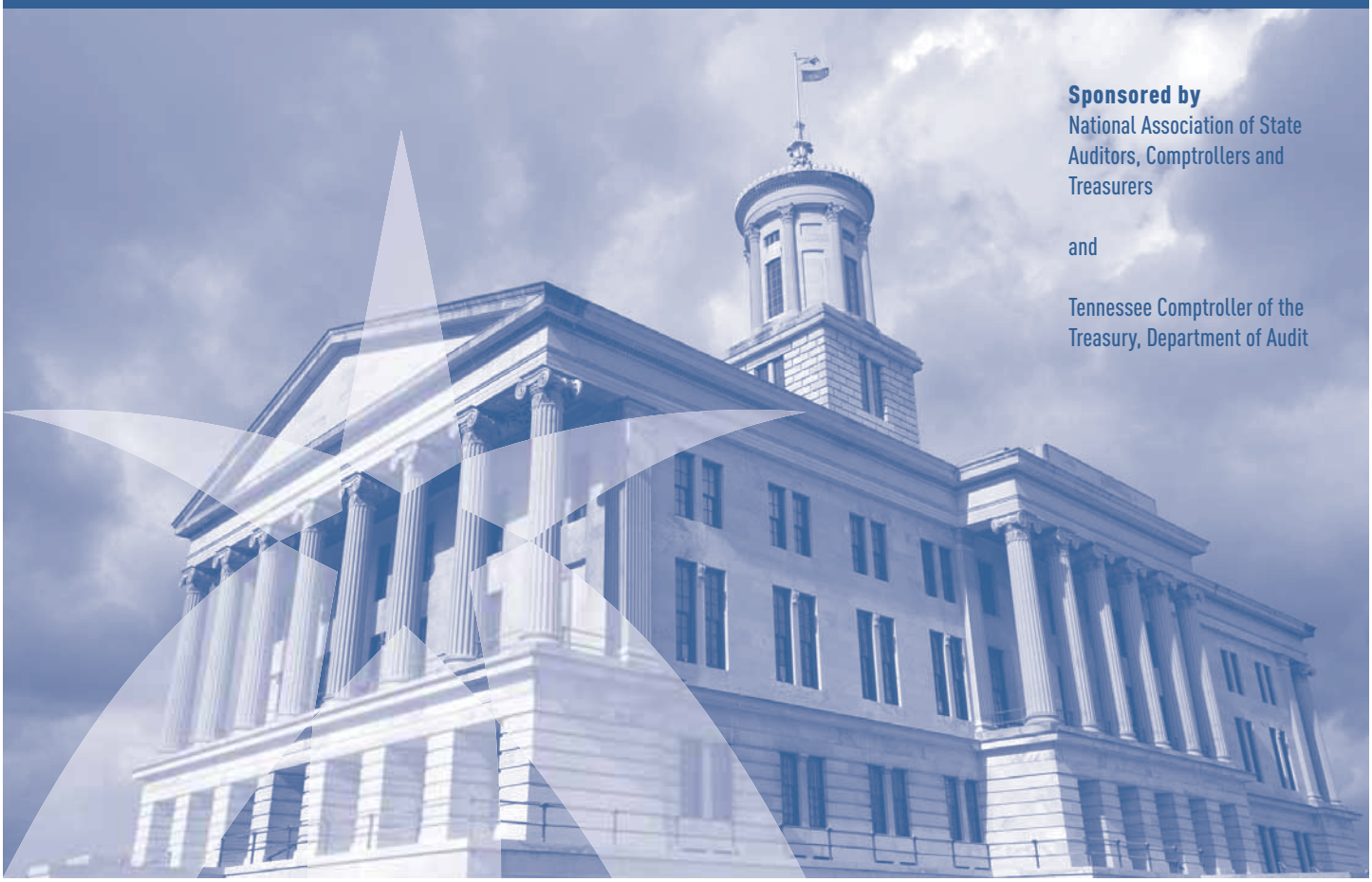
NASACT

National Association of State
Auditors, Comptrollers and Treasurers

34th Annual Government Auditing Training Seminars

2015 Tennessee Training

APRIL—MAY, 2015



STATE OF TENNESSEE
COMPTROLLER OF THE TREASURY
DEPARTMENT OF AUDIT
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February 2015

Fellow CPAs and Colleagues:

Each year brings unique challenges and opportunities for the auditing and accounting profession - 2015 will be no exception. As in the past, we are pleased to bring you the Tennessee Training Seminars, which are designed to provide continuing professional education to keep you up-to-date on the latest standards, technologies and best practices. This will be the thirty-fourth year for these annual seminars, a testament to their value for accounting professionals across the state. We hope you will be able to join us!

This year's training agenda will include a variety of topics of relevance to your professional endeavors:

- A review of emerging issues in governmental accounting and auditing, including developments from Congress, the U.S. Government Accountability Office, the U.S. Office of Management and Budget and the American Institute of Certified Public Accountants.
- Application of the Governmental Accounting Standards Board's (GASB) new pension standards for local governments in Tennessee.
- Case studies of fraud, waste and abuse.
- An overview of state-specific ethics laws and rules.
- Issues related to the implementation of GASB Statements No. 62, 68, 69, 70 and 71.
- Other GASB issues, including changes in accounting for OPEB liabilities, fiduciary responsibilities and a new financial reporting model.
- The latest changes to the single audit process.
- Risk assessments and auditing using computer assisted audit techniques (CAATs).

Frank Crawford, president of Crawford & Associates, will be this year's primary speaker. Frank brings a wealth of practical experience to his seminars, and we are very pleased to have him back this year. The two-day seminars will also feature speakers from the Tennessee Department of Audit, including Jerry Durham, Kevin Huffman, Sheila Reed, Daniel Porter and Rene Brison. Donald Mills from the Tennessee State Board of Accountancy will present the session on Tennessee-specific ethics laws. Also included on the program is Kinney Poynter, executive director of the National Association of State Auditors, Comptrollers and Treasurers.

The sessions will provide up to 16 credits of NASBA-approved continuing professional education at a very affordable price. Sessions will be held in four locations across the state: Nashville, Jackson, Chattanooga, and Morristown.

Preparing you to efficiently and effectively perform audits of governmental entities is our goal. We hope you will join us for information-sharing, networking and continued learning at the 2015 Government Auditing Training Seminars.

Sincerely,

Deborah V. Loveless
Director, Division of State Audit

James R. Arnette, Jr.
Director, Division of Local Government Audit

GENERAL INFO & REGISTRATION

WHEN WILL THE TRAINING BE OFFERED?

April 23-24, Chattanooga, Tennessee
University of Tennessee – Chattanooga
University Center, Chattanooga Room

April 27-28, Nashville, Tennessee
One Century Place Conference Center

May 4-5, Jackson, Tennessee
DoubleTree Hotel (Andrew Jackson Ballroom)

May 7-8, Morristown, Tennessee
Walters State Community College - Student Services Building (International Lyceum Auditorium)

REGISTRATION FEE & WHAT'S INCLUDED

$315 per person. This fee includes:

- 2 continental breakfasts and 2 lunches
- Session materials
- Up to 16 credits of CPE

Cancellations and Refunds: Refunds will be given for cancellations, minus a $25 cancellation fee. All fees must be paid prior to attending any session.

HOW TO REGISTER

Register today at www.nasact.org/tn_training.

- **Create a profile in our system.** We have a new registration system. Each attendee will be required to create a profile in the system prior to registering.
- **Each attendee will be required to register separately.**

HANDOUTS / SESSION MATERIALS

This year the session manual will be optional— you can request a hard copy or download the pdf and view the materials on your iPad, tablet or computer. **Please indicate at registration if you will require a hard copy manual.**

QUESTIONS & MORE INFORMATION

Do you have questions? Call our office at (859) 276-1147 and reference the "Tennessee Training Seminars."

NOTE: Participants should make their own arrangements for lodging. No location changes are allowed within ten days of any session.

CONTINUING PROFESSIONAL EDUCATION

Learning Objectives:
At the conclusion of this training, participants will:

- Be aware of recent developments from the OMB, GAO and Congress.
- Know how to determine, detect and defend against fraud.
- Understand ethics laws and rules specific to Tennessee.
- Understand changes to the audit standards issued by the AICPA and the GAO.
- Be aware of recently implemented standards from the GASB and understand common implementation issues.
- Be knowledgeable of changes to the single audit process.

Level of Knowledge: Overview.

Education or Experience Prerequisite: General understanding of governmental accounting and auditing standards.

Advance Preparation: No advance preparation required.

CPE: 16 credits have been recommended for the conference.

Delivery Method: Group-Live

The National Association of State Auditors, Comptrollers and Treasurers is registered with the National Association of State Boards of Accountancy (NASBA) as a sponsor of continuing professional education on the National Registry of CPE Sponsors. State boards of accountancy have final authority on the acceptance of individual courses for CPE credit. Complaints regarding registered sponsors may be addressed to the National Registry of CPE Sponsors, 150 Fourth Avenue North, Suite 700, Nashville, TN, 37219-2417, or by visiting our website www.nasba.org.

TRAINING SCHEDULE

DAY ONE

8:00 – 8:30 A.M.

CONTINENTAL BREAKFAST (provided)

8:30 – 8:35 A.M.

WELCOMING REMARKS

R. Kinney Poynter, CPA, Executive Director, NASACT

8:35 – 9:25 A.M.

EMERGING ISSUES IN GOVERNMENT ACCOUNTING AND AUDITING

Like many in the past, this year will be another year of change. This session will provide an overview of recent economic, industry, regulatory and professional developments that impact auditors of state and local governments. Included will be developments from Congress, the U.S. Office of Management and Budget, the Government Accountability Office and other regulatory bodies.

R. Kinney Poynter, CPA, Executive Director, NASACT

9:25 – 10:15 A.M.

HOW DO WE GET THIS DONE?

GASB Statements 67, 68, and 71 require major changes to accounting and reporting for pensions. Because of these changes, the AICPA has issued auditing guidance in the form of three best practice whitepapers. The guidance is in place. The only thing left for auditors to do is figure out what it all means! This is important and it is not simple. According to the AICPA, it will be unlikely that employer auditors will be able to accumulate sufficient appropriate audit evidence necessary to provide unmodified opinions on government financial reporting entities if the best practice guidance is not followed. **So, how do we get this done for local governments in Tennessee?**

Jerry E. Durham, CPA, CGFM, CFE, Assistant Director, Division of Local Government Audit, Tennessee Department of Audit

10:30 – 11:20 A.M.

FRAUD - FROM THE TENNESSEE COMPTROLLER INVESTIGATIVE UNITS

The Investigative Process and its Impact on Contract Audits — Learn about the Tennessee Comptroller of the Treasury's internal process for receiving and tracking allegations of fraud, waste and abuse. Also discussed will be the impact allegations or investigations may have for entities audited by CPA firms who contract with the Comptroller's Division of Local Government Audit.

Kevin Huffman, CPA, CGFM, CFE, Audit Manager, Financial and Compliance Investigations, Tennessee Comptroller of the Treasury

Sheila Reed, CPA, Contract Audit Review Manager, Division of Local Government Audit, Tennessee Comptroller of the Treasury

Fraud: To Infinity... and Beyond! — As we near the mid-way point of another decade, fraud continues to thrive in Tennessee governments. This trend seems destined to continue indefinitely as long as we are in the loop of responsibility for cash and other assets. In this session, COT staff will discuss the predication, investigation and disposition of multiple frauds cases and the related control environments under which they flourished – or were detected timely.

L. Rene Brison, CPA, CFE, Assistant Director, Special Investigations Unit, Tennessee Comptroller of the Treasury

Daniel Porter, CFE, Investigative Auditor, Special Investigations Unit, Tennessee Comptroller of the Treasury

11:20 A.M. – 12:10 P.M.

STATE SPECIFIC ETHICS FOR TENNESSEE CPAs

Current laws and rules regulating the practice of CPAs in Tennessee will be discussed with emphasis on avoiding mistakes which could lead to disciplinary action by the Tennessee State Board of Accountancy.

Donald A. Mills, CPA, Investigator, Tennessee State Board of Accountancy

12:10 – 1:00 P.M.

LUNCH (provided)

1:00 – 2:40 P.M.

PRACTICAL APPLICATION AND CONSIDERATIONS OF THE NEW PENSION ACCOUNTING STANDARDS: WHAT YOU NEED TO KNOW

GASB Statement 68 (employer pension accounting) has rounded the corner, with implementation effective this year. If you've been thinking that this statement doesn't affect you, think again, because whether you are a preparer or an auditor, it most definitely will. It's the liability that nobody wants to claim, but everyone probably will. This session will utilize a case study approach to explain what it is that the auditor and the preparer must know in order to implement this standard correctly.

Frank Crawford, CPA, President, Crawford & Associates

2:55 – 4:35 P.M.

GOVERNMENTAL MARRIAGES, ADOPTIONS AND DIVORCES WHILE SIGNING YOUR LIFE AWAY: GASB STATEMENTS 69 AND 70, GOVERNMENTAL COMBINATIONS AND NON-EXCHANGE GUARANTEES

What happens when governments acquire, merge, dispose of operations, or guarantee obligations of others? New accounting

standards from the GASB now address these significant events. In this session, participants will tackle and solve practical case studies in applying the following new GASB accounting pronouncements: GASB Statement 69 – *Government Combinations and Disposals of Government Operations and* GASB Statement 70 – *Accounting and Financial Reporting for Nonexhange Financial Guarantees*. Much like their non-governmental "real-life" counterparts, these could prove quite tricky!

Frank Crawford, CPA, President, Crawford & Associates

DAY TWO

8:00 – 8:35 A.M.

CONTINENTAL BREAKFAST (provided)

8:35 – 9:25 A.M.

WAIT, THERE'S MORE? GASB ISSUES IN THE PIPELINE

And yes, there is definitely more than just pensions and combinations. Several other possible changes are underway. This session will take a look at the principles most likely to become statements and provide the participants with "what you need to know now" information related to easing the future implementation efforts needed. Topics to be covered include changes in accounting for OPEB liabilities, fiduciary responsibilities, a new financial reporting model and a few others worth mentioning.

Frank Crawford, CPA, President, Crawford & Associates

9:25 – 11:20 A.M.

SINGLE AUDIT CHANGES TAKE THE STAGE

With few AICPA and GAO standards changing, this session will focus our attention to the single audit changes recently set forth by OMB in 2014. We will also review the Uniform Guidance (the super-circulars) on both allowable costs and administrative requirements. Changes also have been made to the threshold that triggers the single audit standards, the determination of A and B programs, the low risk entity determination and many other areas. While some of these changes don't apply until the 2016 fiscal year, others apply now. Don't get caught left out in the dark!

Frank Crawford, CPA, President, Crawford & Associates

11:20 A.M. – 12:10 P.M.

RISK ASSESSMENTS AND AUDITING USING CAATS (NOT THE BROADWAY PLAY)

It's getting to the point where conducting a governmental audit efficiently and effectively is darn near impossible without utilizing some type of computer assisted audit techniques (CAATS). This session will take a look at a number of different computer assisted audit techniques currently in play by a number of practitioners, including data extraction, Benford's law and others. We will try to work in an interactive case study and see how good a detective the computer might be!

Frank Crawford, CPA, President, Crawford & Associates

12:10 – 1:00 P.M.

LUNCH (provided)

1:00 – 1:50 P.M.

RISK ASSESSMENTS AND AUDITING USING CAATS (NOT THE BROADWAY PLAY) Continued

1:50 – 2:40 P.M.

AICPA AND GAO UPDATE: THERE'S MORE THAN JUST AUDITING GOING ON!

If you've been paying attention to the AICPA and the GAO lately, then perhaps you've noticed a few things changing beyond just the typical auditing standards. New Statements on Standards for Accounting and Review Services (SSARS) related to the Preparation of Financial Statements and Compilations have been issued, a few clarity things tweaked, and even the GAO's Green Book has gotten into the act. This session will be sure to prompt lively debate!

Frank Crawford, CPA, President, Crawford & Associates

2:55 – 3:45 P.M.

AICPA AND GAO UPDATE: THERE'S MORE THAN JUST AUDITING GOING ON! Continued

3:45 – 4:35 P.M.

CHUMP STUMPING AT IT'S BEST!

Yes, it's the return of the ever-popular "Stump the Chump" session, where you get the chance to ask your question for a shot at "chump-stumping." Based upon the session results last year, it didn't seem too hard to come up with something that stumped that chump, so maybe this year the Chump will be better prepared. Be ready to ask your questions!

Frank Crawford, CPA, President, Crawford & Associates

The National Association of State Auditors, Comptrollers and Treasurers is an organization for state officials responsible for the financial management of state government.

National Association of State
Auditors, Comptrollers and Treasurers

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