



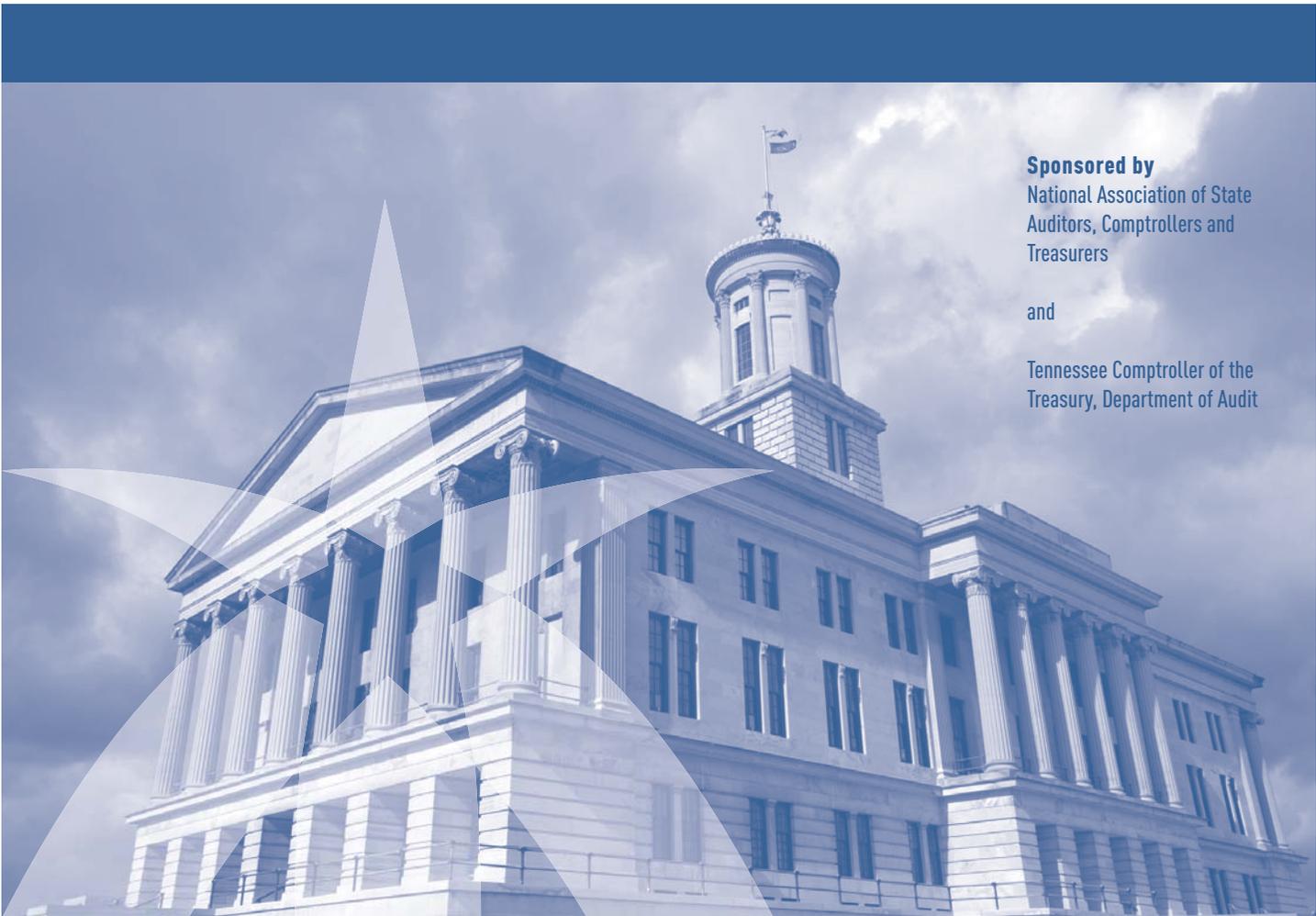
NASACT

National Association of State
**Auditors, Comptrollers
and Treasurers**

**35th Annual Government
Auditing Training Seminars**

2016 Tennessee Training

APRIL—MAY, 2016



Sponsored by
National Association of State
Auditors, Comptrollers and
Treasurers

and

Tennessee Comptroller of the
Treasury, Department of Audit



STATE OF TENNESSEE
COMPTROLLER OF THE TREASURY
DEPARTMENT OF AUDIT
SUITE 1500
JAMES K. POLK STATE OFFICE BUILDING
NASHVILLE, TENNESSEE 37243-1402
PHONE (615) 401-7841

February 2016

Fellow CPAs and Colleagues:

Each year brings unique challenges and opportunities for the auditing and accounting profession - 2016 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-fifth 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 and the U.S. Office of Management and Budget.
- An update on what's new in Tennessee, including implementation of GASB No. 68 and 71; new state statutes related to internal control, an update of the state Accounting Manual, and performing audits under OMB's new Uniform Guidance for Federal Awards.
- 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. 68—what we learned in the first year.
- Recent GASB exposure drafts on topics including fair value, tax abatement disclosures, and external investment pools and pool participants.
- Materiality considerations in the local government environment.
- SSAE 16 and SOC reports.
- The American Institute of Certified Public Accountants' new Code of Professional Conduct.

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. Joining him will be Chris Pembroke, senior manager at Crawford & Associates. The two-day seminars will also feature speakers from the Tennessee Department of Audit, including Jerry Durham, 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.

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 2016 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 27-28, Chattanooga, Tennessee

University of Tennessee – Chattanooga
University Center (Chattanooga Room)

May 2-3, Nashville, Tennessee

One Century Place Conference Center (Amphitheater)

May 9-10, Morristown, Tennessee

Walters State Community College - Student Services
Building (International Lyceum Auditorium)

May 12-13, Jackson, Tennessee

DoubleTree Hotel (Andrew Jackson Ballroom)

REGISTRATION FEE & WHAT'S INCLUDED

\$330 per person. This fee includes:

- 2 continental breakfasts and 2 lunches
- Session materials
- Up to 16 credits of Government Auditing Standards 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.

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 CPAs.
- 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 AICPA's Code of Professional Conduct.

Level of Knowledge: Overview

HOW TO REGISTER

Register today at www.nasact.org/tn_training.

- **If you attended last year, you already have a profile in our system.** If you have forgotten your password, click the “forgot password” button at www.nasact.org.
- **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.

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

Advance Preparation: No advance preparation required.

CPE: 16 Government Auditing Standards 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 submitted to the National Registry of CPE Sponsors through its website: www.learningmarket.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 is shaping up to 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 in this session 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.

NOW TRENDING - AN UPDATE FROM THE DIVISION OF LOCAL GOVERNMENT AUDIT

To say, "It has been a very busy year for Accountants and Auditors in Tennessee," would be a large understatement. The Comptroller of the Treasury, Division of Local Government Audit (Division) and CPA firms across the state have successfully implemented GASB 68 and 71. The Tennessee state legislature has passed new state statutes related to internal controls and closing accounting records for local governments. The Division has established a new internal control manual and policies and procedures for the Certified Municipal Finance Officer (CMFO) program. The Division is currently working on the annual update of the Accounting Manual and a Uniform Chart of Accounts for Municipalities. In addition, auditors are preparing to perform their audits under OMB's new Uniform Guidance for Federal Awards. This presentation is designed to provide participants with the latest information on these topics and more.

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

10:30 – 11:20 A.M.

THE ART OF WAR... ON FRAUD

"In the midst of chaos, there is also opportunity." These words from a guide about combat strategy, written possibly as early as the 6th century B.C., could easily serve as a fraudster's motto... or be straight from a fraud prevention/detection handbook. Amazingly, this guide also contains many other golden nuggets of advice that can

be used when developing or evaluating internal controls, assessing risk, or implementing other fraud prevention or detection programs. In this session, staff from the Tennessee Comptroller's Special Investigations Unit will use actual fraud cases to illustrate how strategies set forth in Sun Tzu's *The Art of War* can be relevant and useful in the current day war on fraud.

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.

GASB 68 – IMPLEMENTATION ISSUES: WHAT WE LEARNED IN YEAR 1

Round 2 of GASB 68 is now at play. What lessons were learned from the implementation in year 1? Were mistakes made, has guidance changed, or are we, and the plans themselves, still struggling a bit with all the "newness" of the requirements? In this session, we will look back over various implementation efforts in the last year, review any new guidance issued, and provide examples of implementations gone right and wrong.

Frank Crawford, CPA, President, Crawford & Associates

Chris Pembroke, CPA, Senior Manager, Crawford & Associates

2:55 – 4:35 P.M.

HOLD ON FOR MORE: GASB STATEMENTS 72 – 79 ARE ON THEIR WAY

Just as you're catching your breath from the GASB 68 implementation, along comes even more GASB statements that you may need to be aware of. Keywords for this session are fair value (yikes), OPEB (uh oh), tax abatement disclosures (wait, what?), and external investment pools and pool participants (what's this got to do with swimming?). This session will be a laugh-fest (not).

Frank Crawford, CPA, President, Crawford & Associates

Chris Pembroke, CPA, Senior Manager, Crawford & Associates

DAY TWO

8:00 – 8:35 A.M.

CONTINENTAL BREAKFAST (provided)

8:35 – 10:15 A.M.

MATERIALITY – PRACTICAL USE APPLICATIONS

Yes, it's time to discuss the dreaded "M" word. Although nothing new, materiality seems to be one of most "not universally well-understood" topics in audit and accounting literature today. This session will take a closer, more easily understandable approach to common materiality considerations in the state and local government environment.

Frank Crawford, CPA, President, Crawford & Associates

Chris Pembroke, CPA, Senior Manager, Crawford & Associates

10:30 - 12:10 A.M.

SSAE 16 AND SOC REPORTS

Well, we certainly seem to have been talking a lot lately about SOC 1 Type 2 reports (think pension white papers from AICPA), but do you know about SOC 1 Type 1, SOC Type 3? How about SOC 2 Type 1 and 2? What about SSAE 16? If all of these are slightly confusing to you, perhaps it's time to rearrange your SOC drawer. This session should also blow your SOCs off (ok, enough)...

Frank Crawford, CPA, President, Crawford & Associates

Chris Pembroke, CPA, Senior Manager, Crawford & Associates

12:10 – 1:00 P.M.

LUNCH (provided)

1:00 – 2:40 P.M.

OMB UNIFORM GUIDANCE

If you think that UGG is just a shoe company, then this is the session for you. The Single Audit has been revised, retooled and renamed as the Uniform Grant Guidance, (UGG), or just Uniform Guidance (UG). Since this is the first year of implementation for the "audit" requirements, we will spend some time looking over the new guidance and apply some of the concepts, rules and guidance in a case study approach.

Frank Crawford, CPA, President, Crawford & Associates

Chris Pembroke, CPA, Senior Manager, Crawford & Associates

2:55 – 3:45 P.M.

AICPA CODE OF PROFESSIONAL ETHICS

We should all be familiar with the use of "conceptual frameworks" since Government Auditing Standards have used such a concept for the determination of auditor independence in performing non audit services for audit clients for several years now. However, did you know that the AICPA's recently effective new Code of Professional Conduct also now uses a "conceptual framework" approach? This session will take a quick look at the AICPA Code of Professional Ethics conceptual framework, including a look at the online searchable inquiry feature.

Frank Crawford, CPA, President, Crawford & Associates

Chris Pembroke, CPA, Senior Manager, Crawford & Associates

3:45 – 4:35 P.M.

MISCELLANEOUS ISSUES/QUESTIONS AND ANSWERS

For the last session of the day, we will address a number of small issues, such as Affordable Care Act (ACA) reporting, any activities of the GAO, and other miscellaneous issues, along with entertaining any questions from the group over the subject matter previously discussed, or any other subjects.

Frank Crawford, CPA, President, Crawford & Associates

Chris Pembroke, CPA, Senior Manager, 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.



NASACT

National Association of State
**Auditors, Comptrollers
and Treasurers**

Headquarters Office

449 Lewis Hargett Circle, Suite 290
Lexington, KY 40503-3590
P (859) 276-1147, F (859) 278-0507

Washington Office

The Hall of the States
444 N. Capitol Street, NW, Suite 234
Washington, DC 20001
P (202) 624-5451, F (202) 624-5473

www.nasact.org