


MEMORANDUM

From: Kenneth A. Johnson 
Chief Financial Officer, U.S. Securities and Exchange Commission

Subject: U.S. Securities and Exchange Commission's (SEC) FY2016 Conference Report

Date: January 5, 2017

Office of Management and Budget (OMB) memorandum M-12-12, as amended by memorandum M-17-08, requires federal agencies to issue an annual report related to its conference-related expenditures for the previous fiscal year. This document constitutes the SEC's report for Fiscal Year (FY) 2016.

The SEC has put in place policies and procedures governing the approval and use of agency funds for conference expenses, to ensure that such spending is legal, reasonable, and in furtherance of the agency's mission. At a high level, the major steps in this process are as follows:

1. All SEC division/office requests to spend money on hosting a conference must be approved by the division/office head or his/her designee. Divisions and offices are required to use SEC facilities for such events whenever possible, to minimize space rental and equipment costs. In order to limit expenses for meals or refreshments, the SEC uses per diem rates established for the federal government as the ceiling for any such costs, except when higher rates are unavoidable or otherwise justified. In addition, whenever an expense is projected to exceed \$1,000, organizers are required to obtain quotes from multiple vendors, so as to secure the best value for the government.
2. When a request for funds is necessary and has received approval from the division/office head, it is reviewed by staff in the Office of Financial Management (OFM) to ensure the expenses are permissible and reasonable. At the beginning of FY 2015, OFM implemented the Automated Conference Request System (ACRS) for the electronic submission, review, and approval of all SEC conference requests. ACRS has given OFM the ability to monitor and control conference spending, as well as record actual conference spending after any conference has been held.
3. Each request must receive final approval from designated officials according to the total projected cost. These designations comply with OMB Memorandum 12-12.
4. The SEC is reporting conferences which meet thresholds defined in P.L. 114-113, Division E, Title VII, Sections (a), (b), and (c), to the SEC's Office of Inspector General (IG) via separate correspondence.

For FY 2016, the SEC authorized a total of \$1,553,292 for expenditures related to 112 conferences (including training conferences) which used FY 2016 funding.

Conferences over \$100,000:

In Fiscal Year 2016, the SEC authorized three conferences costing over \$100,000, which are described below:

A. 2016 National Trial Attorneys Conference, SEC headquarters, Washington DC, September 8-9, 2016

- Total Cost incurred: \$108,512
- Number of attendees: 130 attendees (129 SEC attendees and 1 non SEC attendee)

The 2016 National Trial Attorneys Conference was a two-day event for all SEC trial attorneys, Regional Trial Counsel, Supervisory Trial Counsel, and Trial Unit Senior Officers. The conference was held at SEC headquarters in Washington, D.C. on September 8 and 9, 2016. The conference included panel discussions and training on developments in substantive areas of law that staff encounter in their litigation practice at the SEC, and on procedures to help make their approach to cases consistent. The event also provided an opportunity for attendees to meet colleagues from other offices in person and share ideas.

B. 2016 Chief Enforcement Conference (CEC), SEC headquarters, Washington DC, September 15-16, 2016

- Cost incurred: \$142,916
- Number of attendees: 193 attendees (192 SEC attendees and 1 non SEC attendee)

The Enforcement Division conducts investigations, litigates actions, negotiates settlements, and coordinates with the Commission and other SEC divisions and offices regarding the national enforcement program. The 2016 Chief Enforcement Conference (CEC) was held at SEC headquarters in Washington, D.C. on September 15 and 16, 2016. The conference served as a strategic planning and training session for the Division's senior managers, and provided an important opportunity for attendees to discuss relevant enforcement topics with the Chair and participating Commissioners.

C. 2016 National Training Leadership Conference for the Office of Compliance Inspections and Examinations (OCIE), SEC headquarters, Washington DC, July 13-15, 2016

- Cost incurred: \$230,002
- Number of attendees: 251 attendees (251 SEC attendees)

The mission of OCIE is to improve compliance, prevent fraud, inform policy, and monitor risk. On July 13-15, 2016, OCIE held its annual leadership conference at SEC Headquarters in Washington DC, which focused on initiatives to increase OCIE's capabilities in the above areas. The conference gathered SEC managers from across the National Examination Program to collaborate on strategic planning and to provide training. It included presentations and discussions on risk assessment tools and procedures, implementation of Dodd-Frank Act requirements and rulemaking, and increasing OCIE's collaboration with other Commission offices and divisions.