



Strategic Planning Committee Meets in Iowa in March; Executive Committee Approves Travel Assistance & New Member Programs

Every three years, NASACT's Strategic Planning Committee meets to conduct an in-depth review of the association's strategic initiatives and activities. At that time, the committee determines if any programs or projects should be changed, deleted or added.

The 2010 Strategic Planning Committee met recently, on March 22, in conjunction with the 2010 NASC Annual Conference in Des Moines, Iowa.

At the meeting, the committee (1) discussed the results of the 2010 Member Satisfaction Survey, (2) conducted a comprehensive review of NASACT's strategic plan, and (3) discussed adding a travel assistance program to help members attend the annual conference and a new member orientation to help new members get involved and become more familiar with the organization.

Member Satisfaction Survey

To inform the strategic planning process, NASACT conducts a yearly membership satisfaction survey. The 2010 survey was distributed in February. Sixty-three members responded (32 audit offices, 25 comptroller offices and six treasurer offices). Responses were submitted by 36 state principals and 27 deputy-level staff. The responses were quite positive, with a total of 95 percent of respondents indicating that they are satisfied with their membership in NASACT. Based on the responses to the survey, the committee concluded that no significant changes were needed to existing association projects or programs.

Travel Assistance Program

Narrative comments included in the member satisfaction survey and recent anecdotal information from members around the country indicate that traveling to conferences will be problematic for NASACT members in the next several years. To address this need, the committee discussed developing a Travel Assistance Program to help members attend the NASACT annual conference.

The committee reviewed similar programs conducted by peer associations and discussed several different options that might be appropriate for NASACT. The committee formulated its recommendations, which were subsequently approved by the NASACT Executive Committee. The program will offer:

- **Up to \$1,000 for each member to attend the NASACT annual conference.**

- May be used to reimburse registration fee, airfare or hotel.
- Can only be utilized by members in good standing.
- May be used by the principal member or his/her designee.

The program will sunset after the 2011 conference, at which time the Executive Committee will review it for sustainability.

New Member Program

The committee also recognized the need to increase outreach to new members, providing a more formal orientation experience and helping them become aware of the association's resources. To meet this need, the committee developed a plan, which was subsequently approved by the Executive Committee. The New Member Program will include:

- **A new member orientation event, to be held at the annual conference in August.**
- **Free conference registration for new members.**
- **Up to \$1,000 in travel assistance** (as outlined in the travel assistance program). For the first year only, new state auditors, state comptrollers and state treasurers may participate in the Travel Assistance Program even if their offices are not members in good standing.

Comprehensive Review of the Strategic Plan

The committee went through the association's strategic plan to examine goals, objectives, strategies and outcome measures. The committee determined that no major changes should be made to the plan; minor revisions were approved by the Executive Committee.

The new plan will be in effect for FY 2011-2013. It will be distributed to the membership in late-May and will also be posted to NASACT's website at that time.

More Information

Minutes from the committee's meeting will be posted at www.nasact.org in the near future. Questions about the meeting may be directed to Glenda Johnson at gjohnson@nasact.org. ■

NASC Meets in Des Moines for 2010 Annual Conference

The National Association of State Comptrollers held its twenty-ninth annual conference on March 24-26, 2010, in Des Moines, Iowa, at the Embassy Suites Downtown Hotel. Conference host and NASC President Calvin McKelvogue, chief operating officer of Iowa's State Accounting Enterprise, welcomed attendees on the morning of March 24. Over 105 NASC members, corporate partners and guests were in attendance at the conference.

The conference featured topics including implementation issues surrounding the American Recovery and Reinvestment Act of 2009, updates from the Governmental Accounting Standards Board, sessions on risk assessment and internal control, and much more. A complete list of conference sessions and speakers can be found on page 3 of this newsletter. PowerPoint presentations from the sessions are available on NASACT's website at www.nasact.org/conferences_training/nasc/annualconference.cfm.

The conference also featured a number of roundtable sessions, which are always popular with attendees. The roundtables provided an opportunity for state comptrollers to submit questions and topics for discussion at the conference. A highlight of the conference was the Federal/State Dialogue Roundtable, which was held Thursday afternoon. Participating in the roundtable were Michelle Sager, assistant director with the U.S. Government Accountability Office, and Nancy DiPaolo, assistant director of Congressional and Intergovernmental Affairs with the Recovery Accountability and Transparency Board. Ms. DiPaolo discussed Recovery Act implementation guidance and issues, including details about the reporting data model and administrative cost recovery.

On Wednesday evening, a conference banquet was held. In addition to providing a valuable networking opportunity for members, the banquet featured the presentation of several awards. President McKelvogue presented a President's Award to Kim Wallin, state controller of Nevada, recognizing her:

...knowledge and expertise in the area of XBRL and her strong advocacy of industry innovation and the exploration of emerging technologies.

He presented a Distinguished Service Award to Herbert Maguire, director of Pennsylvania's Bureau of Financial Management, in recognition of:

...his thoughtful and steady leadership of the Statement 51 Work Group and his substantial efforts to ensure the successful implementation of GASB Statement No. 51 by the states.

Lastly, he presented a Distinguished Service Award to Paul Carlson, former state accounting administrator of Nebraska's Department of Administrative Services, in recognition of:

...his years of dedication and support to the Association and his status as a leader in the areas of governmental financial management and excellence.

NASC held its annual business meeting on Thursday, March 25. At the meeting, Clark Partridge, state comptroller of Arizona, became NASC's new president, and David McDermott, state controller of Colorado, joined the NASC Executive Committee. See page 9 for a complete recap of that meeting.

A number of meetings preceded the conference. The NASACT Executive Committee met on Tuesday, March 23 (see page 7 for a recap). Additionally, the NASC Committee on Accounting and Financial Reporting and the NASC Executive Committee met that day. A Government Benchmarking Forum was also held for those participating or interested in NASACT's Benchmarking Program.

NASC wishes to thank all those who helped plan the conference, especially members of the Conference Program Committee, chaired by Clark Partridge. Very special thanks go to our conference host, Calvin McKelvogue, and his staff, who welcomed NASC in a gracious and hospitable manner.

NASC also wishes to offer sincere thanks to those who participated on the program as speakers or moderators, and to all who attended the conference during these tough economic times for states. NASC acknowledges with gratitude those companies providing sponsorship of the conference: Accenture, CGI, Deloitte, Grant Thornton, KPMG, MAXIMUS, Oracle, SAP and The Hackett Group.

The 2011 NASC Annual Conference will be held in Phoenix, Arizona, on March 23-25 at the Embassy Suites Hotel Phoenix-Scottsdale. ■



Iowa Host Welcomes State Comptrollers

At the podium: NASC President Calvin McKelvogue welcomed attendees at the opening of the conference. Seated to his left, Glen B. Gainer III, past president of NASC and current president of NASACT, was also on hand to offer a welcome. At the annual NASC business meeting, President McKelvogue passed the gavel to Clark Partridge, state comptroller of Arizona, who will serve as NASC's president in 2010-11.

NASC 2010 Annual Conference Recap

Below is a list of sessions from the recent NASC annual conference. To download handouts or PowerPoint presentations from the conference, visit www.nasact.org/

conferences_training/nasc/conferences/AnnualConferences/2010AnnualConference/Materials.cfm. Presentations from the past several years may also be found at this web address. ■

BUDGET UPDATE FROM NASBO

- **State of the States: State Fiscal Outlook**
Scott Pattison, Executive Director, National Association of State Budget Officers

THE ONGOING EFFECT OF ARRA AND POSSIBLE CONSEQUENCES OF TRANSPARENCY

- **Managing to Program Performance: The Ongoing Effect of the Stimulus Program**
William Greer, Vice President, Government and Higher Education, SAP
- **Unexpected Consequences of Transparency**
Glen B. Gainer III, State Auditor (WV)

GASB UPDATE AND IMPLEMENTATION OF NEW STATEMENTS

- **GASB Update**
David Bean, Director of Research and Technical Services, Governmental Accounting Standards Board
- **GASB 51 Implementation Issues**
Herb Maguire, Director, Bureau of Financial Management (PA)
- **Montana and Our GASB Statement 54 Implementation to Date!**
Paul Christofferson, State Accounting Division Administrator (MT)

RISK ASSESSMENT

- **Project Risk Assessment**
James St. Clair, Grant Thornton
- **ARRA – Do You Know What You Don't Know?**
Robert Childree, Director, Grant Thornton

INTERGOVERNMENTAL FINANCIAL DEPENDENCY

- Edward Mazur, Senior Advisor for Governmental Financial Management, Cherry, Bekaert & Holland

COMPTROLLERS' ROUNDTABLE 1: FEDERAL-STATE ISSUES

BENCHMARKING METRICS AND THE STATES' USE OF THE DATA

- **Passing the Agility Test: Metrics and Strategies to Improve Performance of General and Administrative Functions**
Bryan DeGraw, Manager, The Hackett Group
Sheresa Norton, Senior Advisor, The Hackett Group
- **States' Use of the Benchmarking Data**
Steve Funck, Deputy State Comptroller (OK)
Melissa Womack, Financial Reporting Director (MS)

NEW ERP APPROACH

- Bill Kilmartin, Strategic Alliance Director, Accenture
Keith Johnson, Director of State & Local Government, Oracle
- **State Reactions**

BUDGET ISSUES, ARRA AND INTERNAL CONTROLS

- **Impact of Budget Issues and ARRA on Internal Controls**
Nancy Valley, Partner, KPMG
- **Internal Controls and ARRA Monitoring in Mississippi**
Leila Malatesta, Director of Fiscal Management (MS)

SHARED SERVICES IMPLEMENTATION

- **High Performance Government in Action: The Ohio Shared Services Success Story**
J.D. Williams, Vice President of State and Local Application Solutions, Oracle Corp.
Aaron Erickson, Chief Operating Officer, Office of Budget and Management (OH)

ARRA REPORTING

- **ARRA-Two Rounds Down: What is Working and What Isn't Working with the Reporting Process**
Caroline Rapping, Vice President, CGI
- **Living in Recovery**
Nancy DiPaolo, Assistant Director, Congressional and Intergovernmental Affairs, Recovery Accountability and Transparency Board

CHALLENGES ADDRESSED BY ARRA

- **Addressing State and Local Fiscal Challenges Through the American Recovery and Reinvestment Act**
Michelle Sager, Assistant Director, U.S. Government Accountability Office

COMPTROLLERS' ROUNDTABLE 2: ARRA ISSUES

- **Data Model, Auditing, Administrative Cost Recovery**

CHALLENGES AND OPPORTUNITIES IN STATE GOVERNMENT

- **State and Local Innovation and Modernization (SLIM)**
Steve Dahl, Director, Deloitte Consulting LLP

INTERNAL CONTROLS AND ARRA

- **ARRA Internal Controls**
David McDermott, State Controller (CO)

COMPTROLLERS' ROUNDTABLE 3: GENERAL ISSUES

- **Other Issues and Concerns**

OMB Issues Additional Recovery Act Guidance: No Single Audit Extensions

On March 22, the U.S. Office of Management and Budget released updated guidance to federal agencies and recipients intended to provide continuous improvements to reporting related to the American Recovery and Reinvestment Act. While much of the memorandum is directed at federal agency data quality issues, there are a few items of note to NASACT members. The memorandum includes a directive that federal agencies submit to the OMB specific agency guidance on ARRA prior to public posting. The memorandum also includes a directive to federal agencies on the allowance of administrative costs and instructs that federal agencies should not grant single audit extensions for fiscal years 2009 through 2011.

One of the main criticisms by recipients implementing the reporting requirements of ARRA has been that some federal agencies are issuing guidance in direct conflict with the overarching OMB guidance. While the memorandum allows federal agencies to release program-specific ARRA guidance, the agencies must submit such guidance to the OMB for review. The OMB will then review the guidance for direct conflicts and will either issue a concurrence with the federal agency directive (if there are no conflicts) or require the agency to amend the guidance to comply with the OMB's guidance on ARRA. States and other recipients are hopeful that such a review process will alleviate confusion where the agency guidance is in direct conflict with guidance from the OMB.

The memorandum further states that federal agencies should not impose any additional limits or caps on ARRA

administrative costs that are not based on administrative cost recovery programs or statutes. The memorandum directs federal agencies to report to the OMB any limits that have been imposed on the recovery of administrative costs. The memorandum also restates Section 1552 of the Recovery Act, which allows federal agencies to reasonably adjust limits on administrative expenditures for federal awards and requests that federal agencies report to the OMB on whether limits have been adjusted in accordance with Section 1552.

Especially noteworthy to NASACT members is a provision directing federal agencies not to allow for single audit extensions for fiscal years 2009 through 2011. While the denial of extensions has been verbally expressed over the past year, this is the first time the new policy has been put into writing. According to the memorandum, the directive to refuse extensions stems from the importance of the single audit and the reliance of federal agencies on the results to monitor ARRA programs. The memorandum also reinforces that agencies should take action on non-compliance identified in the audit findings for all Recovery Act programs and highlights the internal control pilot that resulted in early reporting of internal control deficiencies.

Other interesting issues addressed in the memorandum include the requirement that federal agencies compile a list of all awards subject to Section 1512 reporting, guidance on when Section 1512 reports are no longer necessary, and which recipient reporting fields are quarterly and which are cumulative. ■

A copy of the OMB memorandum is available at www.whitehouse.gov/omb/assets/memoranda_2010/m10-14.pdf.

Health Care Reform Adds Additional Requirements for Employers

The Patient Protection and Affordable Care Act, together with the Health Care Education and Reconciliation Act, comprised the massive health care reform legislation signed by the President in March. Several provisions are of note to NASACT members, particularly state payroll administrators.

The law, which puts into place health coverage reforms, expands eligibility for Medicaid, subsidizes insurance premiums, provides incentives for business to offer health care benefits, eliminates denials for pre-existing conditions, and creates health insurance exchanges to assist insurers by facilitating the expansion of insurance coverage. The law further includes a number of revenue raising provisions to offset the cost of the law's provisions, many of which will impact states in their roles as employers and health insurance providers.

Of particular note to state finance offices are the following provisions, which will modify and expand reporting.

- **Expanded information reporting (1099-Misc) to include payments to corporations and payments for property and other gross proceeds.**
- Inclusion of the cost of employer-provided health coverage on an employee's W-2.
- A requirement that health plans cover dependents until age 26.
- A requirement to automatically enroll employees (for employers with more than 200 employees).
- A requirement to provide notice of plan benefits and coverage options prior to enrollment.
- An expansion of the Medicare payroll tax to include unearned income (essentially a 3.8 percent tax on investment income for individuals making more than \$200,000 per year and \$250,000 for families).
- An expanded Medicare payroll tax for high earners (essentially, 2.35 percent will be the rate for wages earned over \$200,000 for single filers and \$250,000 for joint filers).
- An excise tax will be imposed on insurers for high-end insurance plans (these are plans referred to as "Cadillac plans" worth over \$10,200 for individuals and \$27,500 for families). ■

New Focus on FFATA

Prior to the extensive reporting required under the American Recovery and Reinvestment Act, the Federal Funding and Transparency Act required reporting by sub-recipients. Until now, however, the FFATA requirement to report by January 1, 2009, has not been enforced.

On April 6, the U.S. Office of Management and Budget issued an open government directive that included further guidance on full FFATA implementation, specifically, that federal agencies initiate the reporting of sub-recipient information beginning October 10, 2010. The OMB memorandum also sets forth metrics on spending data for federal agencies and announces the new usaspending.gov, which utilizes cloud computing and dashboards for the presentation of data by agency, by recipient or by location.

The memorandum requires that recipients, sub-recipients, contractors and sub-contractors be prepared to report no later than 30 days after the grant or contract has been made. It further clarifies that the required reporting only applies to new grants and contracts issued after October 1, 2010, and that the reporting is for first tier sub-awards. In other words, federal agencies are required to report information on grants they make to a state; if a state then sub-awards to a city, that information is also required to be posted. The memorandum provides examples but does not make clear if the state making sub-awards to the city will report or if the state can delegate the reporting to the city, as is

allowed under the current framework of federalreporting.gov. The required data elements include:

- Name of the entity receiving the award.
- Amount of the award.
- Award information such as transaction type, funding agency, the North American Industry Classification Code or the Federal Domestic Assistance number, program source (Treasury Account Symbol), and award title that describes purpose of the funding.
- Location of the entity receiving the award and the primary location of performance under the award, including the city, state, congressional district and country.
- A unique identifier (DUNS number) of the entity receiving the award (and of the parent entity, when applicable).
- The names and total compensation of the five most highly compensated officers of the entity (under certain conditions).
- Other relevant information specified by the OMB in subsequent guidance or regulation.

Additional guidance, including new standard terms and conditions for the collection of the required information, is expected to be issued in May. The enterprise architecture describing the use of existing systems and processes to collect, report and pre-populate the information will be released in July. A copy of the OMB memorandum is available at www.whitehouse.gov/omb/assets/open_gov/OpenGovernmentDirective_04062010.pdf. ■

NASACT Approves Resolution Endorsing Information Reporting

With the implementation date of the three percent withholding provision of the Tax Increase Prevention and Reconciliation Act rapidly approaching, NASACT's Executive Committee recently approved a resolution endorsing information reporting as an appropriate alternative to withholding three percent. For more information about this issue, contact Cornelia Chebinou at cchebinou@nasact.org. The complete resolution follows:

WHEREAS, the Tax Increase Prevention and Reconciliation Act of 2005 imposes an unfunded mandate on state and local governments by requiring such governments to withhold three percent on payments for most property and services; and

WHEREAS, in addition to being an unfunded mandate, withholding three percent on most payments for good or services would require substantial resources to undertake system modifications and compliance; and

WHEREAS, the financial and administrative burdens imposed by the withholding requirement are further exacerbated by the current economic environment; and

WHEREAS, resource constraints are only one of many impediments facing states in complying with the three percent withholding requirement; and

WHEREAS, the three percent withholding requirement imposes

federal tax collection duties on state and local governments at a substantial cost without an offsetting benefit; and

WHEREAS, the National Association of State Auditors, Comptrollers and Treasurers believes that there are alternative methods for addressing tax compliance that are far less costly and burdensome; and

WHEREAS, the Patient Protection and Affordable Care Act of 2010 includes a provision which expands information reporting for payments to corporations and payments for property and other gross proceeds; and

WHEREAS, such information reporting would assist in the identification of tax compliance issues by non-filing or under-reporting entities; and

WHEREAS, information reporting would address tax compliance issues without imposing enormous burdens on state and local governments, as is the case with the three percent withholding requirement; and

WHEREAS, NASACT is committed to repealing the three percent withholding requirement but fully supports efforts to enhance tax compliance;

NOW, THEREFORE, BE IT RESOLVED, that the National Association of State Auditors, Comptrollers and Treasurers support information reporting as set forth in the Patient Protection and Affordable Care Act of 2010 in lieu of withholding three percent on most payments for goods or services as required under the Tax Increase Prevention and Reconciliation Act of 2005 and promote information reporting as a preferred method to increase tax compliance. ■

OMB Issues New Federal Agency Guidance on Improper Payments; Looks to States for Help

The U.S. Office of Management and Budget recently released guidance to the federal agencies on the application of Presidential Executive Order 13520, Reducing Improper Payments, from November 20, 2009. The Executive Order aims to reduce improper payments by boosting transparency, holding agencies accountable for reducing improper payments, creating incentives for states and other entities to reduce improper payments, and increasing penalties for contractors who fail to disclose improper payments in a timely manner. The guidance calls for agencies to:

- Specify responsibilities for agency-accountable officials.
- Determine the programs subject to the Executive Order (i.e., high-priority programs).
- Define supplemental measures and targets for high-priority programs.
- Establish reporting requirements under the Executive Order.
- Establish procedures to identify entities with outstanding improper payments.

The Q&A section of the guidance, re-printed in part below, included several state-related activities and concerns (in red).

■ What are federally-funded, state-administered programs, and may agencies consider other approaches for these types of programs?

Federally-funded, state-administered programs (e.g., Medicaid, TANF, Title I Grants to States, Child and Adult Care Food Program) receive at least part of their funding from the federal government, but are administered, managed, and operated at the state or local level. *Where programs are administered at the state level, statistically valid estimates of improper payments may be provided at the state level either for all states or for all sampled states annually. If the improper payment estimates are provided at the state level, these state-level estimates should then be used to generate a national improper payment dollar estimate and rate.* However, agencies may submit a plan to OMB for approval to provide national level estimates for state-administered programs based on a purposive or systematic selection of such programs each year.

Alternate methodologies, such as those described above, must be approved by the OMB in advance of implementation. The justification to use this type of approach must include a description of the states to be selected each year, the methodology for generating annual national estimates, and a justification for using the proposed plan rather than an estimate based on a random statistical sample.

- **How does this guidance affect recovery auditing activities?**
Agencies are to report on their recovery auditing activities

annually in the appropriate section of the Improper Payments Information Act portion of their Performance and Accountability Reports, as required by OMB Circular A-136. If appropriate, agencies should also include a summary of their efforts with the IPIA discussion in the Management's Discussion and Analysis. There may be instances when an agency makes substantial commercial payments, yet the sum of these payments falls below the Recovery Auditing Act reporting threshold of \$500 million. In these cases, the agency should review its commercial payment universe as a "program" during its annual program inventory and risk assessment. If the agency determines this "program" to be risk susceptible, then the area of commercial payments will be subject to routine IPIA reporting.

Current practices that are yielding positive results in certain federal agencies include:

- Predictive modeling – an automated process whereby transactions that have pre-established criteria or characteristics are automatically deemed high risk and therefore receive increased focus both pre- and post-payment. *For state-administered programs, in which states are utilizing unique predictive models, federal agencies should evaluate which states have the most effective methods and ensure that best practices in this area are disseminated to other states.*

■ May agencies with grant programs employ recovery auditing?

Agencies whose grant programs fund significant contract activity by grant recipients may consider encouraging recovery auditing contracts at the grant recipient level. *Costs of contingency fee contracts incurred by state and local governments for the recovery of improper payments charged against federal programs are allowable costs under OMB Circular A-87, Cost Principles for State, Local and Indian Tribal Governments, Attachment A, Section C.3. State and local governments may use a portion of recovered improper or fraudulent payments from federal programs to pay the contingency fees involved with recovery auditing contracts.* The portion used to pay contingency fees, as well as the actual expenses incurred by the grantee for program administration, should be claimed as administrative costs.

■ What are the roles and responsibilities of states and local governments in reducing errors?

Federally-funded, state-administered programs (e.g., Medicaid, Temporary Assistance for Needy Families) receive at least part of their funding from the federal government, but are administered, managed, and operated at the state or local level. In federally-funded, state-administered programs, states and local governments are integral partners in reducing errors and ensuring program access for eligible beneficiaries. *Agencies that have federally-funded, state-administered programs, especially any that are deemed high-priority, should work at the federal, state, and local levels to reduce improper payments and to implement the requirements of the Executive Order.*

The full memo can be found at www.whitehouse.gov/omb/assets/a123/a123_appx-c.pdf. ■

Association Notes

NASACT Executive Committee Meeting Highlights

Glen B. Gainer III, state auditor of West Virginia and president of NASACT, welcomed committee members, staff and guests to an Executive Committee meeting, held March 23, 2010. The meeting was held in Des Moines, Iowa, in conjunction with the annual conference of the National Association of State Comptrollers. Highlights from the meeting follow.

■ **Annual Conference:** President Gainer, chair, reported that staff in his office sent out a survey to gauge interest in activities to be planned in conjunction with the annual conference in Charleston, West Virginia on August 7-11, 2010. The results of the survey showed that several NASACT member offices are currently under travel bans. He reported that the committee has begun regular conference call meetings to develop the technical agenda. Kinney Poynter, executive director, reported that a post-conference roundtable will be held immediately following the conference on Wednesday, August 11. The roundtable will cover issues including the general state of the economy and its impact on state budgets, as well as “life after the Recovery Act” for states.

■ **CARA:** David McDermott, state controller of Colorado and co-chair, reported that the Committee on Accounting, Reporting and Auditing held its last conference call meeting on February 23. Staff from 28 states participated in the meeting, as well as representatives from the Governmental Accounting Standards Board and the National Association of College and University Business Officers.

At the meeting, the committee discussed technical aspects of a number of GASB exposure drafts and due process documents, including pension issues (a preliminary views document on this topic is expected to be issued by June 30).

Mr. McDermott said that the pension issues are the most noteworthy being examined currently by the committee. NASACT has asked that the status quo be maintained on most major points outlined in the invitation to comment, to which NASACT responded in July 2009. However, GASB is looking at some major changes: (1) a maintained focus on accounting and reporting; (2) the plan will be the primary obligor, the state the secondary obligor; (3) COLAs, salary increases, and other benefits would be included; and (4) discount rates (which would be the biggest change).

The CARA will hold its next regularly scheduled conference call on May 18.

■ **FMIAC:** Clark Partridge, state comptroller of Arizona and chair, gave an update on the activities of the Financial Management and Intergovernmental Affairs Committee. He reported that the committee has met by conference call to discuss several issues, including the ongoing efforts by states to implement the American Recovery and Reinvestment Act, as well as moves by the Securities and Exchange Commission seeking stronger market disclosure and increased control over the

municipal market system.

He also reported that he and Cornelia Chebinou, director of NASACT’s Washington office, met recently with White House staff to discuss repeal of the three percent withholding requirement, including the concept of endorsement by states of expanded information reporting in lieu of withholding three percent on most payments for goods and services. Expanded reporting will still have a cost for states, but it would not be nearly as costly as withholding three percent.

Mr. Partridge reported that a move by Congress to remove cell phones from the Internal Revenue Service’s definition of listed property is expected sometime this year. This is a change that NASACT has promoted for a number of years. (NOTE: On April 14, the House passed H.R. 4994, The Taxpayer Assistance Act of 2010, which would effectively remove the tax on personal use of employer-provided cell phones. The bill now moves to the Senate.)

■ **GASMO:** Mr. Partridge, chair, also gave a report on activities of the Government Accounting Standards and Market Oversight Committee. Terri Polley, chief operating officer of the Financial Accounting Foundation, was on hand to discuss GASB funding issues, including potential federal legislation to address the issue. There was much discussion among the committee about the matter. NASACT will continue working with the other government groups to ensure that state interests are considered to the extent possible as any possible legislation moves forward.

■ **Membership Development:** Barb Hinton, legislative post auditor of Kansas and chair, reported that there have been principal-level staffing changes in twelve member offices in the period between March 2009 and March 2010. The committee will be meeting soon to assign mentors to the new members.

■ **Training and Professional Development:** Tom Marks, deputy auditor general of Pennsylvania and chair, participated in the meeting by phone. He reported that the committee decided to cancel the 2010 NASACT Training Forum due to travel restrictions within the states. The event will tentatively be held in 2011 in conjunction with the middle management conference in an effort to economize. Additionally, he reported that NASACT has scheduled several remote training opportunities in the near future and has expanded its Training Seminars Program catalog, again, in response to travel restrictions in the states. He asked anyone with ideas for future webinars or training opportunities to contact him or NASACT staff.

■ **Budget:** James Lewis, state treasurer of New Mexico and chair, gave an overview of the current status of NASACT’s FY 2010 budget and presented for approval by the committee the FY 2011 budget. A motion was made and unanimously approved to accept the proposed budget for FY 2011. NASACT’s budget and other financial information can be found online at www.nasact.org/nasact/aboutus/financials.cfm.

(article continued, next page)

Association Notes

Executive Committee Meeting Recap

(continued from previous page)

■ **Strategic Plan:** Nancy Kopp, state treasurer of Maryland and chair, reported that the Strategic Planning Committee held a half-day meeting on March 22 to conduct an in-depth review of the association's strategic plan and activities, as well as a review of the 2010 member satisfaction survey.

The committee did not recommend any deletions or major changes to programs or activities at this time. The committee did, however, discuss at length two possible additions to NASACT's activities: a travel assistance program and a new member orientation.

The committee discussed at length how to offer travel assistance to help members attend the annual conference. The committee reviewed travel assistance policies of peer associations and examined several possible options for such a program for NASACT. Additionally, the committee discussed developing a new member orientation program. The committee discussed draft budgets and possible options.

After much deliberation, the committee developed the following recommendations regarding a travel assistance program and a new member orientation program:

- NASACT should (1) offer a travel assistance program to help members attend the annual conference and should (2) develop a new member orientation program to help promote the association's activities and the annual conference to new state auditors, state comptrollers and state treasurers.
- For the 2010 and 2011 NASACT annual conferences, NASACT should provide up to \$1,000 to each member (or designee) to be used toward attendance at the annual conference. This amount can be used to cover conference registration, hotel or airfare expenses and will be paid to the member with a request for reimbursement. The office must be a member in good standing to participate. This program will sunset after the 2011 NASACT Annual Conference, at which time the Executive Committee will revisit the program and review it for sustainability.
- Further, a new member orientation should be planned in conjunction with the NASACT annual conference, beginning in 2010. Conference registration should be waived for all new members. New members who are not with dues-paying offices should be able to participate in the travel assistance program for one year.

The committee estimated that the travel assistance program could have a budget impact of \$100,000 per year, for the next two years, and that the new member orientation program could impact the annual conference budget by up to \$25,000 per year (in the form of waived registration fees for new members).

A motion was made for the Executive Committee to approve the Strategic Planning Committee's recommendations regarding a travel assistance program and a member orientation program. The motion was seconded and unanimously approved.

A motion was made for the Executive Committee to approve the Strategic Planning Committee's recommended changes to the wording of the strategic plan and adopt the new plan for FY 2011-2013. The motion was seconded and approved unanimously.

A motion was made to amend NASACT's FY 2011 budget to reflect \$100,000 for a travel assistance program and \$25,000 for waived conference registration fees for new members. The motion was seconded and approved unanimously.

■ **FAF Trustee/GASB Board Selection Task Force:** Mr. Poynter reported that Bill Holder's term on GASB expires June 30. The FAF has selected Michael H. Granof to fill the seat. His term will begin July 1, 2010.

■ **Governmental Accounting Standards Advisory Council:** Martin Benison, comptroller of Massachusetts and secretary of NASACT, is NASACT's new representative on the GASAC. (Mr. Benison attended his first GASAC meeting in late March.)

■ **Administrative Items:** Mr. Poynter gave an update on various miscellaneous activities of the association:

- At the request of the OMB, NASACT helped launch a single audit pilot program to examine interim reporting on internal control. Sixteen states participated in the pilot. NASACT is awaiting impressions from the Government Accountability Office on results from the pilot project.
- There are noteworthy auditing concerns on the horizon in relation to ARRA. There is concern about how "major program determination" will be defined in the Compliance Supplement. There is also concern about the auditor's responsibility with quarterly reporting and how to audit "jobs" and "project completion status."
- For the twenty-ninth year, NASACT is co-sponsoring the Tennessee Training Seminars with the Tennessee Department of the Comptroller of the Treasury. The seminars will take place in April and May.
- NASACT is participating in a number of cooperative studies, including a research project with Grant Thornton and the Association of Government Accountants, a grants management study with Accenture, and a study of debt collection practices with CGI.

Minutes from NASACT's Executive Committee meetings can be found at www.nasact.org/nasact/committees/executive/index.cfm (you must be logged in as a member of the site to view the minutes).

The NASACT Executive Committee will hold its next meeting in conjunction with the 2010 NASACT Annual Conference in Charleston, West Virginia, on August 8. ■

Questions about the content of this article or the meeting may be directed to Glenda Johnson at gjohnson@nasact.org or (859) 276-1147.

Association Notes

Members Hear About NASC's Activities and Discuss Three Percent Withholding

By Kim O'Ryan, NASC Association Manager

The National Association of State Comptrollers held a business meeting in Des Moines, Iowa, on March 25, 2010, in conjunction with the annual conference. President Calvin McKelvogue, Iowa, welcomed everyone and recognized Tom White, state comptroller of Alabama, who was attending his first NASC conference.

The members discussed an issue that has been watched closely by the association for a number of years: a provision contained within the Tax Increase Prevention and Reconciliation Act of 2005 requiring states to collect three percent on most payments for goods and services. Cornelia Chebinou, NASACT's Washington office director, reported that she met recently with White House regarding the issue. It was discussed that state support of expanded reporting in lieu of the three percent withholding might support repeal efforts; NASACT and NASC were originally opposed to both withholding three percent and expanded reporting. After discussion, a motion was made for NASC to support information reporting in lieu of withholding three percent; the motion received unanimous support.

Committee Reports

- **Program Committee:** Mr. McKelvogue thanked Clark Partridge and the other members of the Program Committee.
- **Middle Management Conference Committee:** Brenda Bolander, co-chair of the committee, informed the group that registration numbers for the finance track are currently low. She encouraged other states to send staff to the conference. She also informed the group that next year the conference would be two and one-half days long to coincide with the auditor track. She also said that the conference will be held Wednesday through noon on Friday to prevent attendees from having to travel on the weekend.

- **Advisory Committee for State Comptrollers: Technical Activities and Functions:** Leila Malatesta, co-chair of the Advisory Committee on *State Comptrollers: Technical Activities and Functions*, said that the 2010 survey is available on NASACT's website with pre-populated responses to the last version of the survey. NASC members have been asked to complete the survey by April 23.
- **Committee on the Financial Plan:** Ms. Bolander, chair of the committee, provided the report. The NASC technical fee was increased this year to improve the bottom line for NASC. Kinney Poynter, NASACT's executive director, informed the group that for FY 2010, NASACT is projecting a \$74,000 excess of revenues over expenditures, and that for FY 2011, the budget projects a \$44,000 excess. He said that these projections are dependent on states' abilities to pay their dues and on corporate associate program revenue. He then informed the group that NASACT's Strategic Planning Committee approved a travel assistance program to provide up to \$1,000 for principal members (or their designees) to attend the NASACT annual conferences in 2010 and 2011. In addition, new members will also have the \$600 registration fee waived. The total cost associated with the new travel assistance and new member programs is \$125,000 for each of the two years. The programs will sunset at the end of the two-year period. He added that many peer organizations build conference attendance into their dues structure.
- **Committee on Outreach.** Kim Wallin provided the report in the absence of chair, Sadie Rodriguez-Hawkins. She informed the group that NASC has the following new members since March 2009:
 - Terry Brann, State Controller, Maine.
 - Fred Klass, Chief Operating Officer, California Department of Finance. Clark Partridge is his mentor.
 - Thomas White, State Comptroller, Alabama. John Radford is his mentor. Kim also recognized Tom as attending his first NASC conference.

(article continued, next page)



NASC Elects 2010-11 Executive Committee

At its business meeting, NASC elected the 2010-11 Executive Committee. New to the committee this year will be David McDermott (CO). Back row, left to right: President Clark Partridge (AZ); David McDermott (CO); Immediate Past President Calvin McKelvogue (IA). Front row, left to right: Kim Wallin (NV); Vice-President Brenda Bolander (OK); and Paul Christofferson (MT). Not pictured: Secretary/Treasurer Richard Eckstrom (SC) and Sadie Rodriguez-Hawkins (WA).

Association Notes

NASC Business Meeting Recap

(continued from page 9)

- Tom Cook, Secretary of Finance, Delaware.
- Wes Mohling, Interim State Accounting Administrator, Nebraska. (Paul Carlson’s retirement date was January 15, 2010.)
- Leila Malatesta, Director, Office of Fiscal Management, Mississippi. (Leila was named as the principal NASACT member in August 2009.)
- Edgar Carter, State Comptroller, New Hampshire. Donna Jones is his mentor.
- Jason Dilges, Commissioner, South Dakota (a new member office of NASACT/NASC). Sadie Rodriguez-Hawkins is his mentor.

Ms. Wallin said that not everyone has a mentor because some are “acting” or “interim” comptrollers and others have been associated with NASACT/NASC for a while.

■ **Resolutions Committee:** Paul Christofferson, chair of the Resolution Committee, read a resolution for Paul Carlson, recognizing his contributions over the years. He next read a resolution for Mr. McKelvogue thanking him for his service as president of NASC. Both resolutions passed unanimously.

■ **Nominating Committee:** Kim Garnero, chair, said that the committee considered five NASC members to be on the NASC Executive Committee; the committee selected David McDermott. A motion was made to approve Mr. McDermott as a new member of the committee. The motion passed unanimously.

The members heard reports from Cornelia Chebinou and from Kinney Poynter. The meeting ended with the presentation of a plaque to Mr. McKelvogue in thanks for his service as NASC’s president. Mr. Partridge, Arizona state comptroller and incoming president of NASC, made the presentation.

Minutes from the business meeting will be posted following approval at www.nasact.org. Questions about this article may be directed to Kim O’Ryan at koryan@nasact.org. ■

NASC Leadership Opportunities

The lifeblood of NASC is its committees and information sharing groups. Would you like to participate? To see a complete list of the committee and information sharing group opportunities, visit www.nasact.org/nasc/committees/index.cfm. To indicate your interest in serving on a committee, email Kim O’Ryan at koryan@nasact.org.

Executive Committee

President: C. Clark Partridge (AZ)

Advisory Committee for State Comptrollers: Technical Activities and Functions

Co-Chair: Leila Malatesta (MS)
Co-Chair: Sadie Rodriguez-Hawkins (WA)

Committee on the Financial Plan

Chair: Richard Eckstrom (SC)

Committee on Outreach

Chair: Sadie Rodriguez-Hawkins (WA)

Constitution and Bylaws

Chair: Kim Garnero (AK)

Middle Management Conference

Co-Chair: Kim Wallin (NV)

Nominating

Chair: Calvin McKelvogue (IA)

Program

Chair: Brenda Bolander (OK)

Resolutions

Chair: Paul Christofferson (MT)

Site

Chair: David Von Moll (VA)

Committee on Accounting and Financial Reporting

Co-Chair: David McDermott (CO)
Co-Chair: Mike Moody (MI)

Derivatives Implementation Network

Chair: Eric Berman (MA)

Statement 51 Work Group

Chair: Herb Maguire (PA)

Statement 54 Work Group

Co-Chair: Kathryn Ross (OR)
Co-Chair: Claire Watkins (FL)

Multi-State Consortium on Internal Control

Co-Chair: Merideth Hackney (ID)
Co-Chair: Lynda Roesler (NE)

E-Commerce Information Sharing Group

Co-Chair: Pat Davis (MA)
Co-Chair: Tom Smelker (TX)

ERP Information Sharing Group

Co-Chair: Bob Jaros (CO)
Co-Chair: Reese Robinson (DE)

State Government Payroll Information Sharing Group

Co-Chair: Ruth Duquette (MI)
Co-Chair: Vicki Smith (TX)
Co-Chair: Brandon Woolf (ID)

Transparency Information Sharing Group

Co-Chair: Paul Christofferson (MT)
Co-Chair: Clark Partridge (AZ)
Co-Chair: Suzy Whittenton (TX)

Travel and Purchase Card Information Sharing Group

Co-Chair: Valerie Alley (VA)
Co-Chair: Patti Everill (ID)

Association Notes

NSAA Seeks Input on AICPA EDs

The American Institute of Certified Public Accountants, through the Auditing Standards Board, has issued several exposure drafts as part of its clarity project. The ASB is seeking comments from all interested parties. The Audit Standards and Reporting Committee of the National State Auditors Association will be issuing an association response to each of

the proposals. The documents may be downloaded from the AICPA's website at www.aicpa.org/Professional+Resources/Accounting+and+Auditing/Audit+and+Attest+Standards/Exposure+Drafts+of+Proposed+Statements/.

Comments for inclusion in NSAA's responses should be sent to Sherri Rowland, NSAA association director, at srowland@nasact.org, by the dates indicated in the chart below. Sherri may also be reached at (859) 276-1147. ■

Proposal Name	Description	Deadline to submit comments to AICPA	Deadline to include your comments in NSAA's response letter
Proposed SAS entitled <i>Audit Evidence—Specific Considerations for Selected Items</i>	On page 8 of the ED is an Issue for Consideration as well as a Guide for Respondents.	April 30	Deadline passed (April 2)
Proposed SAS entitled <i>Using the Work of an Auditor's Specialist</i>	This proposed SAS would supersede SAS No. 73, <i>Using the Work of a Specialist</i> . On page 6 of the ED is a Guide for Respondents.	April 30	Deadline passed (April 2)
Proposed SAS entitled <i>Communicating Internal Control Related Matters Identified in an Audit</i> (Redrafted)	This proposed SAS would supersede SAS No. 115, <i>Communicating Internal Control Related Matters Identified in an Audit</i> . On page 6 of the ED is a Guide for Respondents.	April 30	Deadline passed (April 2)
Proposed SAS entitled <i>Analytical Procedures</i>	This proposed SAS would supersede SAS No. 56, <i>Analytical Procedures</i> .	May 3	Deadline passed (April 2)
Proposed SAS entitled <i>Consistency of Financial Statements</i>	This proposed SAS would supersede SAS No. 1, section 420, <i>Consistency of Application of Generally Accepted Accounting Principles</i> , as amended.	May 19	Deadline passed (April 19)
Proposed SAS entitled <i>Consideration of Omitted Procedures After the Report Release Date</i>	This proposed SAS would supersede SAS No. 46, <i>Consideration of Omitted Procedures After the Report Date</i> .	May 31	May 7

Mark Your Calendar: Upcoming Conference/Information Sharing Calls

To get information about joining a NASC group, contact Kim O'Ryan at koryan@nasact.org.

To join an NSAA group or the NASACT Committee on Accounting, Reporting and Auditing, contact Glenda Johnson at gjohnson@nasact.org.

Summaries of past calls and resources from these groups can be found at www.nasact.org (you must log in to the site to view the information).

National Association of State Comptrollers

- NASC Statement 51 Work Group – May 6
- NASC Statement 54 Work Group – May 6
- NASC ERP – May 6
- NASC Multi-State Consortium on Internal Control – May 13
- NASC State Government Payroll – May 12 (mini teleconference)
- NASC Travel and Purchase Card – May 19 (mini teleconference)
- NASC E-Commerce – May 26
- NASC Transparency – June 8

National State Auditors Association

- NSAA Human Resources – April 29

National Association of State Auditors, Comptrollers and Treasurers

- Committee on Accounting, Reporting and Auditing – May 18

New at www.nasact.org

- Visit www.nasact.org/nasact/positions/GASB.cfm to view NASACT's **observations from the GASB meeting** held February 16-18, 2010.
- Visit www.nasact.org/nasc/technical/index.cfm to find responses to **technical inquiries** by state comptroller's offices on the following topics:
 - Electronic W-2s
 - Military Spouses Residency Relief Act
 - Sales Tax Exemptions for P-Cards
 - Fee-for-Service Business Model for IT
 - OMB Request Regarding the Treatment of State Universities

Single Audit Issues: Input Needed

Single Audit Roundtable

The next Single Audit Roundtable, hosted by the American Institute of Certified Public Accountants, is scheduled for Wednesday, April 28, in Washington, DC. Cornelia Chebinou will be attending the roundtable on behalf of the National State Auditors Association. Please submit any single audit issues you would like to have addressed at the roundtable to Ms. Chebinou at cchebinou@nasact.org and copy Sherri Rowland at srowland@nasact.org.

Proposed Changes to 2010 Data Collection Form

On March 30, the U.S. Office of Management and Budget issued in the Federal Register a request for comment on revisions to the Data Collection Form (SF-SAC). The proposed change is to add a new data element on Part III of the SF-SAC form to identify expenditures tied to the American Recovery and Reinvestment Act. The proposed revised form will replace the current form for audit periods ending in 2010 and will also be used for audit periods ending in 2011 and 2012.

Comments are due to the OMB on Thursday, April 29. If you have any comments on the revised form, please send them to Sherri Rowland **by Monday, April 26**. You may also send your comments directly to Gilbert Tran at hai_m._tran@omb.eop.gov (please copy Ms. Rowland should you choose to send your comments directly to the OMB).

The draft SF-FAC and instructions may be downloaded at www.whitehouse.gov/omb/grants_standard_report_forms/.

NASACT Seeks Input on GASB EDs

Pre-89 Exposure Draft

NASACT will provide a response to the exposure draft *Codification of Accounting and Financial Reporting Guidance Contained in Pre-November 30, 1989 FASB and AICPA Pronouncements*. Due to the length of the ED, NASACT has broken it down into five sections. NASACT seeks input on the following sections:

- Sec. 1: Paragraphs 5-116 (pages 2 through 30)
- Sec. 2: Paragraphs 117-213 (pages 30 through 57)
- Sec. 3: Paragraphs 214-274 (pages 57 through 88)
- Sec. 4: Paragraphs 275-402 (pages 88 through 120)
- Sec. 5: Paragraphs 403-503 (pages 120 through 147)

The ED can be downloaded from the GASB's website at www.gasb.org.

Please send your comments on any of the five sections above **by Friday, June 25**, to Kim O'Ryan at koryan@nasact.org or Sherri Rowland at srowland@nasact.org.

Financial Reporting Entity Exposure Draft

On March 26, GASB issued an ED on *The Financial Reporting Entity an amendment of GASB Statements No. 14 and No. 34*. This ED is intended to improve financial reporting of component units and proposes to modify the existing criteria for inclusion of organizations that are "fiscally dependent" on a government by adding a requirement that the potential component unit and the primary government also have a financial benefit or burden relationship. The proposed statement also would amend the criteria for "blending," or the reporting of component units as if they were part of the primary government. Appendix C presents the proposed modifications in a markup format. A public hearing is scheduled during GASB's regular meeting on August 3, 2010, in Norwalk, Connecticut.

The board has asked for comments on all matters in this proposed statement including comments on any aspects with which you agree as well as any with which you disagree. The board requests that you explain the reasons for your views, including alternatives that you believe should be considered.

The ED can be downloaded from the GASB's website at www.gasb.org.

NASACT will be preparing an association position on this ED. Please send your comments for inclusion in NASACT's response **by Friday, June 4**, to Kim O'Ryan at koryan@nasact.org or Sherri Rowland at srowland@nasact.org. ■

Upcoming Events

NASACT Announces Webinar, SAS 117: The New Auditing Standard on Compliance

Tuesday, May 11, 2010, 1:00 p.m. ET

NASACT, in conjunction with the Association of Government Accountants and the Association of Local Government Auditors, is pleased to announce the latest in its series of webinars addressing timely issues in government auditing and financial management.

Governments frequently establish governmental audit requirements for entities to undergo an audit of their compliance with applicable compliance matters. To address such governmental audit requirements, the Auditing Standards Board issued Statement on Auditing Standards No. 117, *Compliance Audits*, in December 2009. SAS No. 117 was primarily developed in response to the results of a federal study on the quality of single audits performed under Office of Management and Budget Circular A-133, *Audits of States, Local Governments and Non-Profit Organizations*, which showed that improvements were needed in many areas.

SAS No. 117 establishes standards and provides guidance on performing and reporting on an audit of an entity's compliance with applicable compliance requirements of a governmental audit. These standards apply for audits conducted in accordance with generally accepted auditing standards, *Government Auditing Standards*, and a governmental audit requirement that requires an auditor to express an opinion on compliance. SAS No. 117 updates SAS No. 74 to reflect changes in the compliance audit environment and incorporates the risk assessment standards. It requires the auditor to adapt and apply the AU sections of AICPA

Professional Standards to a compliance audit and provides guidance on how to do so. It also identifies the AU sections that are not applicable to a compliance audit, defines terms related to compliance audits, and identifies the elements to be included in an auditor's report on a compliance audit.

This webinar will address:

- The specific requirements of the new SAS.
- How a compliance audit differs from the financial statement portion of an audit.
- Insight on how to implement the new compliance audit requirements.

SAS No. 117 is effective for compliance audits for fiscal periods ending on or after June 15, 2010, with earlier application permitted.

General Information

Date:	Tuesday, May 11, 2010
Time:	1:00 – 2:50 p.m. ET
Speakers:	Randy Roberts, Director of Professional Practice, Arizona Office of the Auditor General Eric Formberg, Partner, Assurance Services, Plante & Moran
CPE:	Two Credits
Cost:	\$249.00 per site (unlimited attendance)

Register

Register online and find additional information at www.nasact.org/conferences_training/events.cfm. Questions may be directed to (859) 276-1147. ■



Mark Your Calendar for Upcoming Training!

- May 11 – SAS 117: The New Auditing Standard on Compliance
- July 21 – Revised Government Auditing Standards

If you have an idea for a webinar topic, please let us know! Email your topics to Kinney Poynter at kpoynter@nasact.org.

Miss a webinar that you wanted to hear? No problem! Visit NASACT's Online Bookstore at www.nasact.org/bookstore/index.cfm to order CDs of past training events. Some recent additions include:

- GASB Update: Keeping Pace in a Changing Environment
- Federal Grants Management: Are States Ready to Manage More Federal Grant Funds?

Upcoming Events

Registration is Now Open for the NASACT Annual Conference!



Please join us in the beautiful state of West Virginia on August 7-11 for the 2010 NASACT Annual Conference!

With the heart of the Appalachian Mountains as a backdrop, there will be no end to the exciting adventures you will find in West Virginia. From rafting and climbing to spectacular golf and natural beauty, you will find it all. Explore the state's deep and rich mining history or attend one of the numerous festivals and theatrical productions; it won't be hard to find something wonderful to see!

Conference Program and Roundtable Event

NASACT's Program Committee has surveyed the members, and based on the survey results, has begun developing the technical program. A draft program will be posted soon. The program will feature topics of contemporary interest to NASACT's members. The conference will be followed immediately on Wednesday, August 11 by a half-day roundtable, which will focus on the nation's economy and its effect on states as well as post implementation issues related to the American Recovery and Reinvestment Act.

Conference Hotel

The conference hotel, the Marriott Charleston Town Center, is located in the heart of West Virginia's capitol city. The hotel is just minutes away from the capitol building, the Town Center Mall, Charleston's premier retail destination, and the Charleston

Civic Center, a 14,000 seat music, arts and special events facility.

The negotiated conference rate is \$134/night single or double occupancy, plus applicable taxes. This rate is guaranteed until the cutoff date of July 16, 2010. After this date, rooms will be offered on a space and rate-available basis only. To book your room, call (304) 346-6500 and ask for the NASACT Annual Conference group rate. Visit the Marriott Charleston Town Center website for additional information at www.marriott.com/hotels/travel/crwwv-charleston-marriott-town-center/.

Social Events

Social events for all conference attendees will begin on Saturday with a golf tournament and a hospitality suite open house, where attendees will be able to enjoy refreshments and reconnect with NASACT colleagues. Sunday will feature the annual 5K fun run/walk and conference brunch, and the day will end with a sunset river cruise on the Kanawha River. After Monday's sessions, attendees will be invited to enjoy a reception at the West Virginia Cultural Center and State Capitol Complex. Tuesday will conclude with the State Night Dinner at the Clay Center.

Golf Tournament

The NASACT annual golf tournament will be held at Stonehaven Golf Course, one of the most dramatic courses in the Mid-Atlantic region. Stonehaven's aesthetics of rock walls, man-made outcroppings and lush, year-round Bentgrass greens are impressive, but it is the course's long bunkers and treacherous hazards that will truly test a golfer's mettle. For more information, visit www.stonehavengolf.com.

Registration Fees

Registration fees for the 2010 NASACT Annual Conference:

- Members and staff: \$600
- New NASACT members: \$0
- Other governmental personnel: \$725
- Non-governmental personnel: \$1,000
- Guests (age 18 and over): \$200
- Teens (age 13-17): \$75; Children (age 6-12): \$50

Registration and additional information is now posted to NASACT's website at www.nasact.org. Questions about the conference may be directed to Donna Maloy at dmaloy@nasact.org or (859) 276-1147. ■

New This Year: Travel Assistance and New Member Programs!

As detailed on page 1 of this newsletter, NASACT's Executive Committee recently approved a travel assistance program for 2010 and 2011 to help principal members (or their designees) attend the annual conference. Each member can be reimbursed for up to \$1,000 to cover conference airfare, hotel or registration. New members will receive complimentary registration to the conference (a \$600 value). Watch for more details on these programs in the coming weeks!

News From Around the Nation

Legislature Elects Purpera to Fill Louisiana Legislative Auditor Post

Daryl Purpera was unanimously elected by the legislature to serve as the Louisiana's legislative auditor on April 6, 2010. Mr. Purpera previously served as the first assistant legislative auditor for three years, and has 26 years of audit experience including financial audits, investigative audits, conducting forensic interviews, and testifying before courts and legislative committees.

Mr. Purpera is a graduate of Louisiana State University. He is a member of the American Institute of Certified Public Accountants, the Louisiana Society of CPAs, and the Association of Certified Fraud Examiners. He was appointed to the AICPA State and Local Government Expert Panel in August 2009. He serves as a state representative for the National Intergovernmental Audit Forum, as well as an Executive Committee member for the Southwest Intergovernmental Audit Forum. Mr. Purpera also serves on LCPA's Accounting and Auditing Standards Committee and the Government Accounting and Auditing Committee. ■

Barb Hinton Leaves Kansas, Accepts Position in Washington State

Barb Hinton, legislative post auditor of Kansas since 1991, will leave that position in June to join the Washington State Auditor's Office on July 1 as deputy director for performance audits.

Ms. Hinton has more than 34 years of experience conducting and leading performance audits that have been nationally recognized for their high quality. She has been active in numerous professional audit organizations, including a term as president and several years as an Executive Committee member of the National State Auditors Association. She is currently also an officer on NASACT's Executive Committee.

As chair of the NSAA Performance Audit Committee, she

led the development of best practices for various government activities. She has also been an active participant with NSAA's Peer Review Committee. She served a three-year term on the U.S. Government Accountability Office's Auditing Standards Advisory Council, where she focused on standards related to auditor independence and performance audits.

Washington State Auditor Brian Sonntag said he is looking forward to the contributions Hinton can make toward his office's shared vision of government that works better, costs less and delivers more of the results that citizens value.

The Washington State Auditor's Office was granted performance audit authority in 2005, when the state's voters approved an initiative that expanded an audit portfolio that also includes single and financial audits, legal compliance audits and special investigations. ■

Kentucky Receives Top Grade in Transparency Study

According to a study released recently by the U.S. Public Interest Research Group, Kentucky received the top grade for openness of government spending. The study is called *Following the Money: How the 50 States Rate in Providing Online Access to Government Spending Data*.

Kentucky's site allows visitors to easily view contracts, past and present, to search by contractor or type of activity contracted for, with explanations of the purpose of individual contracts. The site includes tax subsidies and economic

development grants as well as expenditures by some quasi-public agencies. New contract data is uploaded each night, according to the site.

While Open Door Kentucky lost a few points for not providing any local government data, it was the only state to receive an A grade. Behind Kentucky, the other states identified as leaders in the recent trend toward spending transparency were Ohio, Illinois, Minnesota, Texas, Missouri and Pennsylvania, all of which scored a B in the study. Eighteen states received a grade of F.

The study can be found at www.uspirg.org/home/reports/report-archives/tax--budget-policy/tax--budget-policy--reports/following-the-money-how-the-50-states-rate-in-providing-online-access-to-government-spending-data. ■

Delaware Announces New Financial Education Partnership

Delaware State Treasurer Velda Jones-Potter and TD Bank, recently announced an innovative new partnership to bring financial education to classrooms throughout Delaware.

The TD Bank WOW! Zone is a free financial literacy program created and implemented by the bank to help children ages five to 18 develop strong financial skills, in school and online.

The WOW! Zone is aimed at providing children and teens with valuable information about money, saving, banking and investing and provides educators with a resource for introducing

topics such as the value of money, the importance of saving, the difference between wants and needs, how to create a budget, and the basics of banking.

Funded exclusively by TD Bank, without any taxpayer dollars, this joint effort marks an exciting time for Delaware students. Upon completion of the lesson, each student will receive a "goodie bag" from the state treasurer and TD Bank filled with a financial education activity book, crayons, pencils, a notebook, stickers, a certificate of completion, and a certificate that allows each student to open a bank account, with the first \$10 deposited courtesy of this program.

To learn more about the program, contact Nicholas Adams, deputy state treasurer, at nick.a.adams@state.de.us. ■

2010

- April 26-27 ■ Tennessee Training Seminar, Chattanooga, TN
May 3-4 ■ Tennessee Training Seminar, Nashville, TN
May 11 ■ Webinar: SAS 117 - Compliance Auditing
May 13-14 ■ Tennessee Training Seminar, Morristown, TN
May 19-20 ■ Tennessee Training Seminar, Jackson, TN
June 15-18 ■ NSAA Annual Conference, Carefree, AZ
July 21 ■ Webinar: Revised Government Auditing Standards
August 7-11 ■ NASACT Annual Conference, Charleston, WV
August 8 ■ NASACT Executive Committee Meeting, Charleston, WV
September 28 - October 1 ■ NSAA IT Workshop and Conference, Tallahassee, FL

Register Today for NSAA 2010!

by Donna Maloy, Conference Manager

Debbie Davenport, auditor general of Arizona and president of the National State Auditors Association, invites you to attend the 2010 NSAA Annual Conference to be held in Carefree, Arizona, June 16-18. The conference will be preceded by a day of meetings by NSAA's committees on June 15.

The Program

The Program Committee has been working to develop a program that includes topics such as:

- The consequences of policies and events on the economy.
- How the Improper Payments Act will affect future single audits.
- Living in recovery – state auditors' perspectives.
- Standards update.

Gene Dodaro, Marcia Buchanan, Dr. Stephen Happel, and Scott Pattison are among the distinguished speakers who will be present at the conference.

The Conference Hotel

This year's annual conference will be held at The Boulders. Nestled among the ancient boulders, vivid colors and captivating wildlife of the Sonoran Desert, The Boulders is situated on 1,300 sprawling acres in the foothills of Carefree, Arizona, just outside of Scottsdale.

Registration Fees

- Member or member staff: \$600
- Other governmental personnel: \$675
- Non-governmental personnel: \$750
- Guests: \$200

More Information

The draft program agenda, complete hotel information and online registration are now available on NASACT's website at www.nasact.org.

Questions about the program may be addressed to Sherri Rowland at srowland@nasact.org. All other questions may be addressed to Donna Maloy at dmaloy@nasact.org. Make plans now to attend! ■

NASACT News

APRIL 2010

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Legislative Post Auditor, Kansas

Martin J. Benison

Secretary

Comptroller, Massachusetts

James B. Lewis

Treasurer

State Treasurer, New Mexico

The next issue of *NASACT News* will be published in May 2010. To submit articles, photos or ideas, contact Glenda Johnson by May 7 at gjohnson@nasact.org or phone at (859) 276-1147.

NASC Annual Conference Recap



Kim Wallin (NV) received a President's Award from Calvin McKelvogue (IA) in recognition of her XBRL work.



Herb Maguire (right, PA) received a Distinguished Service Award from NASC President Calvin McKelvogue in recognition of his work with the Statement 51 Work Group.



NASC President Calvin McKelvogue presented Past President Paul Carlson (right) with a Distinguished Service Award. Paul retired from the state of Nebraska in January.



Clark Partridge (right, AZ) presented outgoing President Calvin McKelvogue with a plaque of appreciation from NASC at the conclusion of the association's business meeting.



The NASACT Committee on Accounting and Financial Reporting met on March 23, just prior to the NASC conference.



From left to right, Bryan DeGraw, Sheresa Norton, Steve Funck (OK), Melissa Womack (MS) and Kim Wallin participated in a panel session about benchmarking in the states.

NASC Annual Conference Recap



Kim Garnero, Brenda Bolander (OK) and C. Clark Partridge at the conference banquet on Wednesday evening.



John Reidhead (UT) moderated the last of three roundtable sessions held during the conference.



Roundtable participants discuss Recovery Act implementation issues during one of the sessions.



Leila Malatesta (MS) moderated a session featuring David McDermott (CO), who discussed internal controls and ARRA.



From left to right, David Bean, Herb Maguire, Martin Benison (MA) and Paul Christofferson (MT) participated in the GASB update session.



Kim Garnero introduces Scott Pattison, executive director of the National Association of State Budget Officers, who painted a grim picture for state budgets in the near future.