



# DEVELOPING AND ADMINISTERING INTERNAL CONTROLS FOR BOND ACCOUNTABILITY

**September 5, 2019**

**Holiday Inn Sacramento Downtown – Arena  
300 J Street  
Sacramento, California 95814**

## **Agenda**

This one-day seminar focuses on a framework for developing and administering an internal control system to account for and report on the expenditure of bond proceeds. The seminar focuses on the principles of a control system to provide for the prudent management and disbursement of public funds and applies these to bond administration. The program will incorporate tools developed by the Task Force on Bond Accountability convened by the State Treasurer's Office.

**8:00 AM     Registration and Continental Breakfast**

**8:30 AM     Welcome and Opening Remarks**

### **SESSION ONE**

**8:45 AM     Risk Assessment for Your Agency – What Can Go Wrong?**

Organizations, depending on their size, sophistication, purpose and financing structure, are exposed to different types of risks when it comes to safeguarding bond proceeds. This session will help you to identify and assess the risks within your agency and clearly define your agencies objectives in mitigating those risks. The unique challenges posed by conduit financings for both the conduit issuer and obligor will be also discussed.

**9:45 AM     Break**

### **SESSION TWO**

**10:00 AM    Developing Policies, Practices and Procedures – How to Manage Risks?**

Once the risk assessment for bond fund accountability has been determined, an agency must develop policies, procedures and practices to mitigate those risks. During this session, speakers will discuss the methods their agency used to document the roles and

responsibilities of their agency's staff for the administration of bond funds before, during and after issuance. A discussion will include processes used to ensure that the appropriate accounting and fund structures are in place to account for and track all bond funds.

### **SESSION THREE**

#### **11:15 AM     Determining Staffing and Training Needs – Who Should be Involved?**

Now that your agency has assessed your risks and developed policies to mitigate those risks, a workload analysis must be performed to determine the staffing and training needs for those involved in the process. This session will provide you with the tools needed to determine who should be performing the tasks outlined in your procedures, how to ensure segregation of duties, and what amount of oversight should be maintained. Whether or not certain responsibilities should be outsourced and how to ensure effective oversight of those responsibilities will also be addressed.

#### **12:30 PM     Luncheon for All Attendees and Speakers**

### **SESSION FOUR**

#### **1:30 PM     Ongoing Monitoring and Oversight – When to Review and Update Practices and Procedures?**

You have your policies and procedures in place, you've determined who needs to be involved in the process and training has been accomplished. Who will be responsible for this oversight, should an oversight committee be established or should agency staff provide oversight? Should the agency provide annual reports to the taxpayers to account for the expenditure of bond funds? How often should staff attend refresher training and who ensures that new staff is trained? This session discusses the ongoing monitoring and oversight needed to ensure the effectiveness of your agency's control system and how to ensure its efficacy as new risks are discovered.

#### **2:45 PM     Break**

### **SESSION FIVE**

#### **3:00 PM     Using the Checklists Developed by the Task Force**

The Task Force developed best practice checklists to assist agencies to determine their unique profile and internal control needs, develop and maintain the processes required to ensure compliance with their established policies, and to assess, evaluate and monitor the effectiveness of their internal controls. This session will walk participants through the use of these checklists.

#### **4:30 PM     Close of Workshop**

**SPEAKER PANEL:**

***Moderator: Jay Goldstone***, Co-Chair of the Task Force on Bond Accountability

***Marlene Drinkwine***, Vice President of Business Services, Long Beach Community College

***Nick Kolitsos***, Audit Principal, California State Auditor

***Brian Mayhew***, Chief Financial Officer, Metropolitan Transportation Commission

***Annette Yee***, Managing Director, Montague DeRose and Associates

School Board Member, Carmel Unified School District

**RECOMMENDED READING:**

[Task Force on Bond Accountability, Task Force Final Report- December 14, 2015](#)