



22nd BIENNIAL

Forum of Government Auditors
Leading in an Evolving Audit Environment



May 9-10, 2018
The Antlers, A Wyndham Hotel
Colorado Springs, Colorado

Welcome



Photo: Colorado Springs, Garden of the Gods Park (CC0 Creative Commons).

May 9, 2018

Dear Biennial Forum participants:

Welcome to the 22nd Biennial Forum of Government Auditors. We are pleased to offer the accountability community an important opportunity to learn, share best practices, and make contacts for knowledge sharing and to strengthen the public-sector auditing profession.

The theme of this year's Biennial Forum is "Leading in an Evolving Audit Environment." Today's audit environment is rapidly evolving due to technology and other trends as well as responses to natural disasters. Gene L. Dodaro, Comptroller General of the United States, head of the U.S. Government Accountability Office (GAO), and Chair of the National Intergovernmental Audit Forum's (NIAF) Executive Committee, will open the Forum with a discussion of trends and challenges in government accountability.

We are also pleased to feature a keynote address from Steve Ballmer, founder of USAFacts, Chairman of the Los Angeles Clippers, and former CEO of Microsoft, who will speak on "USAFacts: Government by the Numbers." Our program includes presentations on transformational initiatives in oversight, current issues in cybersecurity and technology, and behavioral ethics. We offer a series of related sessions in two distinct tracks: the Changing Audit Environment and Auditing Tools.

The Biennial Forum is co-hosted by the National Intergovernmental Audit Forum and the Mountain and Plains Intergovernmental Audit Forum, which represents auditors in Colorado, Montana, North Dakota, South Dakota, Utah, and Wyoming. The event is being held at The Antlers Hotel in beautiful Colorado Springs, Colorado. Colorado Springs is home to the U.S. Air Force Academy and the U.S. Olympic Committee Headquarters, and is adjacent to majestic scenery including Pike's Peak and the Garden of the Gods.

The 22nd Biennial Forum provides a unique opportunity for professionals from all levels of government, as well as others in the accountability community, academia and the private sector, to come together to learn, collaborate, and share best practices that will provide the skills and experience needed to help navigate the future. I am pleased to welcome you to the Biennial Forum and to Colorado Springs, and wish you the best for an enjoyable visit and a successful and informative meeting.

Best regards,

Steve Gaty
Chair, Mountain and Plains Intergovernmental Audit Forum

Agenda



Photo: The Antlers, A Wyndham Hotel (CC0 Creative Commons).

TUESDAY, MAY 8, 2018 The Antlers, A Wyndham Hotel

- | | |
|----------------|--|
| 4:00 - 7:00 pm | REGISTRATION (Hotel Lobby) |
| 5:00 - 7:00 pm | WELCOME RECEPTION (Piccadilly lounge, The Antlers) |

WEDNESDAY, MAY 9, 2018 The Antlers, Summit Ballroom

- | | |
|----------------|--|
| 7:00 - 8:00 am | REGISTRATION (Summit Ballroom) AND BREAKFAST (Heritage Ballroom) |
| 8:00 - 8:40 am | OPENING CEREMONIES AND WELCOME |
| 8:40 - 9:30 am | <p>KEYNOTE ADDRESS: Trends and Challenges in Government Accountability</p> <p>Gene L. Dodaro, Comptroller General of the United States</p> <p>Learning Objectives: Learn about the domestic and global trends influencing government, society, and the accountability community. The Comptroller General will review eight key trends outlined in GAO's Strategic Plan 2018-2023 and discuss their importance for leading and managing in a dynamic and rapidly changing environment. Topics include evolving global conditions and the challenges they pose for U.S. and international security; the federal government's unsustainable long-term fiscal path; challenges posed by divergent economic growth; educating and preparing the workforce of the future; demographic changes affecting people and society; harnessing the potential of science and technology; challenges and opportunities associated with complex governance; and balancing natural resource development and sustainability with economic growth.</p> |

Moderator: Steve Gaty, Chair, Mountain and Plains Intergovernmental Audit Forum

9:30 - 9:50 am

NETWORKING BREAK

9:50 - 11:05 am

Current Trends in Technology: Cybersecurity, Blockchain, Artificial Intelligence—What are the Implications for Auditors?

Dr. Timothy M. Persons, Chief Scientist, U.S. GAO

Learning Objectives: The pace and complexity of technology trends pose both challenges and transformational opportunities for the intergovernmental accountability community. The threat from increasingly sophisticated cyber attacks is significant and continues to evolve with very damaging consequences. Blockchain technology provides the basis for the exponential increase in the value of cryptocurrencies such as bitcoin, and various sectors are evaluating the use of such technology for their operations. The audit environment must balance efficiencies gained through automating audits with risks posed by this new technology in crafting new audit approaches. Data analytics has transformed auditing and trends in artificial intelligence will further accelerate the ability to recognize and act on complex patterns. In future developments, machine learning is expected to enable auditors in assessing large volumes of data so as to generate new insights and flag anomalies which require more detailed audit attention. By further outlining each of these key technology trends, this session will enable government auditors to stay abreast of important new developments and consider new audit strategies posed by technology for today's current and future audit environment.

Moderator: **Nancy Donovan**, Director of Domestic Relations, Strategic Planning and External Liaison, U.S. GAO

11:05 -11:20 am

NETWORKING BREAK

CONCURRENT SESSION TRACKS (Summit Ballroom; Heritage Ballroom)

Changing Audit Environment Track A: These sessions will focus on the changing landscape in the world of auditing. From a discussion of the complexity of audits in Medicaid to large scope audits on how to work intergovernmentally on disaster relief efforts, these sessions are designed to provide information about how auditing has evolved and how to approach these changes.

Auditing Tools Track B: These sessions will offer tools auditors can use to strengthen their skillset. Whether you are a new auditor or a leader of your organization, these sessions will provide information to enhance knowledge on the following topics: critical thinking, data analytics, and cybersecurity.

11:20 am - 12:10 pm

CONCURRENT SESSION A (Summit Ballroom)

Changing Audit Environment Track:
Auditing Medicaid: Opportunities and Challenges

Gloria L. Jarmon, Deputy Inspector General for Audit Services, Office of Inspector General, U.S. Department of Health and Human Services

Kip Memmott, Audits Director, Oregon Secretary of State

Learning Objectives: This session will highlight the challenges of auditing a program with the size and complexity of Medicaid. While the challenges are many, opportunities do exist to lower improper payments, particularly if there is increased collaboration between federal, state, and local audit organizations. In this session, an HHS OIG official will discuss the work performed at the federal level on Medicaid. A state audit director then discuss the results of a recent Medicaid audit conducted by his office. Speakers will explore efficiencies that could be gained by closer collaboration and cooperation of audit efforts. Attendees will learn how to apply innovative audit techniques to identify improper payments in large dollar, complex programs and also about ways federal, state and local government auditors can work collaboratively to conduct audits more effectively.

Moderator: **R. Kinney Poynter**, Executive Director, the National Association of State Auditors, Comptrollers and Treasurers

CONCURRENT SESSION B (Heritage Ballroom)

Auditing Tools Track:
Critical Thinking: Problem-Solving Skills for Auditors

Nancy Campbell, Chief Thinking Officer, LeaderFuelNow

Learning Objectives: Want to be a better problem-solver in conducting your audit work? This session will help you manage your thinking to become a better problem-solver to avoid missing elements that may change your outcome. Learn differences, if any, between problem-solving and decision-making and why this is an important issue in audit work. Discover how to use problem statements to create clarity that helps resolve scope creep. In just 50 minutes, this speaker will help you re-think your problem-solving approach and take it to the next level. According to the speaker, “A good solution to the wrong problem is a bad solution.”

Moderator: **Beth León**, Director, Audit, Inspection, and Evaluation Academy, Training Institute, Council of the Inspectors General on Integrity and Efficiency (CIGIE)

12:10 - 12:30 pm

DAVID M. WALKER EXCELLENCE IN GOVERNMENT PERFORMANCE AND ACCOUNTABILITY AWARDS AND SPECIAL PRESENTATION TO RONALD L. JONES, RETIRING NIAF VICE CHAIR (Summit Ballroom)

Gene L. Dodaro presents awards to:

Federal – **Elliot P. Lewis**, Assistant Inspector General for Audit, Office of the Inspector General, U.S. Department of Labor

State – **Tina Kim**, Deputy Comptroller, Division of State Government Accountability, New York State Comptroller Office

Local – **Harriet Richardson**, City Auditor, Palo Alto, California

12:30 - 1:30 pm

LUNCH (Heritage Ballroom)

1:30 - 2:20 pm

CONCURRENT SESSION A (Summit Ballroom)

Changing Audit Environment Track:
Large Scope Audits

Ben Thompson, Deputy Auditor, King County, Washington

Learning Objectives: This session will discuss strategies to scope and plan audits reviewing broad topics. The speaker will discuss his experiences auditing large issues. He will provide insights on how to avoid large issue audits - when possible - and how auditors can still affect significant issues. Attendees will learn how to balance efforts needed to answer objectives with the impact of the audit's findings. They will also learn how to design an effective scope on broad topics and apply lessons learned to avoid large issue audits.

Moderator: **Margarita Fernández**, Chief of Public Affairs, California State Auditor's Office

CONCURRENT SESSION B (Heritage Ballroom)

Auditing Tools Track:
Innovative Data Analytics

Katja Freeman, Audit Manager, City and County of Denver, Colorado

Sam Gallaher, Data Analytics and Methodology Specialist, City and County of Denver, Colorado

Learning Objectives: This presentation will begin with an example of how to tie together various analytical tools to identify risks, inform audit teams, and conduct audit testing—specifically, the use of Arbutus (similar to ACL), Power BI, and Python to investigate Purchase Card spending. Next, the speakers will discuss the integration of continuous auditing into the regular audit process, specifically its use as a risk assessment tool and its capability to

shorten regular audit fieldwork. As part of this section, the speakers will also discuss the challenges of complying with GAGAS standards when conducting continuous audit work. The presentation will conclude with a discussion of the key challenges faced by an audit shop to build up its analytical capabilities.

Moderator: **Timothy M. O'Brien**, City Auditor, City and County of Denver, Colorado

2:20 - 2:35 pm

NETWORKING BREAK

2:35 - 3:50 pm

CONCURRENT SESSION A (Summit Ballroom)

Changing Audit Environment Track:
Auditing Disaster Relief and Recovery Efforts

Chris Currie, Director, Homeland Security and Justice, U.S. GAO

Sam Atkinson, Director of Special Projects and Audit Response, Mississippi Office of the State Auditor

Leslie Wilks, Chief Assistant County Auditor, Audit Division, Harris County, Texas

Learning Objectives: This session will highlight the intergovernmental efforts currently occurring between federal, state and local government auditors regarding disaster relief funds for 2017 natural disasters, including hurricanes Harvey, Irma, and Maria as well as the California wildfires. Billions of dollars in relief funds from Congress are forthcoming. How can auditors at all levels of government prepare to ensure that these funds are spent appropriately and in the most efficient manner? Attendees will learn the answers to this question, along with best practices from audits of prior disasters, notably Hurricane Katrina.

Moderator: **R. Kinney Poynter**, Executive Director, the National Association of State Auditors, Comptrollers and Treasurers

CONCURRENT SESSION B (Heritage Ballroom)

Auditing Tools Track:
Security Auditing in an Unsecure World—Things Auditors Should Know

Rick Gamache, Senior Consultant, BerryDunn

Dale Rickard, IT Audit Supervisor, Colorado Springs Office of the City Auditor

Learning Objectives: This session will explore why we tend to avoid cybersecurity audits and how to overcome the apprehension of performing them. Speakers will discuss strategies that help auditors

perform successful audits even without a technical background and provide real world examples of how security audits could have prevented breaches. Attendees will learn how to approach security audits with improved confidence and skills. In addition, attendees will learn about the NIST Cybersecurity Framework, including a non-technical perspective of the framework and how to not be intimidated by it.

Moderator: **Dr. Chris Horton**, County Auditor, Arlington County, Virginia

3:50 - 4:05 pm

NETWORKING BREAK

4:05 - 4:55 pm

Behavioral Ethics for Auditors (Summit Ballroom)

James Lager, Deputy Ethics Counselor, Office of General Counsel, U.S. GAO

Learning Objectives: Many of the rules and standards governing auditing are intended to prevent bias from affecting audit results. While an independent auditor is usually an ethical auditor, codes of conduct, rule-based admonitions, annual ethics training, and the like have not been entirely effective in encouraging ethical behavior among auditors or those audited. In addition, research has shown the inadequacy of taking a carrot and stick approach. To encourage ethical behavior, we need to understand how people actually make ethical decisions, and the systems and circumstances that are obstacles to our ethical conduct and of those we audit. In this session, GAO's Deputy Ethics Counselor will introduce important foundational principles of cognitive and moral psychology and discuss insights from behavioral ethics research that can help auditors a) maintain independence, b) predict situations where unethical conduct is more likely to occur in the government programs and operations they examine, and c) design internal control and other systems that are more likely to encourage ethical, and not just compliant, results.

Moderator: **Nancy Donovan**, Director of Domestic Relations, Strategic Planning and External Liaison, U.S. GAO

4:55 - 5:05 pm

ADJOURNMENT

5:30 - 7:30 pm

MAIN RECEPTION (Colorado Springs Pioneers Museum)

THURSDAY, MAY 10, 2018
The Antlers, Summit Ballroom

7:00 - 8:00 am

REGISTRATION (Summit Ballroom) AND BREAKFAST (Heritage Ballroom)

8:00 - 8:50 am

KEYNOTE ADDRESS: Opportunities in an Evolving Audit Environment

Dianne E. Ray, Colorado State Auditor

Learning Objectives: In this session, State Auditor Dianne Ray will address various ways of responding to the changes in the auditing world. She will discuss new and different approaches to performing audits. She will also share how by using an alternative focus, auditors can reach new audiences with the work we all do. Finally, she will discuss how to create new reports in an efficient way using minimal costs. Attendees will walk away with a better understanding of the opportunities to take advantage of auditing in an evolving environment.

Moderator: **Steve Gaty**, Chair, Mountain and Plains Intergovernmental Audit Forum; Denver Field Office Manager, U.S. GAO

8:50 - 9:05 am

NETWORKING BREAK

9:05 - 9:55 am

Current Issues in Cybersecurity

Rhonda Plantenga, Managing Director, BKD, LLP

Learning Objectives: Cybersecurity techniques are important to protect the cyber environment from attacks. This session will explore security risks and threats to organizations relevant to auditors today. The speaker will discuss the current trends in cybersecurity and advancements in the industry as it relates to auditing. Attendees will learn tangible strategies for protecting data and information and how to prepare for, survive, and recover from a data breach.

Moderator: **Christopher J. Telli**, Partner, BKD, LLP

9:55 - 10:10 am

NETWORKING BREAK

10:10 - 11:00 am

KEYNOTE ADDRESS: Transformational Initiatives in Oversight and High Profile Audits

Michael E. Horowitz, Inspector General of the U.S. Department of Justice and CIGIE Chair

Learning Objectives: Improving public access to independent and authoritative information about the Federal Government will be discussed. Oversight.gov consolidates in one place all public reports from Federal Inspectors General (IGs) in order to improve the public's access to independent and authoritative information about the Federal Government. The site includes a publicly accessible, text searchable repository of reports published by IGs. Other topics will include conducting high-profile audits. This session will provide the audience with a better understanding of how the accountability community

can more clearly communicate its work to the public and to audit organizations at different levels of government and issues entailed by conducting high-profile audits.

Moderator: **Nancy Donovan**, Director of Domestic Relations, Strategic Planning and External Liaison, U.S. GAO

11:00 - 11:15 am

NETWORKING BREAK

11:15 am - 12:05 pm

KEYNOTE ADDRESS: USAFacts: Government by the Numbers

Steve Ballmer, Founder of USAFacts, Chairman of the Los Angeles Clippers, and Former CEO of Microsoft

Learning Objectives: In this session, Mr. Ballmer will discuss the creation and evolution of USAFacts, a new data-driven portrait of the American population, government's finances, and government's impact on society. Based on publicly available government data, USAFacts is designed to spur informed debate on the purposes and functions of government. In addition to advanced data visualization, this initiative is also characterized by partnerships with academic institutions and uses the Penn Wharton Budget Model. This keynote speaker will also discuss the latest reports issued by the USAFacts initiative, including the 2018 Annual Report and 10-K for government, which provide consolidated information on trends across the country. Audience members will gain a clear sense of an important private sector initiative which illuminates the current trend towards data transparency for the U.S. citizenry.

Moderator: **Gene L. Dodaro**, Comptroller General of the United States

12:05 - 1:05 pm

LUNCH (Heritage Ballroom)

1:05 - 1:55 pm

Economic Report: What Lies Ahead for Auditors

Jeff Romine, Chief Economist, City and County of Denver

Learning Objectives: What are the economic trends and emerging issues facing the U.S. and its state and local governments? What impacts will the new tax legislation have on state and local governments? What is the trend for state and local government pension (and other post-employment benefits) liabilities? Are tax revenues declining? If grant funds from the federal government are reduced, how will state and local governments cope? How will critical infrastructure needs be addressed? Attendees will gain insights into these areas and obtain a general understanding of the most significant issues impacting our governments' budgets.

Moderator: **Timothy M. O'Brien**, City Auditor, City and County of Denver

1:55 - 2:10 pm

NETWORKING BREAK

2:10 - 3:00 pm

Auditing for Governing: The People We Serve

Ron Elving, Senior Editor/Correspondent, National Public Radio News

Learning Objectives: In presenting on Auditing for Governing, the speaker will discuss how to best understand the voting public, and to examine what they believe and what they want. Given increasing attention to trends in citizen engagement and participation, the audience will benefit from a reexamination of tools for gathering and assessing public opinion and attitudes towards government.

Moderator: **Luis Escalante**, Jr., Executive Director, National Intergovernmental Audit Forum, U.S. GAO

3:00 - 3:15 pm

NETWORKING BREAK

3:15 - 4:05 pm

Ethics for Auditors

Kent Noble, Bill Daniels Chair of Business Ethics, University of Wyoming

Learning Objectives: Ethics are an important part of auditing standards. In this session, participants will undertake a guided self-evaluation exercise to consider various aspects of their personal ethics. Participants will learn the importance of ethical characteristics including integrity, attitude, and grit. Finally, participants will be invited to take part in a self-reflective “66-day challenge” to implement course principles.

Moderator: **Pam Robinson**, Public Funds Administrator, Department of Audit, State of Wyoming

4:05 - 4:15 pm

ADJOURNMENT

Steve Gaty, Chair, Mountain and Plains Intergovernmental Audit Forum

Information



Photo: The Antlers, A Wyndham Hotel (CC0 Creative Commons).

Meeting Attire

Business casual attire is appropriate for all meeting activities including evening receptions. Since meeting room temperatures may vary, you may want to bring a sweater or jacket to all sessions.

Main Networking Reception – Colorado Springs Pioneers Museum

Please note that the Forum will provide limited shuttle transportation between The Antlers and the Colorado Springs Pioneers Museum on Wednesday, May 9. The Museum is a short walk from The Antlers at 215 S. Tejon Street. Please stop by the registration desk if you have any questions.

Continuing Professional Education (CPE)



The 22nd Biennial Forum of Government Auditors offers 14 CPE credits. There is no prerequisite or advance preparation for this meeting. All sessions are presented in the group-live format with no self-study required. To receive CPEs, all attendees must sign in at the registration desk. The Forum will email all attendees an electronic evaluation at the end of the meeting. Attendees will be able to download their CPE form upon completion of the evaluation. Please use this form to self-certify those sessions you attended, enter the total number of CPEs on the form, and return the form to the office responsible for certifying CPEs in your agency or organization.

The Colorado Springs Office of the City Auditor, 107 N. Nevada Ave., Suite 200, Colorado Springs, CO 80903 is the official continuing professional education (CPE) sponsor of the 22nd Biennial Forum of Government Auditors. The Colorado Springs Office of the City Auditor is registered with the National Association of State Boards of Accountancy (NASBA) as a CPE sponsor on the National Registry of CPE Sponsors, ID Number 109183.

Final Agenda, Speaker Biographies, and Speaker Presentations

The Final Agenda, Speaker Biographies, and Speaker Presentations (when permitted) are posted on the registration website and can be downloaded prior to the meeting (www.regonline.com/niaf22ndbiennialforum). The Forum will not distribute copies of the speakers' biographies and presentations at the meeting.

Name Badge Policy

Please remember to wear your name badge during all Forum sessions and activities. This allows you to access meeting events. Your badge is proof of registration; without it, you will not be allowed to participate in any meeting activities.

Policy on Use of Electronic Devices

As a courtesy to speakers and attendees, please refrain from using mobile phones or other electronic devices that may be disruptive for speakers during their presentations. We ask that you turn off these devices or set them to vibrate only and wait until networking breaks to return calls or respond to messages.

No Smoking Policy

Smoking is not permitted within The Antlers Hotel. Please visit the registration desk to obtain information on designated smoking areas outside of the building.

Special Assistance

If you need assistance during the Forum, please visit the registration desk or ask any of the Forum staff for help. Assistance for attendees with disabilities is also available through the Forum staff.

Special Dietary Meal Requests

We cannot guarantee special meal requests; however, we will make every attempt to accommodate your needs. Please see the staff at the registration desk to make your request.

Evaluation Forms

We welcome your comments on the Forum sessions, facilities, and other aspects of the meeting. We would appreciate your help in improving future Biennials by completing an electronic evaluation to be e-mailed after the meeting.

More Information About Colorado Springs, Colorado

For more information, visit <https://www.visitcos.com/>

In Appreciation

The National Intergovernmental Audit Forum (NIAF) and the Mountain and Plains Intergovernmental Audit Forum (MPIAF) extend sincere appreciation to the following individuals for their generous contributions in planning and coordinating the 22nd Biennial Forum of Government Auditors.

Biennial Forum Co-Chairs

James-Christian Blockwood

Managing Director
Strategic Planning and External Liaison
U.S. GAO

Steve Gaty

Chair, MPIAF
Denver Field Office Manager
U.S. GAO

Biennial Planning Committee

Juanita A. Aiken (Chair)

Program Analyst
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Nancy Donovan

Director of Domestic Relations
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Jenny Wong

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Luis Escalante, Jr.

Executive Director, NIAF
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Biennial Program Committee

Steve Gaty (Co-Chair)

Jenny Wong (Co-Chair)
U.S. GAO

Lisa C. Hansen

Vice President of Governance and Policy
U.S. Department of Energy
Western Area Power Administration

Tina Adams

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Assistant IG for Audit
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Chair, Federal Audit Executive Council

Pam Robinson

Public Funds Administrator
Wyoming Department of Audit

Margarita Fernández

Chief of Public Affairs
California State Auditor's Office

Christopher J. Telli

Partner
BKD, LLP

The Biennial Forum extends a special "thank you" to the following GAO staff for their supportive efforts to the 22nd Biennial:
Beryl H. Davis, Heena R. Patel, Gregory A. Borecki, Shauntice L. Murphy and Christina M. Lilly.



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www.auditforum.org