issues.
 - Management evaluates and documents internal control issues and determines appropriate corrective actions for internal control deficiencies on a timely basis.
 - Management completes and documents corrective actions to remediate internal control deficiencies on a timely basis.

Control Considerations – Control Environment

- Establishment of formal Code of Conduct
 - Communicates appropriate ethical and moral behavior, penalties, and how to communicate when becoming aware of any potential issue.
 - Conflicts of interest – including dealing with suppliers
 - Establishment of formal Code of Conduct
- Proper hiring & Training program (commitment to excellence)
 - Including P&P for hiring, training, promoting, discipline, termination

Control Considerations - CE

- Key areas of authority & responsibility are defined & communicated
- Establishment of Internal audit function
- Establishment of fraud/ethics hotline
 - Properly designed and report to proper levels of the government.

Control Considerations – Risk Assessment

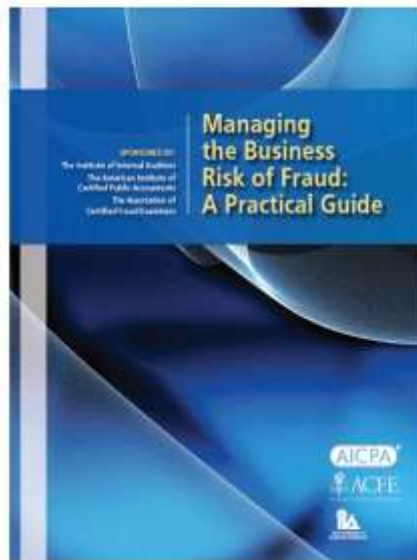
- Brainstorm – included **appropriate levels of the organization** (always include IT)
 - This means “*not*” just finance/business
 - Identify risk associated with compliance, operation, & reporting
 - Should not be a once and done approach
 - Should consider both entity-wide and activity-level objectives; and internal/external risk

Control Considerations - RA

- Maintain list of items from (brainstorming)
 - Assess likelihood and significance (benchmark to your entities risk appetite)
 - Identify corresponding control to address those (significant/likely or combination)
 - Update list with additional areas identified while performing monitoring activities

Control Considerations - RA

- Principle 8 - The organization considers the potential for fraud in assessing risks
- Added emphasis on fraud
- Resources: "Managing the Business Risk of Fraud: A Practical Guide"



IT'S FREE!!!!

http://www.acfe.com/uploadedfiles/acfe_website/content/documents/managing-business-risk.pdf

Control Considerations – Control Activities

- Top-level reviews of actual performance
- Reviews by management at the functional or activity level
- Management of human capital
- Controls over information processing
- Physical control over vulnerable assets
- Establishment and review of performance measures and indicators
- Segregation of duties
- Proper execution of transactions
- Accurate and timely recording of transactions
- Access restrictions to and accountability for resources and records
- Appropriate documentation of transactions and internal control

Source: GAO. | GAO-14-704G

Control Considerations - CA

- Don't forget IT
 - General Controls
 - Password(s)
 - Segregation of Duties
 - Approvals
 - Change Management Controls

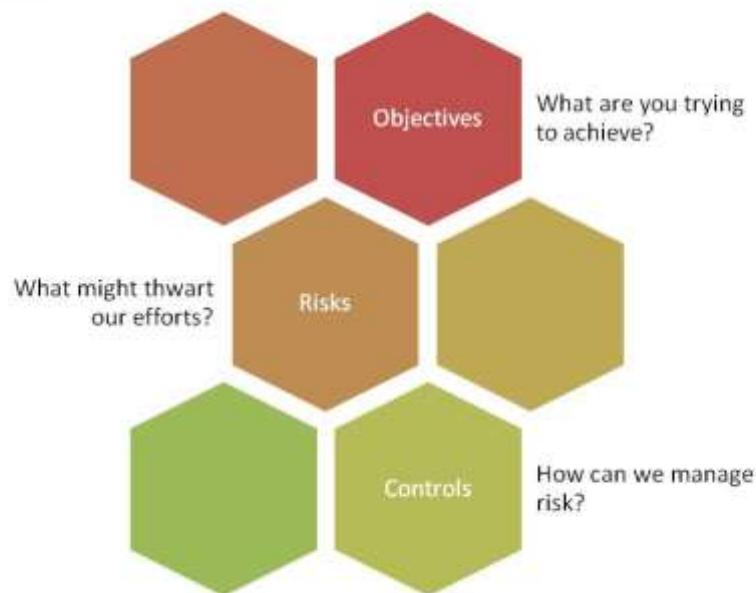
Control Considerations – Monitoring Activities

- **Ongoing monitoring** – regular management and supervisory activities, comparisons, reconciliations, and other routine actions
- **Separate evaluations** – can be conducted by management or others such as internal auditors or management consultants

Control Considerations – Information/Communication

- Established communication exist to provide appropriate information to individuals related to their responsibility and role in internal controls process.
- Communication channels exist for employees and management to report issue up the chain to ensure appropriate action is taken.
- Appropriate information is generated to support internal controls.

Connect



Identifying Key Controls

Determining Where Controls are Needed

First, must ...

Document the process!

1. Pick a method that suits the process: Flowchart or Narrative
2. Identify process owner and activity owners
3. Identify the key inputs, activities, outputs, and risk points
4. Identify policies that impact the process
5. Identify standards that may specify mandatory controls

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Identifying Key Controls

Identifying Key Control Activities

- Identify and document all controls associated with key processes
- Identify the characteristics of controls that, when functioning as intended, would provide the evaluator with a 'level of comfort' to conclude that the control is effective with respect to a given risk
- Consider control effectiveness by focusing on:
 - Directness and clarity of the control technique
 - Frequency with which the control technique is applied
 - Experience of personnel performing the control
 - Procedures followed when a control identifies an exception condition

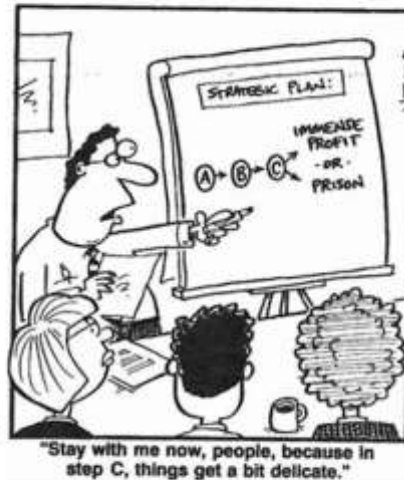
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Identifying Key Controls

Understanding Control Design

For internal controls over **financial reporting**, consider the following questions:

1. Will the control techniques help achieve the control objectives?
2. Will the controls mitigate risk to an acceptable level?
3. How do the related control objectives prevent or detect a potential misstatement?
4. How do potential misstatements affect the related financial report line item?



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Identifying Key Controls

Common Basic Internal Control Principles

- | | |
|--|---|
| | Establish Responsibility <ul style="list-style-type: none"> • Assign each task to only one person |
| | Segregate Duties <ul style="list-style-type: none"> • Don't make one employee responsible for all parts of a process |
| | Restrict Access <ul style="list-style-type: none"> • Don't provide access to systems, information, assets, etc. unless needed to complete assigned responsibilities |
| | Document Procedures and Transactions <ul style="list-style-type: none"> • Prepare documents to show that activities have occurred |
| | Independently verify <ul style="list-style-type: none"> • Check others' work |

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Identifying Key Controls

Understanding Control Design

Good Controls are:

- Focused
- Integrated
- Accurate
- Simple
- Accepted
- Cost Effective



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Key Points

- Need to connect **Objectives, Risks, and Controls**
- **Five interrelated components** of Internal Control
 1. Control Environment
 2. Risk Assessment
 3. Control Activities
 4. Information and Communication
 5. Monitoring
- Along **3 main objectives**
 - Operations
 - Reporting
 - Compliance
- Across the **organization, down to the process functions**
- No silver bullet 
- Should accompany process **documentation** efforts



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ATTACHMENT 13: THE NEW UNIFORM GRANT GUIDANCE**The New Uniform Grant Guidance****2 CFR 200****Instructor David Rykken****Introductions**

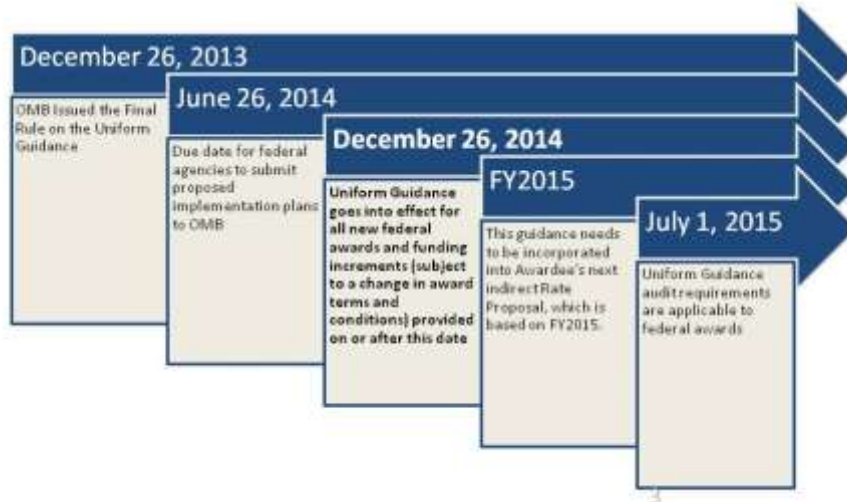
Your Name

Agency

Former Training Grants**Expectations/Hopes/Desires****Disclaimer**

The views expressed do not necessary represent the views of the agency or the United States. I am not here representing HHS and I am conducting this as an outside activity in accordance with the Standards of Ethical Conduct Regulation. I have been approved by the HHS ethics committee to conduct this course according to the HHS Supplemental Ethics Regulation (5 CFR2635.893, 5 CFR 5501.106 (d))

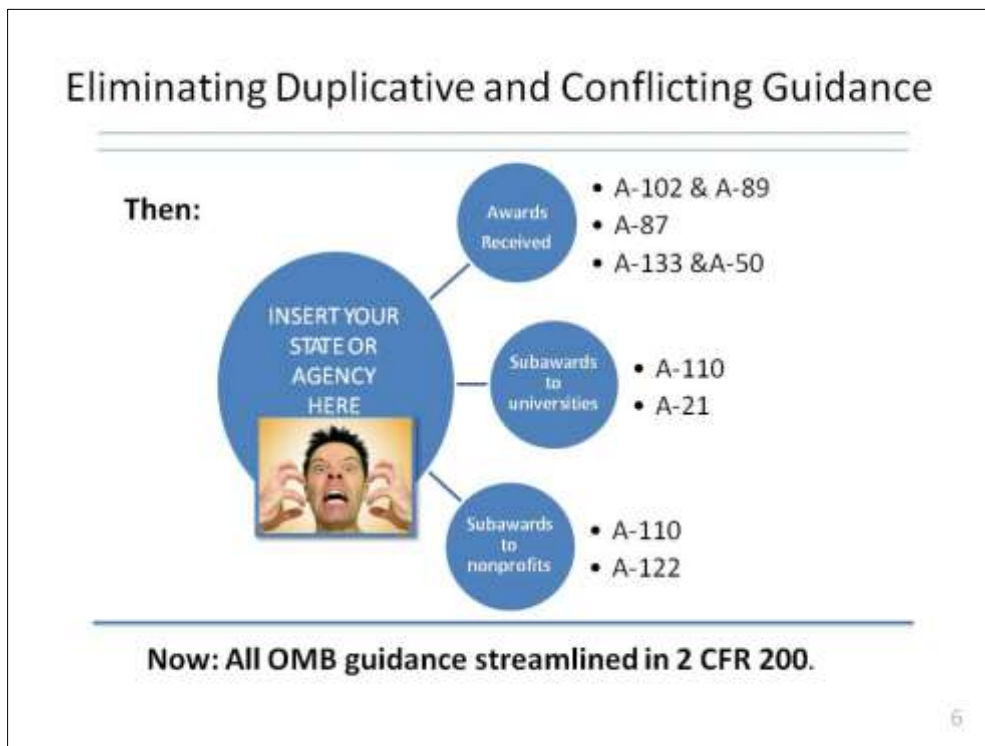
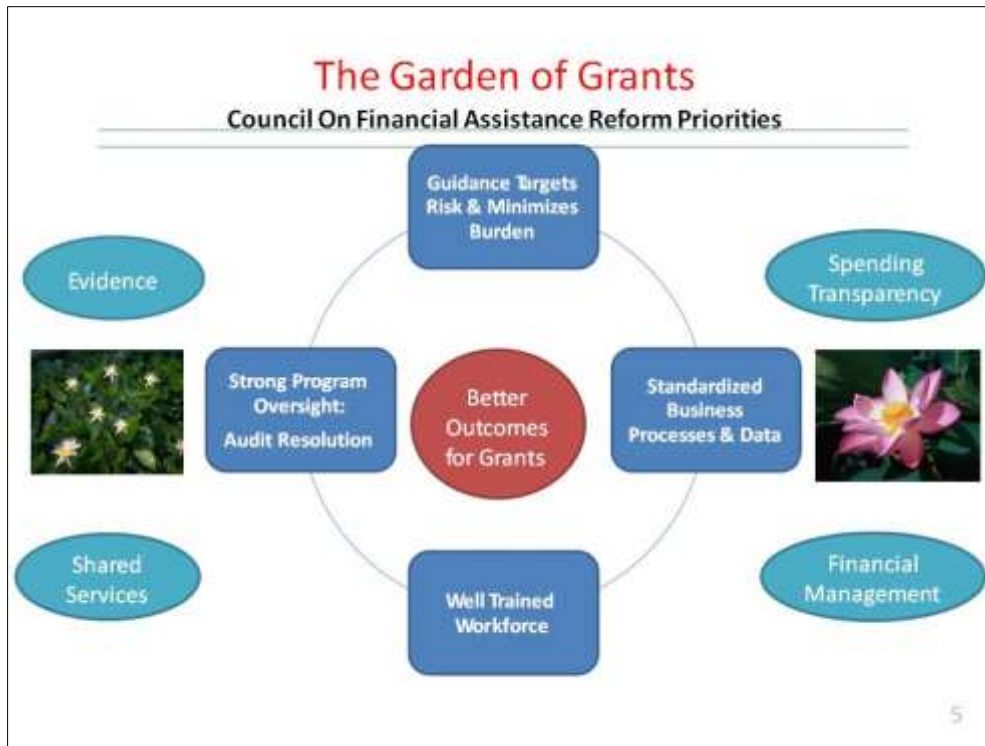
When is the Uniform Guidance Effective?



Major Changes in Procurement (200.317-200.326)

Grace Period

- Due to the extensive changes to procurement standards, OMB is allowing a grace period to FY2017 for implementing procurement policies and procedures.



2 CFR 200 -Basic Layout

- 6 Subparts A through F
 - Subpart A, 200.XX – Acronyms & Definitions
 - Subpart B, 200.1XX – General
 - Subpart C, 200.2XX – Pre Award - *Federal*
 - Subpart D, 200.3XX – Post Award – *Recipients*
 - Subpart E, 200.4XX – Cost Principles
 - Subpart F, 200.5XX – Audit
- 11 Appendices - I through XI

7

Sec. 200.XX, Acronyms & Definitions

- 200.0, Acronyms
- 200.1 through 200-99, Definitions
 - 99 separate sections and indexes
 - Applicable to all requirements (administrative, cost and audit) and all types of grantees
- Use of “*should*” and “*must*”
 - Should = best practices or recommended approach
 - Must = required

8

Sec. 200. 1XX, General

- 200.101, Applicability
 - **New** table for applicability by types of award
 - Indirect rate flow down to subrecipients
- 200.112, Conflict of interest - **NEW**
 - Federal agencies must establish COI policies
 - Grantees must disclose in writing any potential COI

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Sec. 200.2XX, Pre-Award- **Federal**

- 200.203, Notice of funding opportunities – **NEW consistent format**
- 200.205, Review of risk of applicants
 - Must have framework for evaluating risks
 - May consider financial stability, performance history, audit reports

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Sec. 200.3XX, Post- Award- Grantees

- 200.301, Performance Management –
 - Use standard forms
 - Must relate financial data to performance
 - Feds are to provide clear performance goals, indicators and milestones
- 200.303, Internal Controls
 - Should follow GAO's Green Book and COSO standards
- 200.309, Period of performance
 - No-cost extension may be allowed – agency's option

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Sec. 200.3XX, Post- Award- Grantees

- 200.313, Equipment
 - Property standards 5k
- 200.314, Supplies
 - Computing devices (<\$5K) are included as "supplies"
- NEW
- 200.320, Procurement Standards
 - Modeled after A-102: State uses own policies, Others uses procurement standards in sections 200.317 -326
 - The Procurement "Bear Claw"

12

Major Changes in Procurement (200.317-200.326)

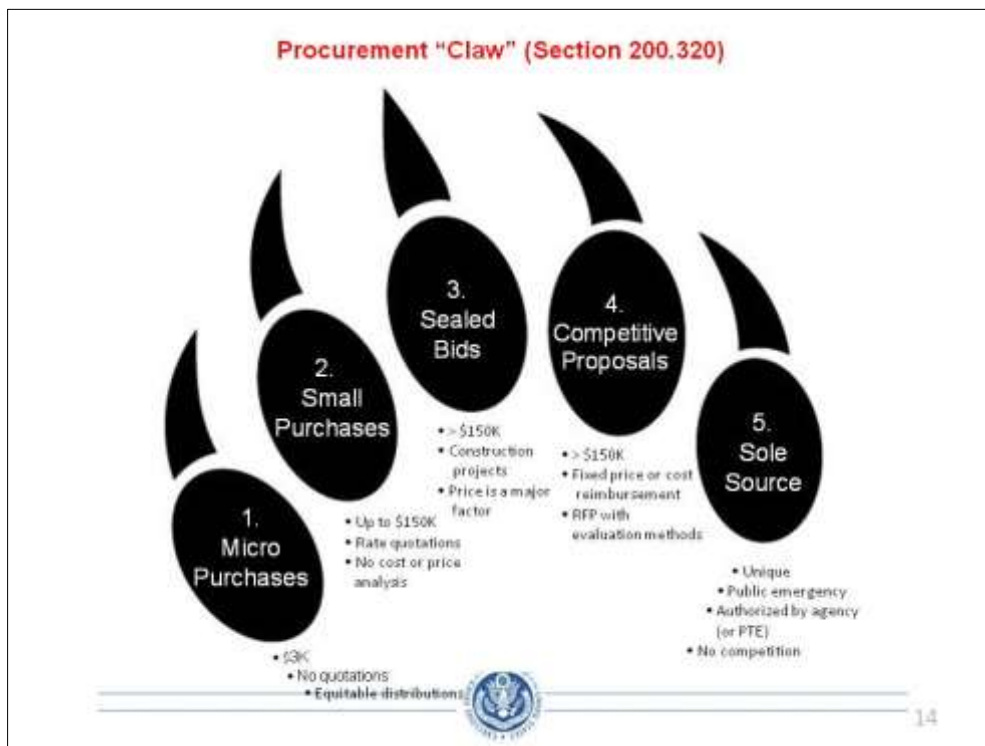
Topic	Uniform Guidance Synopsis	What Does This Mean?
<ul style="list-style-type: none"> • Procurement Records 	<ul style="list-style-type: none"> • Contains a prescriptive description of records that must be maintained to document the history of the procurement. 	<ul style="list-style-type: none"> • Documentable evidence of compliance imbedded in our procurement records

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Major Changes in Procurement (200.317-200.326)

Topic	Uniform Guidance Synopsis	What Does This Mean?
<ul style="list-style-type: none"> • Procurement Methods 	<ul style="list-style-type: none"> • Institutions must use one of five procurement methods when purchasing goods or services that are directly charged to a Federal award. • One of the five methods is a key change: <ul style="list-style-type: none"> • Small Purchases are defined as purchases that are >\$3,000 and <=\$150,000 	<ul style="list-style-type: none"> • For purchases over \$3,000, price or rate quotations must be obtained from an adequate number of qualified sources. • Awardee must define "adequate" (must be more than one) and the methods of obtaining the price or rate quotations must be defined and documented for audit purposes.

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Sec. 200.3XX, Post-Award- Grantees

- 200.331, Requirements for pass-through entities – **NEW**
 - Includes audit responsibilities (formerly in A-133)
 - Pass-through entities responsibilities:
 - Provide subaward information
 - Provide indirect cost rate
 - Perform risk assessment for subrecipient monitoring
 - Verify compliance to audit requirements
 - Report in accordance to FFATA

17

F&A Rate (200.414 and 200.331)

Topic	Uniform Guidance Synopsis	What Does This Mean?
<ul style="list-style-type: none"> • Facilities and Administrative (F&A) Rate (indirect cost rate) 	<ul style="list-style-type: none"> • Federal Agency Acceptance; • May only use a rate different from the negotiated rate: <ul style="list-style-type: none"> • when required by Federal statute or regulation • when approved by a Federal awarding agency head • Pass-through Entities: <ul style="list-style-type: none"> • If the sub-recipient has a federally recognized, negotiated rate, use it. • If not: <ul style="list-style-type: none"> • Negotiate a rate with the sub-recipient, or • Use the de minimus rate of 10% 	<ul style="list-style-type: none"> • On pass-through entities, Awardee should determine which approach to use when the sub does not have a negotiated F&A rate and develop a policy to ensure consistent treatment to all subs.

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Effort Reporting

Topic	Uniform Guidance Synopsis	What Does This Mean?
<ul style="list-style-type: none"> • Effort Reporting: 	<ul style="list-style-type: none"> • The Uniform Guidance included language that opens the door for changes in effort reporting. • In the Uniform Guidance, some terminology changed and specific methods were removed. 	<ul style="list-style-type: none"> • Effort Reporting is still required. • Awardee's current effort reporting process is compliant with the Uniform Guidance. • Effort reporting is an important issue with the audit community and it is unclear what changes to effort reporting processes will be accepted.

19

Sec. 200.4XX, Cost principles

- 200.407, Prior Written Approval – 22 items of cost
- 200.413, Direct costs
 - Paragraph (c) – Administrative can be direct costs - NEW
- 200.414, Indirect (F&A) Costs
 - Must accept approved negotiated rates, except
 - Allowed by Federal statute or regulation
 - Approved by agency head or delegate, OMB notified of deviations
 - 10% of MTDC de minimis IDC
 - First timers and new grantees only
 - Can be used indefinitely
 - One time four-year extension of current approved rate (final and pre-determined rates only)

20

Sec. 200.4XX, Cost principles

- 200.432, Conferences
 - Costs are appropriate, necessary and minimized to the Federal award
- 200.453, Materials and Supplies
 - Section (c) – may be charged as direct costs
 - Include computing devices (defined in 200.20)

21

Sec. 200.5XX, Audit Requirements

The final guidance **right-sizes the footprint** of oversight and Single Audit requirements to strengthen oversight and focus audits where there is greatest risk of waste, fraud, and abuse of taxpayer dollars.

It improves **transparency and accountability** by making single audit reports available to the public online, and encourages Federal agencies to take a **more cooperative approach** to audit resolution in order to more conclusively resolve underlying weaknesses in internal controls.

20

How can this be addressed by you?

Review the new Uniform Guidance to determine what changes will be needed.

A draft matrix of potential issues can be developed

Assessments of who is impacted can be determined

Assessments of what Awardee policies may be impacted should be completed

Issues should be prioritized

A task force should be developed to ensure Awardee is positioned to comply with the new guidance as it becomes effective.

Communication plan

An initial communication to the grant community should be released.

Training and informational sessions should be planned

Additional communication should occur as policies are revised.

ATTACHMENT 14: GASB UPDATE

GASB Update: Government Financial Landscape Continues to Change

Presented by:
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Website Resources

Meeting the needs of constituents is one of the GASB's key goals. In support of this goal, the GASB makes a variety of resources available through its website, www.gasb.org, including up-to-date information and resources addressing:

- ▶ Current projects
- ▶ Recent proposals and final pronouncements
- ▶ Free copies of proposals and final pronouncements
- ▶ A free view of the GASB Codification
- ▶ Educational resources
- ▶ Resources for users
- ▶ Webcasts of GASB Meetings



Where are they now?



3

Seriously?

- ✦ Statement 68 & 71 – Employer Pension Accounting
- ✦ Statement 72 – Fair value Measurement & Application
- ✦ Statement 73 – Accounting and Financial Reporting for Pensions and Related Assets Not within the Scope of Statement 68, & Amendments to 67 & 68
- ✦ Statement 74 – Financial Reporting for OPEB Plans
- ✦ Statement 75 – Accounting & Financial Reporting for OPEB employers
- ✦ Statement 76 – GAAP Hierarchy
- ✦ Statement 77 – Tax Abatement Disclosures
- ✦ Statement 78 – Pensions Provided through Certain Multiple-Employer DB Plans
- ✦ Statement 79 – Certain External Investment Pools & Pool Participants
- ✦ Statement 80 – Blending Requirements for Certain Component Units
- ✦ Statement 81 – Irrevocable Split-Interest Agreements
- ✦ Pension Issues – exposure draft
- ✦ Fiduciary Responsibility – exposure draft
- ✦ Asset Retirement Obligations – exposure draft
- ✦ Leases – exposure draft
- ✦ Debt extinguishment project
- ✦ Financial Reporting Model project



4

Well, at least they spread the effective dates out a bit Effective Dates – June 30

- ▶ **2016**
 - Statement 72—Fair value—Measurement and application
 - Statement 73—Pensions—Related assets (outside the scope of Statements 67 and 68) and Statements 67 and 68 amendments
 - Statement 76—GAAP hierarchy
 - Statement 79—External investment pools (most of it anyway)
 - Implementation Guide—2015-1
- ▶ **2017**
 - Statement 73—Pensions—Employers (outside the scope of Statement 68)
 - Statement 74—Other Postemployment Benefits (OPEB) plan reporting
 - Statement 77—Tax abatements disclosures (applicable to 12-31-16 year ends also)
 - Statement 78—Pensions provided through certain multiple-employer defined benefit pension plans (applicable to 12-31-16 year ends also)
 - Statement 80—Blending requirements for certain component units
 - Implementation Guide—2016-1



5

Effective Dates – June 30

- ▶ **2018**
 - Statement 75—OPEB—Employers
 - Statement 81—Irrevocable split-interest agreements (applicable to 12-31-17 year ends also)
- ▶ **Expected Effective Dates**
 - **2017**
 - Pension issues
 - **2019**
 - Fiduciary activities
 - Asset retirement obligations
 - **2020**
 - Leases
 - **????**
 - Financial reporting model



6

GASB 68 – Year 2 Hindsight

- ▶ **Entities with differing year-ends (timely reporting)**
 - Plan information as of 6/30
 - Entity with year end of 9/30 or 12/31
- ▶ **Employer Contributions – “Picked-up”**
- ▶ **Employer specific deferrals**
 - Change in proportion
 - Contributions during measurement period.
- ▶ **Actuarial Reports – Review**
- ▶ **Governmental Fund Reporting**



7

GASB Statement No. 72

- ▶ **Objective: Improve Financial Reporting and clarify the definition of fair value.**
- ▶ **Definition of Fair Value :**
 - The price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. – An exit price – Based on the principal or the government’s most advantageous market
- ▶ **Effective for periods beginning after June 15, 2015**



8

Scope

- ▶ Est. general principles for measuring fair value & standards of accounting and financial reporting for assets and liabilities measured at fair value.
- ▶ Markets – fair value measurement assumes that a transaction to sell an asset or transfer a liability takes place in either a principal market or the most advantageous market.



Fair Value Hierarchy

- ▶ Consist of three levels:
 - Level 1: quoted prices (unadjusted) for identical assets or liabilities in active markets that a government can access at the measurement date
 - Level 2: Inputs, other than quoted prices included in Level 1, that are observable for an asset or liability (either directly or indirectly)
 - – Market quotes for similar assets
 - – Yield curves that are observable at commonly quoted intervals
 - Level 3: Unobservable inputs for an asset or liability – Midmarket consensus price for a swap that uses data that are not directly observable and cannot be corroborated by the observable market data (nice, huh)



GASB Statement No. 73

- ▶ **Primarily to establish requirements for defined benefit not within scope of statement 68.**
- ▶ **Those not meeting the trust criteria:**
 - Employer/nonemployer contributions irrevocable
 - Plan assets dedicated to providing pensions
 - Plan assets legally protected from creditors
- ▶ **Applies approach of statements 67/68 with modifications**



11

Statement 74 & 75 – OPEB

- ▶ **Addresses both OPEB Plans Administered through trust & not administered through trust**
 - Same trust criteria as pensions
- ▶ **Requires reporting of liability in the F.S.**
 - Trust: Total OPEB Liability - FNP= NPL
 - Not trust: Total OPEB liability = Liability
- ▶ **Effective Date:**
 - 74 - fiscal years beginning after June 15, 2016
 - 75 - fiscal years beginning after June 15, 2017



12

Statement 74 & 75 – OPEB

- ▶ OPEB
 - Other postemployment benefits – all postemployment benefits promised to employees other than pensions
 - Medical, dental, vision – separately or through a pension plan.
 - Principally, retiree health insurance – but also life insurance, disability, legal services, and other benefits
 - Provided separately from a pension plan.
- ▶ Includes:
 - Payments made to insurance companies on behalf of retirees,
 - Payments directly to retirees, and
 - Subsidizing retiree premiums by allowing them to be insured in the same group as active employees



13

GASB 76 – “The GAAP Hierarchy”

- ▶ Effective for periods beginning after June 15, 2015
- ▶ Current GAAP hierarchy was incorporated from auditing literature “as is” this standard identifies/explains how to identify the relevant literature within the hierarchy
- ▶ The Comprehensive Implementation Guide now included for public comment. (That means it’s now **AUTHORITATIVE!!!**)



14

GASB 77 – Tax Abatement

- ▶ Effective for periods beginning after December 15, 2015
- ▶ Issued to increase information about revenues that governments forgo is essential to understanding financial position and economic condition, interperiod equity, sources and uses of financial resources, and compliance with finance related legal or contractual requirements



15

GASB 77 – Tax Abatement

- ▶ Effective for periods beginning after December 15, 2015
- ▶ Issued to increase information about revenues that governments forgo is essential to understanding financial position and economic condition, interperiod equity, sources and uses of financial resources, and compliance with finance related legal or contractual requirements
- ▶ Disclosure only, but WILL apply to any agreements where a government “uh-bates” taxes or “re-bates” taxes others



16

GASB 78 – Pensions through Certain Multi-Employer DB Plans

- ▶ Effective for periods beginning after December 15, 2015
- ▶ GASB 68 applied to all State & Local Govt employers (if provided through a trust) but what if the plan include non-government entities or had no predominate state or local government.



17

Scope & Application

- ▶ Establish accounting and financial reporting for db pension provided to state or local gov employers through cost-sharing pension plans that:
 - Meet criteria of par. 4 of Statement 68
 - Is not a state or local governmental pension plan
 - Is used to provide db pension to both state/local employees & non-state/local employees
 - Has no predominate state or local governmental employer
 - Collectively or individually
 - E.g. plans with benefits provided through federally sponsored or private multiple-employer pension plans (such as Taft-Hartley plans)



18

GASB 79 – Certain External Investment Pools & Participants

- ▶ Effective 06/15/2016 (portions deferred to 12/15/2016)
- ▶ Brings the guidance for 2a7-like investment pools within the GASB literature
 - SEC rule 2a7 was amended in 2014
 - No substantive change to current practice for governments



19

GASB 79 – Certain External Investment Pools & Participants

- ▶ In general, investments should be carried at fair value
 - Exception made for short-term money market funds (2a7-like) carried at amortized cost, which is expected to approximate market
 - Use of fair value is always permitted
 - Once fair value is elected, you cannot later change back to amortized cost



20

GASB 80 – Blending Requirements for Certain C.U.

- ▶ Effective for periods beginning after June 15, 2016
- ▶ Amends GASB Statement No. 14, paragraph 53. related to blending requirements.
- ▶ Does not affect those component units included based on the provisions of GASB Statement No. 39
 - “Determining Whether Certain Organizations are Component Units”



21

Scope & Application

- ▶ Applies to C.U.'s that are organized as not-for-profits corporations in which the primary government is the sole corporate member.
- ▶ A component unit should be included in the reporting entity financial statements using the blending method if the component unit is organized as a not-for-profit corporation in which the primary government is the sole corporate member, as identified in the component unit's articles of incorporation or bylaws, and the component unit is included in the financial reporting entity pursuant to the provisions in paragraphs 21–37 of Statement 14, as amended



22

GASB 81: Irrevocable Split Interest Agreements

- ▶ The GASB standard for reporting split-interest agreements.
- ▶ Currently limited guidance for such agreements when the govt. acts as the trustee and is also a beneficiary
- ▶ No guidance for situation in which a 3rd party is the trustee and the govt is one of the beneficiaries



23

Scope

- ▶ Irrevocable split-interest agreements for which the government is the intermediary (trustee or agent) and a beneficiary
 - Donor gives resources to government that also is a beneficiary in the agreement
 - Lead interest: payments during the life of the agreement, generally to non-governmental beneficiary (donor or donor's relative)
 - Remainder interest: assets remaining at termination of the agreement; generally goes to government
- ▶ Beneficial interests in resources held and administered by 3rd parties – Refers to the right to receive resources in a future reporting period, from resources administered by a 3rd party



24

Leases – Exposure draft

- ▶ In a nutshell
 - In the future, there will only be two types of leases
 - Leases with a term of 12 months or less
 - Leases with a term of more than 12 months
 - For leases with a term of 12 months or less, governments will simply record the monthly payment as expense
 - For leases with a term of more than 12 months, an asset and a liability will be reported by the lessee, and the monthly payments will then reduce the asset and liability, with appropriate expense for an interest component recognized
- ▶ It does raise some interesting questions though...



25

Fiduciary Responsibilities – ED

- ▶ Scope: any activity for which a government acts as a fiduciary (agent)
 - ▶ Government has F.R when it control assets:
 - From a pass-through grant for which the govt does not have administrative or direct involvement
 - Trust agreement or equivalent arrangement in which the govt itself is not a beneficiary
 - For the benefit of individuals that are not part of the citizenry
- Essentially, it ends up being a revision to how we define and account for money that we hold for others



26

Asset Retirement Obligations – ED

- ▶ Currently only addressed in GASB Statement 18
 - “Accounting for Municipal Solid Waste Landfill Closure & Post Closure Care Costs”
- ▶ However governments have many other obligations for the retirement of assets (think decommissioned nuclear power plant...you all have lots of those)



27

Debt Extinguishment Project

- ▶ Project scope to include guidance on debt refunding that use a government's current resources
- ▶ Current refunding guidance exist in Statements 7 & 23 on debt refundings and statement 62 on debt extinguishments.
- ▶ Research by the GASB staff has found guidance may be needed to address the use of current resources



28

Financial Reporting Model Project

- ▶ Reexamination of Statements 34,35, 37, 41, 46 and Interpretation 6, or in other words, revise or redo
 - 1) state and local reporting model (34 and 35),
 - 2) the bug fix to stmts 34 and 35 (37)
 - 3) the budgetary comparison schedule (41)
 - 4) net position restricted by enabling leg. (46)
 - 5) interpretation 6, which is all about how to understand modified accrual accounting, as if it wasn't already weird enough...
- ▶ Evaluate current model and issues with object of improving/enhancing effectiveness of the overall financial reporting model



29

Research Topics / Accounting Issues Identified for Reporting Model Project

- ▶ **Management's Discussion and Analysis (MD&A)**—Explore options for enhancing the financial statement analysis component, consider the elimination of requirements that are boilerplate and no longer necessary for understanding the financial reporting model, and clarify guidance for presenting currently known facts, decisions, or conditions that are expected to have a significant effect on financial position or results of operations.
- ▶ **Government-Wide Financial Statements**—Explore alternatives for the format of the statement of activities and consider whether a government-wide statement of cash flows should be required, and if so, how those cash flows should be presented.
- ▶ **Major Funds**—Explore options for providing additional information about debt service funds, either individual or in aggregate.



30

Research Topics / Accounting Issues Identified for Reporting Model Project

- ▶ **Governmental Fund Financial Statements**—Explore a conceptually consistent measurement focus and basis of accounting and develop a presentation format for governmental fund financial statements consistent with the measurement focus and basis of accounting. In conjunction with this project, the conceptual framework project on recognition of element of financial statements would be recommended.
- ▶ **Proprietary Fund and Business-Type Activity Financial Statements**—Evaluate operating indicator alternatives in conjunction with evaluating the guidance for the separate presentation of operating and nonoperating revenues and expenses.
- ▶ **Fiduciary Fund Financial Statements**—Explore where the fiduciary fund financial statements should be presented in the basic financial statements.



31

Research Topics / Accounting Issues Identified for Reporting Model Project

- ▶ **Budgetary Comparisons**—Explore the appropriate method of communication (either as basic financial statements or required supplementary information) for budgetary comparison information and consider whether and, if so, which budget variances should be required to be presented.
- ▶ **Other Issues**—As appropriate and in conjunction with other topics, explore options that would permit more timely financial reporting or that would reduce complexity overall.



32

Tentative Board Decisions To Date

- The near-term financial resources approach, working capital approach with past-due compensation liabilities approach, and a total financial resources approach will be further developed.
- The following two presentation alternatives for resources flows will be further developed: statement of revenues, expenditures, and changes in fund balances (current format) and short-term (or current) activities separated from long-term activities.
- The following alternatives will continue to be explored for the presentation of the government-wide statement of activities: the current format and a traditional format with expenses presented by function or program. Methods of communicating information about the natural classification of functional expenses will be explored.
- A governmental funds statement of cash flows that could be presented as part of the working capital approach or the total financial resources approach will be further explored.



33

Questions?

Thanks for having me!



ATTACHMENT 15: ACQUIRING A NEW SOFTWARE SYSTEM

PROJECT MANAGER AND PROJECT MANAGEMENT

- Ideal project manager has skills in governmental accounting, communication, organization and systems (don't have IT drive the project)
- May be a firm
- Must be on your side—cannot be someone from the software company
- Include local counterpart(s)—not as a side task to their current job, but 110% involved
- Set up a steering committee which will overlap future changes in political leadership, has interest and understanding and is able & willing to help make decisions.
- Set up a technical committee who will help review and rank the RFPs

INVOLVE KEY DEPARTMENTS AND LEADERS FROM THE BEGINNING

- The local project lead
 - good organization and communication skills
 - connections across the entire organization
- Each major department should have a key contact who will act as
 - Subject matter experts
 - Change managers
- Likely to be some of the same individuals who are on the steering committee
- May want or need to reach out beyond the executive branch to other organizations & agencies. Might include a representative from the funding organization(s).
- Set the likely timeline from the beginning so no one has unrealistic expectations

BECOME EDUCATED ON THE POSSIBILITIES

- Understand your bottom line requirements
 - U.S. governmental accounting
 - Support and maintenance are critical
 - Cloud based is probably not where you want to go in Micronesia
 - Do you want to go to distributed processing?
- Check out possible vendors on line
- Talk to other governments
- Talk to consultants who have seen & used government software in other places
- BUT Don't assume that because a consultant or another government or a vendor who shows up and tells you a great story that it will work for you!!!

DON'T SKIP THE NEEDS ANALYSIS AND REQUIREMENTS STUDY

- Include users from all levels
 - Politicians and executives
 - Day to day hard core users in finance
 - Basic users in the departments
 - External users
- Don't assume all governmental software will have what you might consider as basic features
- List your requirements while keeping your mind open to other solutions
- Prioritize (internally) those functions and features which are most important to you
- Differentiate between wants and needs

PREPARE A DETAILED RFP & DISTRIBUTE APPROPRIATELY

- The RFP functions cannot be so detailed as to make a vendor run away screaming!
- Ensure the vendor responds to each requirement (provides, customize, or doesn't provide) and make their response part of the contract
- Send directly to the vendors you've researched as well as general advertising

EXAMPLES OF FEATURES TO INCLUDE IN YOUR LIST

- How many open years?
- Roll budgets for open encumbrances
- Liquidation period for grants
- Chart of accounts table driven as opposed to a "flat" structure
- Grant and contract ending dates in payroll
- Stress testing for volume
- Desired levels of security
- Ability to purge historical data
- Position based budgeting

PREPARE A DETAILED RFP & DISTRIBUTE APPROPRIATELY

- Include all the elements
 - Hardware (may be a sub-contract or just a configuration for you to purchase)
 - Software
 - Data Conversion
 - Training plan and cost
 - Implementation plan and phasing
 - Documentation
 - Maintenance agreement and cost
 - References
 - RFP scoring criteria

INCLUDE A PERIOD OF TIME FOR FOLLOW UP, CLARIFICATION, AND DUE DILIGENCE

- Set up a conference call for vendors to ask for clarification from the government before the RFP is due
- After the RFPs are received, use an evaluation committee to document areas which need additional explanation and set up individual calls
- Set up calls with references to gain an understanding about the vendors' promises and support
- Make sure all calls, questions and responses are documented.
- Keep the steering committee in the loop

NARROW THE SELECTION TO A MANAGEABLE NUMBER (2 TO 4)

- Technical selection committee will eliminate obviously unqualified vendors
- Expect the selected vendors to come on island to provide a demonstration
- At this point costing is not the highest selection criteria
 - Software is the probably going to be the least of the costs
 - Vendor may not provide the hardware
 - Contract negotiations will sort out more of the costing details for training, data conversion, implementation and follow up support

SCRIPT THE DEMONSTRATIONS

- Don't expect the vendor to drive the demo
- Create a demo script
 - Allows you to see if the vendor understands your requirements
 - Allows you to see how the vendor will solve your specific requirements
 - Allows you to schedule your personnel so they only need to show up for their specific areas of functionality
 - Allows you to compare the vendors in an equal basis
- Give the vendors the script in advance
- Create a time line for each module
- Have a ranking sheet for each of the requirements for use by the evaluation teams

ENSURE THE SELECTION COMMITTEE IS QUALIFIED

- The selection committee should seek input from everyone who has been involved
- Provide the committee with information from the vendor's references
- Don't make IT the drivers of the process but include them
- Chief executives are not necessarily the best members, but should be included
- Ensure you have subject matter experts for the most important modules
 - Payroll/Human Resources
 - Budget
 - General Ledger and Grant Management
 - Accounts payable and procurement
- What is the ideal size? Maybe start with a higher number and have a smaller group as the final deciders (of course, have to follow your local & donor procurement requirements)

HOW DO YOU MAKE THE RIGHT CHOICE?

- After the demos the vendors may want to follow up with a modified solution
- Remember we want to live with this software and this vendor for 10 years or more
 - If vendor is absorbed, is their software solution strong enough to survive?
- Consider the total cost of ownership (maintenance can be 20% or more of software costs)
- Consider the benefits of vendor intentions to work in the Pacific
- Selection committee may want to follow up with additional questions to the vendor's references
- Some software vendors sell only through Value Added Resellers (VAR)

SPEND TIME ON CONTRACT NEGOTIATIONS

- Include the vendor's response to the requirements
- Define the terms (what does installation mean?)
- Clarify & include the statement of work
- Negotiate the first year/post implementation support
- Include dates for hard deliverables
 - Implementation plan
 - Documentation
 - Set up configuration
 - Data conversion tests
- Clarify who owns the license
- Make sure you have a contract retention and sign off checklist



ATTACHMENT 16: PUTTING FINANCE OFFICE PERFORMANCE MEASURES & BEST PRACTICES TO GOOD USE

PUTTING FINANCE OFFICE PERFORMANCE MEASURES & BEST PRACTICES TO GOOD USE

"It's not the numbers. It's what you do with the numbers"

May 2016

Toronto, Canada

IGFOA CURRENT MEASURES	FOCUS
1. Number of days to process an invoice (general and federal)	Grant & Cash Management
2. Reduction in overdue travel advances	Cash Management
3. Completion of fixed asset inventory	Fixed Assets
4. Bank reconciliations completed on a timely basis	Internal Controls
5. Revenue Estimates within target %	Budget & Cash Mgmt
6. Timeliness of SF425 reports	Grant Management
7. Reconciliation and Reduction in Federal Grant Receivable balance	Grant & Cash Mgmt
8. Completion of comprehensive Cash Management Plan	Cash Management

IGFOA PROPOSED MEASURES	VOTES	FOCUS
Completion of Personnel Evaluations	6	Capacity Building
# training hours per finance employee	5	Capacity Building
Collection of General Accounts Receivable	5	Cash Management
# of days to close (quarterly)	4	Internal Controls
# days of cash on hand	4	Cash Management
# employees clearing advances	3	Cash Management
% of unspent federal funds	1	Grant Management
Time to process notice of personnel actions		



ISLAND GOVERNMENT FINANCE OFFICERS' ASSOCIATION

days to process an invoice paid with federal funds

	May 2016	Progress
 AMERICAN SAMOA	Not reported	?
 CNMI	34 days	→
 FSM: NATIONAL	4 days	↑
 FSM: KOSRAE	3 days	↑
 FSM: POHNPEI	Not reported	?
 FSM: CHUUK	Not reported	?
 FSM: YAP	Not reported	?
 GUAM	21 days	→
 MARSHALL ISLANDS	Not reported	?
 PALAU	31 days	→
 US VIRGIN ISLANDS	3–5 days	→

WHAT DO YOU DO IF THE MEASURE ISN'T MEETING YOUR TARGET?

- Quit that "program"
- Fire someone
- Stop measuring
- Change the target
- Assign more people to help
- Improve the process
- Measure to see if your improvement helps

WHY OUR MEASURES ARE LITTLE DIFFERENT

- We are not going to stop a process if the outcomes are bad
- We have no excuses

TYPES OF MEASURES

Structural: Measures the organization's capacity and the conditions in which service is provided by looking at factors such as an organization's staff, facilities, or IT systems.

- # transactions/staff
- Response or downtime of the system

Process: Measures how services are provided, i.e., whether an activity is efficient

- Timeliness and quality

Outcome: Measures the results

- Clean audits
- Better informed decision makers
- Financial stability of the government

WHY MEASURE?

Quality Improvement

- share your successes
- reveal areas where you need to make adjustments.
- tells you whether you are achieving your ultimate goal of improving outcomes
- better management

Transparency

- Stakeholders outside of the organization--politicians, funders, auditors, citizens--want to know about the quality and efficiency of the services being provided.

BETTER MANAGEMENT THROUGH PERFORMANCE MEASURES

Performance measures tell you something important about your services, and the processes.

Effective performance measures can let us:

- Monitor performance to judge how well we are doing,
- Know if we are meeting our goals and if our customers are satisfied,
- Take action to affect performance or improve efficiency if improvements are necessary.

The best performance measures start conversations about organizational priorities, the allocation of resources, ways to improve performance, and offer an honest assessment of effectiveness.

PERFORMANCE MEASUREMENT'S GREATEST VALUE IS AS A TOOL FOR LEARNING.

If performance measurement is used as a punitive tool, it will face resistance.

Using the system to surprise people or create "gotchas" will tank the system

If conversations about performance are designed to be constructive, then the system will receive much better attention.

GOOD CONVERSATIONS

- What are we trying to accomplish?
- How will we know that a change is an improvement?
- What changes can we make that will result in improvement?

TARGETS

Reason for targets

- Motivational value
- Hold staff accountable
- Without targets performance is too ambiguous

How to reach the target:

- Redesign the work;
- Distort priorities and the process
- "Game the numbers"

HOW TO INVESTIGATE LACK OF PERFORMANCE

- Root cause analysis

Looks below the immediate cause of under-performance to the root cause.

- Process mapping

Process mapping tools are used to visualize the steps in a process and draw analysts' attention to potential points of failure such as bottlenecks, hand-offs of work between people, and non-value adding process steps

- Set variance tolerances

Establish upper and lower parameters for what constitutes acceptable, normal variation in a measure.

DEFECTS OF PERFORMANCE MEASUREMENT

Just going through the motions to comply with requirements

- Rote compliance with measurement requirements, rather than using measures for more substantive purposes

A lack of resources necessary to achieve the desired level of performance

- Unavoidable to some extent in an environment of financial scarcity
- Work against the perception that improvement can only be made by spending more money on a program
- Process improvement is an example of a tool that can achieve drastic improvements, while potentially lowering costs










ISLAND GOVERNMENT FINANCE OFFICERS' ASSOCIATION

Does the government have a documented, comprehensive cash management plan?

	May 2016	Progress
 AMERICAN SAMOA	Not reported	?
 CNMI	In draft	→
 FSM: NATIONAL	Not reported	?
 FSM: KOSRAE	Yes, completed	↑
 FSM: POHNPEI	Not reported	?
 FSM: CHUUK	Not reported	?
 FSM: YAP	Not reported	?
 GUAM	In draft	→
 MARSHALL ISLANDS	Not reported	?
 PALAU	Completed	↑
 US VIRGIN ISLANDS	In progress	→

ISLAND GOVERNMENT FINANCE OFFICERS' ASSOCIATION












Are Travel Advances Collected?

	May 2016	Progress
 AMERICAN SAMOA	Decrease in 2015	→
 CNMI	76% reduction	↑
 FSM: NATIONAL	Not reported	?
 FSM: KOSRAE	9% decrease	→
 FSM: POHNPEI	Not reported	?
 FSM: CHUUK	Not reported	?
 FSM: YAP	Not reported	?
 GUAM	21% increase	↓
 MARSHALL ISLANDS	Not reported	?
 PALAU	31% reduction	→
 US VIRGIN ISLANDS	n/a	n/a



ISLAND GOVERNMENT FINANCE OFFICERS' ASSOCIATION

Is the fixed asset physical inventory current ?

	May 2016	Progress
 AMERICAN SAMOA	Not reported	?
 CNMI	Only one department	↓
 FSM: NATIONAL	Not reported	?
 FSM: KOSRAE	Yes, 1 month after year end	↑
 FSM: POHNPEI	Not reported	?
 FSM: CHUUK	Not reported	?
 FSM: YAP	Not reported	?
 GUAM	Yes	↑
 MARSHALL ISLANDS	Not reported	?
 PALAU	Over 50% unlocated	→
 US VIRGIN ISLANDS	In progress	→



ISLAND GOVERNMENT FINANCE OFFICERS' ASSOCIATION

Are the Major Bank Reconciliations Timely?

	May 2016	Progress
 AMERICAN SAMOA	Not reported	?
 CNMI	18.6 days after month end	→
 FSM: NATIONAL	Not reported	?
 FSM: KOSRAE	Yes, 15 days after month end	↑
 FSM: POHNPEI	Not reported	?
 FSM: CHUUK	Not reported	?
 FSM: YAP	Not reported	?
 GUAM	Daily reconciliation	↑
 MARSHALL ISLANDS	Not reported	?
 PALAU	No, due to lack of staff	↓
 US VIRGIN ISLANDS	6 major accts behind	→

ATTACHMENT 17: JUNE 2016 - DECEMBER 2016 ACTION PLAN

American Samoa					
#	Task (<u>What</u> needs to be done?)	<u>Who</u> will lead?	<u>When</u> will it be done?	Comments and Notes	Questions
1	Government Presentations				Was there anything from the GFOA sessions or the IGFOA presentations that you should (or would like to) follow up on for your government?
	# days to process an invoice	Heidi & Carri	1-Jun	discuss plan	
2	Financial Forecasting Model				If you wish to use the forecasting model, include the steps you need to do to follow up.
	Share template with budget office (Shab P.)	Carri & Shab	6/1/2016		
3	Performance Measures				What measures do I need to start using? How are we going to use them?
	SF425 reporting	Levi	6/10/2016		
	Grant receivables	Levi	6/10/2016		
	% of unspent grant funds	Levi	6/10/2016		

#	Task (What needs to be done?)	Who will lead?	When will it be done?	Comments and Notes	Questions
4	OMB Uniform Grant Guidance				What other steps does your government need to do to ensure that the UGG is fully implemented?
	disseminate register	Heidi & Carri	6/10/2016		
	share David's power point	Heidi & Carri	6/10/2016		
5	GASB Update				Note steps your government will need to take to ensure compliance with the new GASB pronouncements
	Check w Caroline at Retirement Fund for	Heidi	4-Jun		
	actuarial review schedules any time after 3/30/16 for 9/30/18				
	disclosure for how we value investments for 9/30/16				
	Analysis on tax abatements, etc prep for 9/30/17	Carri & Mary Ann	30-Sep	update quarterly	
6	Other				
	Do our own CAFR	Tina-deputy	6/10/2016		
		Levi-chief accountant			
		Heidi & Carri-- senior accountants			

CNMI					
#	Task (What needs to be done?)	Who will lead?	When will it be done?	Comments and Notes	Questions
1	Government Presentations				Was there anything from the GFOA sessions or the IGFOA presentations that you should (or would like to) follow up on for your government?
	Develop Employee Separation Checklist	OMB	30-Jun		
	Review and revise inventory recon schedule to increase number of departments completed	OGM	30-Jun		
2	Financial Forecasting Model				If you wish to use the forecasting model, include the steps you need to do to follow up.
	Gather additional historical data needed for revenue model	OMB	7/31/2016	Use updated template with added tabs (Cash flow, summary dashboard, etc.)	
	Work with DOF-Treasury to develop Cash flow forecasting	OMB	7/31/2016		
	Develop tracking of Budget to Actual Revenue	OMB	8/30/2016		
3	Performance Measures				What measures do I need to start using? How are we going to use them?
	Single-Audit Committee to review current measures and determine reporting of measures	OGM	30-Jun		
	Review Travel Advance policy and enforce strict collection of federal travel advance	OGM	30-Jun		

	Review procurement inventory recon procedures and increase staff support and resources	OGM	30-Jun		
	Develop report to keep track of and reduce Federal grants receivable balance	OGM	30-Jun		
4	OMB Uniform Grant Guidance				What other steps does your government need to do to ensure that the UGG is fully implemented?
	Coordinate Grants Guidance Training	OGM	7/11/2016		
	Increase federal program outreach through creation of Federal Grants Committee	OGM	7/11/2016		
5	GASB Update				Note steps your government will need to take to ensure compliance with the new GASB pronouncements
	GASB 72	N/A			
	GASB 74 & 75	N/A			
	GASB 77	N/A			
6	Systems Planning (if applicable)				
	Review maintenance agreement for JDE	DOF-EDP	6/30/2016		
	Review vendor training opportunities	DOF-EDP	6/30/2016		

FSM National Government					
#	Task (What needs to be done?)	Who will lead?	When will it be done?	Comments and Notes	Questions
1	Government Presentations				Was there anything from the GFOA sessions or the IGFOA presentations that you should (or would like to) follow up on for your government?
A	Conduct Budget 101 Presentation to Budget Staff	Eugene	July, 2016		
B	Discuss lessons learned from Fraud Detection and Hiring the Right Financial Staff sessions with Budget Staff	Eugene			
2	Financial Forecasting Model				
A	Share the cash flow forecasting model with key staff and discuss possibility of developing cash flow forecasting model in Finance	Eugene	July, 2016	Budget already has forecasting model similar to what was presented	May need assistance with cash flow forecasting
3	Performance Measures				What measures do I need to start using? How are we going to use them?
A	Following up status of discussions with BOG on online data for ease of banking reconciliation	Robert	June, 2016	Need to check with Secretary on status	
B	Continue reducing the volume of overdue travel advances in system	Robert	December, 2016	Ongoing	
C	Develop Cash Management Plan	Robert	Dec, 2016	May need external assistance	

FSM National Government					
#	Task (<u>What</u> needs to be done?)	<u>Who</u> will lead?	<u>When</u> will it be done?	Comments and Notes	Questions
D	Improve Revenue Forecasting estimates	Eugene	Dec, 2016	Require wider staff collaboration internally and inter agency	
E	Conduct Personnel Evaluation (Division of BEM)	Eugene	August, 2016		
4	OMB Uniform Grant Guidance				What other steps does your government need to do to ensure that the UGG is fully implemented?
A	Share OMB Uniform Grant Guidance with Budget Staff responsible for Federal Grants				
B	Evaluate ways to strengthen federal grants management and administration	Alan/ Eugene	August, 2016		
C	Establish internal control to ensure reprogramming of Federal grants is approved internally prior to seeking approval from Grantor	Alan / Eugene	September, 2016	Require guidance from Vice President (Chairman of EBRC)	
D	Ensure Budget staff is aware of OMB Uniform Grant Guidelines	Eugene	June, 2016	Require sharing of key takeaways	
5	GASB Update				Note steps your government will need to take to ensure compliance with the new GASB pronouncements
	GASB 72				
A	Share Resource Documents with Financial Advisor	Eugene	June, 2016		
B	Ensure that staff attend the training session at AIPA Conference in Pohnpei	Robert	July, 2016		

FSM National Government					
#	Task (What needs to be done?)	Who will lead?	When will it be done?	Comments and Notes	Questions
6	Systems Planning (if applicable)				
A	Continue seeking new system for overall financial IT system upgrade	Robert/Debbie	Dec, 2016	Currently ongoing	
B	Identify specific features and capability needs for the new system	Robert/Sohs	Dec, 2016		
C	Identify financing methods for the new system	FSM Finance		Depends on outcome of 6A	May need donor funding or federal grants assistance

Government of Guam					
#	Task (What needs to be done?)	Who will lead?	When will it be done?	Comments and Notes	Questions
1	Government Presentations				Was there anything from the GFOA sessions or the IGFOA presentations that you should (or would like to) follow up on for your government?
	Transparency	Grace	Sep 2017	Find out from vendors we visited at the exhibition hall what their softwares capabilities are.	
	Banking Technology	Grace	Sep 207		
2	Financial Forecasting Model	Grace	Jun-16	The template will be used for our weekly/monthly cash flow projection.	If you wish to use the forecasting model, include the steps you need to do to follow up.
3	Performance Measures	Grace/Mike	quarterly	Trends for these two measures are increasing so we will monitor them on a quarterly basis	What measures do I need to start using? How are we going to use them?
	Travel A/R				
	Federal A/R				

Government of Guam					
#	Task (What needs to be done?)	Who will lead?	When will it be done?	Comments and Notes	Questions
4	OMB Uniform Grant Guidance	Armi Lyn			What other steps does your government need to do to ensure that the UGG is fully implemented?
	Internal control		By Sep 2016	review if any update or changes need to be made or modified	
	Review existing policies & procedures				
5	GASB Update				Note steps your government will need to take to ensure compliance with the new GASB pronouncements
	GASB 72 - FY16 Cash Investments Disclosures	Kathy	10/31/16		
	Fair Value				
	GASB 74 & 75				
	OPEB FY15	Kathy	Sep 2016	Issued RFP for FY15	
	OPEB FY7		Mar 2018		
	GASB 77				
	Rebates	Goody Rosario	Sep 2017		
6	Systems Planning (if applicable)				
	E-Gov portal	Ken Borja	Sep 2017		
	Online Payments	Ken Borja	Sep 2017		

Kosrae State					
#	Task (What needs to be done?)	Who will lead?	When will it be done?	Comments and Notes	Questions
1	Government Presentations				Was there anything from the GFOA sessions or the IGFOA presentations that you should (or would like to) follow up on for your government?
	Follow up on IT Policies (GFOA Conference)	IT Division	2nd week of June 2016		
	Pull informations from GFOA.ORG	IT Division			
2	Financial Forecasting Model				If you wish to use the forecasting model, include the steps you need to do to follow up.
	Introduce the model to budget people	Shiro	Jun-16		
3	Performance Measures				What measures do I need to start using? How are we going to use them?
	Measure % of unspent Federal Grants	Finance/Program people/budget			
	Introduce:	Shiro	Jun-16		
	Implement:	Finnance	Jul-16		
	# of days to review and process P.A				
	Introduce:	Shiro	Jun-16		
	Implement:	OPES			

#	Task (<u>What</u> needs to be done?)	<u>Who</u> will lead?	<u>When</u> will it be done?	Comments and Notes	Questions
	Share collected information with key people	Shiro/Ursula	prior to training in July		
	Make sure all key personnels attend July Training	Shiro/Ursula	prior to training in July		
5	GASB Update				Note steps your government will need to take to ensure compliance with the new GASB pronouncements
	GASB 72				
	Share with Finance Advisor	Shiro	ASAP	Share information on effective dates	
	Follow-up on Statement updates	Ursula	prior to effective dates		
	GASB 74 & 75	na			
	GASB 77	na			
6	Systems Planning (if applicable)				

Republic of Palau					
#	Task (What needs to be done?)	Who will lead?	When will it be done?	Comments and Notes	Questions
1	Government Presentations				Was there anything from the GFOA sessions or the IGFOA presentations that you should (or would like to) follow up on for your government?
	CAFR	RUTH	2018	PLAN AND CONSIDER PREPARING CAFR	
2	Financial Forecasting Model				If you wish to use the forecasting model, include the steps you need to do to follow up.
	SHARE TEMPLATE WITH BUDGET OFFICE			ALREADY HAVE SYSTEM IN PLACE	
3	Performance Measures				What measures do I need to start using? How are we going to use them?
	% OF UNSPENT FEDERAL FUNDS	CHIEF, GRANTS	12/1/2016		
	OUTSTANDING A/R	CHIEF, DF&A	12/1/2016		

REPUBLIC OF PALAU					
#	Task (What needs to be done?)	Who will lead?	When will it be done?	Comments and Notes	Questions
4	OMB Uniform Grant Guidance				What other steps does your government need to do to ensure that the UGG is fully implemented?
	INTERNAL CONTROL PROCEDURES	CHIEF, GRANTS	DEC 2016		
5	GASB Update				Note steps your government will need to take to ensure compliance with the new GASB pronouncements
	GASB 72	MASATO	9/30/16	DISCLOSE HOW VALUES WERE DETERMINED	
	GASB 74 & 75	N/A	9/30/18		
	GASB 77	DIRECTOR, TAX	09/30/18	DISCLOSE ANY TAX ABATEMENT	
6	Systems Planning (if applicable)				
	RESEARCH-ALTERNATIVE SYSTEM	CONRAD /MASATO	JULY 2016	IDENTIFY REQUIREMENTS & NEEDS	
	hire a project mgr				

Republic of the Marshall Islands					
#	Task (What needs to be done?)	Who will lead?	When will it be done?	Comments and Notes	Questions
1	Government Presentations				Was there anything from the GFOA sessions or the IGFOA presentations that you should (or would like to) follow up on for your government?
	1. Present to Secretary based on Budget Division	Budget	30-Jun-16		
	2. Consult with other division heads to acquire their position on replication within their port folios	Budget	30-Jun-16		
2	Financial Forecasting Model				If you wish to use the forecasting model, include the steps you need to do to follow up.
	Share with Budget and BCC	Budget	31-Jul-16	Buy In? arrange training 1 or 2 month	
	Allow additional evaluation			prior to next budget cycle	
3	Performance Measures			* remain within budget.	What measures do I need to start using?
	1. Complete of Personnel Evaluations	Budget		* recommended management tool	How are we going to use them?
	2. # Training hours per finance employee	Budget		* consult asst. sec.'s and acquire buy in	
	3. # of days on cash hand	Budget		* acquire local info/data and share update	

Republic of the Marshall Islands					
#	Task (What needs to be done?)	Who will lead?	When will it be done?	Comments and Notes	Questions
	4. % of unspent federal funds	Budget		* acquire local info/data and share update	
4	OMB Uniform Grant Guidance				What other steps does your government need to do to ensure that the UGG is fully implemented?
	Consult with current staff and acquire degree	Budget	ASAP	*detail of action plan determine after	
	of competence then develop action plan			staff interviews	
5	GASB Update				Note steps your government will need to take to ensure compliance with the new GASB pronouncements
	GASB 72				
	GASB 74 & 75				
	GASB 77				
6	Systems Planning (if applicable)				
	Selection (Assess potential systems)	Min./Sec.		Prospect mission scheduled for last	
	Hire Project Manager with Local counterpart			week of June	

Your Name and Government:					
#	Task (What needs to be done?)	Who will lead?	When will it be done?	Comments and Notes	Questions
1	Government Presentations				Was there anything from the GFOA sessions or the IGFOA presentations that you should (or would like to) follow up on for your government?
*	Improvement of Fixed Assets (this includes:)	DOF and P&P	4th Qtr 16	To improve audit findings	Accounting for and Capital Assets Management
*	Fixed Assets Policy	DOF and P&P	4th Qtr 16	To ensure departments comply with fixed assets policy	Accounting for and Capital Assets Management
*	Capital Assets Management Plan	B. Carty and DOF	FY17	Research plan other governments are using and build a plan for the GVI.	Accounting for and Capital Assets Management
*	CAFR Implementation	V. Collens/ DOF	FY17 Audit		CAFR Preparation
2	Financial Forecasting Model				If you wish to use the forecasting model, include the steps you need to do to follow up.

#	Task (What needs to be done?)	Who will lead?	When will it be done?	Comments and Notes	Questions
*	Follow up on the implementation of the forecast module for the GVI	DOF Commissioner & Chad Salvadore	FY17	To test the accuracy of this module	
*	Training relative perrsonnel at various departments on using the forecast module.	DOF Commissioner, Chad Salvadore & OMB	FY17	Departments can use this module to forecast their budgets when sending to OMB	
3	Performance Measures				What measures do I need to start using? How are we going to use them?
*	Division Performance Reviews	DOF Commissioner & Division Directors	FY17	Moving from Semi-annual to quarterly	Quarterly performance meausre reviews of operations
*	Employee Evaluations	Human Capital Division	FY17	Providing employees with status on their performance	Semi annual evaluations of employees
*	Cash Management Plan	Treasury Department	4th Qtr FY16	Finalization and implementation of Cash Management Plan	Completion of Cash Management Plan
*	Bank Reconciliations	Treasury Department	4th Qtr FY16	3 Full time employees to be hired 06/2017	Bank Reconciliations (hiring addt'l staff & electronic bank statements)
*	Fixed Assets Management	B. Carty	FY18	For better comprehensive accountability and tracking of assets for financials. Possible Capital Assets Department at DOF	Fixed assets done on quarterly basis

#	Task (<u>What</u> needs to be done?)	<u>Who</u> will lead?	<u>When</u> will it be done?	Comments and Notes	Questions
4	OMB Uniform Grant Guidance				What other steps does your government need to do to ensure that the UGG is fully implemented?
*	More training and follow up for FGMU and Federal Grants Managers	Graduate School & FGMU	FY17		
*	Making sure guidelines are followed for issued grants.	FGMU	FY17		Ethics committee need to be put into place
*	SF425	FGMU	FY17		Record keeping of SF425 filed by departments.
5	GASB Update				Note steps your government will need to take to ensure compliance with the new GASB pronouncements
	GASB 72				
	GASB 74 & 75				
	GASB 77				
6	Systems Planning (if applicable)				

ATTACHMENT 18: CONFERENCE EVALUATIONS

Government Finance Officers Association (GFOA) Conference Island Government Finance Officers' Association (IGFOA) Meeting

Pacific Islands Training Initiative Virgin Islands Training Initiative

Toronto, Ontario, Canada

May 22 – 27, 2016

EVALUATION SUMMARY (27 Evaluations Submitted)

To ensure that conferences and meetings that the Graduate School USA conducts for the PITI and VITI programs are as responsive as possible, please take a few minutes to fill out this evaluation. Your input and comments will be very useful to us in planning future events.

On a scale of 1 - 5, with 5 being the highest score and 1 being the lowest score, please rate the GFOA Conference and IGFOA Meeting by circling the appropriate number.

GFOA Conference

- 1) The GFOA Conference sessions were relevant and timely.

Strongly Agree	Agree	Neutral	Disagree	Strongly Disagree
(67%)	(33%)	(0%)	(0%)	(0%)

Score: 4.7

- 2) What sessions of the GFOA Conference would you suggest should be followed up by PITI/VITI through training and/or other types of seminars?

- Grants Management, Revenue Forecasting, Budgeting Best Practice, Preparing Financials, How to build a finance office
- Forecasting 2.0, Grants management with emphasis on cooperative and sub-recipient agreements
- Revenue forecasting and budget process offered insights on what we can do back home that will be beneficial in the work we do
- Lean Finance
- Accurate Forecasting IT Guide for Finance
- General Session – How to control millennials in the workforce
- I can't think of one. We covered the areas I was interested in IGFOA. I would say capital assets but I know what to do thanks to the GFOA workshop. The class reiterated what I should do
- Everything that was relevant and important to the different Island government were covered by IGFOA
- The Grants Management
- GASB Updates, Grants Management
- Capital Assets Accounting and Management
- Budget Process
- How to build a finance office, The value of transparency, A financially resilient organization in a risk aware organization, Good governance and management, Budget 101
- The value of transparency
- Keeping policies and procedures up to date, Take the puppy-raise the dog, Effectively managing grants
- Cost cutting in small organizations session
- How to build a finance office, the value of transparency, Good governance and management of growing municipalities, Using cash flow forecasting to support fiscal sustainability, Capital budgeting for short term assets, Cost cutting in small organizations, Putting it all together, Preparing the financial statements, Budget process 101
- Grants session
- Financial transparency in the government
- Budget process session,
- QBS vs. RFP

IGFOA Meeting

- 3) The IGFOA meeting sessions were relevant and timely.

Strongly Agree	Agree	Neutral	Disagree	Strongly Disagree
(70%)	(30%)	(0%)	(0%)	(0%)

Score: 4.7

- 4) The meeting's objectives were substantially met.

Strongly Agree	Agree	Neutral	Disagree	Strongly Disagree
(67%)	(33%)	(0%)	(0%)	(0%)

Score: 4.7

- 5) Logistics for bringing participants to and from Toronto were handled satisfactorily.

Strongly Agree	Agree	Neutral	Disagree	Strongly Disagree
(67%)	(29%)	(4%)	(0%)	(0%)

Score: 4.6

- 6) The IGFOA meeting site (St. Andrew's Club & Conference Center) was comfortable and conducive to the meeting.

Strongly Agree	Agree	Neutral	Disagree	Strongly Disagree
(67%)	(33%)	(0%)	(0%)	(0%)

Score: 4.7

- 7) Support services by the Graduate School USA staff during the meeting were handled well and in a timely manner.

Strongly Agree	Agree	Neutral	Disagree	Strongly Disagree
(78%)	(22%)	(0%)	(0%)	(0%)

Score: 4.8

- 8) What sessions of the IGFOA Meeting were the most relevant and meaningful to you?

- Recruiting and Retaining Staff, Banking Technology, GASB, Financial Transparency
- Island Government Presentations (differences & similarities)
- Forecasting the Road Ahead, Financial forecasting model and Uniform Grant Guidelines, Financial Officers' guide to revisions, updates and implementation challenges
- Financial Forecasting and Grant Management and Acquire New FMS
- Financial forecasting model, Government Presentations, Putting Finance Office Performance Measures and Best Practices to good use
- Financial Forecasting Model
- Forecasting Revenue / Expenditures, GASB updates were relevant too
- All of them being new and interesting. All were meaningful and relevant
- Grant presentation by David, Forecasting by Chad
- Using cash flow projections
- Financial forecasting session
- Performance Measures, Revenue Projection Model, Best Practices Panel
- Acquiring a new self-service system (Debbie Milks)
- Performance Measurement, Financial Forecasting Model
- Forecasting the road ahead, Financial Forecasting Model
- Forecasting Model, Performance Measures / IT tips
- Performance Measures and Forecasting Model

- Grants Uniform Guidance, GASB Updates
 - Breakout sessions
 - Uniform Grant Guidelines
 - They were all meaningful to me
 - Grants Management Internal Controls
 - Grant sessions and working with the action plan to satisfy audit issues / concerns
 - Financial Forecasting
 - Financial Forecasting Model
- 9) What are the two most important items that you learned during the week, and how will you apply each when you return home?
- 1) Budgeting for outcomes strategies – improve goal planning and citizen communication. 2) Revenue Projection Model – Use the model to track cash flow and Budget to Actual revenues
 - The updated template for the financial forecasting model – collect historical data to better forecast our revenues. Implementing more office performance measures to better meet our requirements and to see what areas we need to improve in
 - How to build a finance office from budget to accounting: Getting out front, Stopping fraud before it starts/nowhere to hide, detecting and investigation fraud, What to look for and detect before start
 - Requirement of supercircular- able to work on internal control procedures for processing and monitoring grants
 - CAFR – correlates to bond rating. Internal controls
 - The forecasting template will be used to project on weekly/monthly cash flow. GFOA sessions discussion. I'll be able to share with my staff some of the things I learned at the GFOA sessions
 - Newly revised forecasting model is a good and simple model which I think can be incorporated with our existing model to provide a better picture of rev, exp, etc.
 - Uncertainty: You can never be certain with anything and so you just have to be prepared for the worst. Financial Forecasting: To relieve/ease stress during year-end....rely on communication, reliable information and timelines

- 1) IT policies – do follow-up 2) Uniform Grant Guidelines
 - General Session – How to build a finance office, fraud
 - Needs analysis – All section heads will provide section requirements, project managers to organize system team leaders and have regular meetings
 - Managing grants effectively (take puppy, raise the dog), Detecting fraud
 - Technical of cash flow forecasting, will discuss with relevant officials for replicating. The panelist sessions provided valuable best practices that can be replicated at home
 - Performance measures and follow thru tasks. Internal controls
 - (GFOA) Long Haul- capital assets; use steps and tips to tackle fixed assets in time for year-end closing or at least before the 2016 audit
 - The importance of meeting deadlines for grant reporting
 - Don't take the budget for granted. Grant funds should be handled right
 - GFOA sessions – banking technology; GASB updates; Grant Management
 - Quarterly reporting in preparation for financial audit to better meet deadlines; Running a tight ship; making internal audit work for you
 - Staying ahead of curve ball – GASB development
 - Performance Measures, since it evaluates the organization efficiency. It will be very useful and used as specified on action plan. Finance Forecast, also based on action plan and will be shared with all relevant staff and counter parts
 - Finance Forecast
 - Meaningfully predict future revenue and expenses so we can better plan for the future
- 10) What sessions or aspects during the week were the least relevant and meaningful to you?
- Grants and Auditing since it's not in my field
 - GASB Updates (least relevant)
 - Grants - not relevant to my position
 - GASB Updates
 - All sessions at both GFOA and IGFOA were relevant. The only hard part was the jet lag.
 - Fraud – stopping, detecting and high t

- All of them are relevant , but the government update needs to be more meaningful
 - Grants Management and Financial Forecasting are relevant to our areas
 - All were meaningful
 - Update on uniform grant findings and assist all agencies to comply. Improve n the implementation and challenges of grants and work, collaborating with stakeholders
 - I believe all the sessions were meaningful and relevant to the work that I do
 - The session on GASB
 - None
- 11) Please provide any other comments concerning the GFOA Conference and the IGFOA Meeting that will make future conferences and meetings more meaningful and enjoyable.
- I enjoyed the segregation of topics in separate rooms. It gave a better focus on questions and answers for each island. Enjoyed the GFOA conference with differ comparisons of finance
 - More best practice panelist sessions
 - GFOA and IGFOA was great and educational. I learned a lot and I also enjoyed myself
 - I want to thank Grad School for making our trip and meeting successful
 - Planning was excellent
 - Short power point presentation for each discussion panelist. Guam did a good job!
 - Include more generation (boomers, x, y) sessions
 - More best practices from GFOA
 - Thank you for a successful conference
 - 1) For next GFOA, if participants hear about events at the GFOA location, please let everyone know. We wanted to attend Beyonce's concert too. 2) Schedule Frank Crawford for the AM
 - Schedule our good friend Frank in the morning sessions
 - Schedule Frank in the morning sessions
 - Include sessions on presentation of financial information to non-financial stakeholders. How to interpret financial statement

- Need more participants since wide coverage in short time
- We need to involve relevant people, accountants and budget staffs – (IGFOA). High level management people should attend the GFOA meetings (policy makers)
- Update with midterm follow-up. Provide recommendations to enhance program
- Have other event happening in the area, like Beyonce concert, available or shared with the other attendees
- Thank you Graduate School for a well organized IGFOA

ATTACHMENT 19: CONFERENCE PARTICIPANT LIST

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