39th Annual Government Auditing Training Seminars

2020 Tennessee Training

MAY 4-5, 2020 — VIRTUAL TRAINING

Sponsored by
National Association of State Auditors, Comptrollers and Treasurers
and
Tennessee Comptroller of the Treasury, Department of Audit
February 2020

Fellow CPAs and Colleagues:

Each year brings unique challenges and opportunities for the auditing and accounting profession—2020 will be no exception. As you can imagine, our most recent challenge has been related to this annual training and the impacts the recent Covid-19/Coronavirus epidemic will have on it. After much deliberation, we have decided to cancel the four onsite events, originally scheduled to occur on dates in April and May in the cities of Chattanooga, Jackson, Nashville and Morristown. We believe this decision is in the best interest of the health of all our training attendees.

**However, we will still be offering the same quality technical program and the same number of CPE credits through a virtual training, which will be held on May 4-5.**

We will offer this training in a combination of webinars and live-streamed video that you can watch from the convenience of your own computer screen. 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 a look at select issues that relate specifically to the operations of Tennessee local governments and their auditors.
- Fraud case studies.
- New GASB standards, including GASB’s “Big 3,” the new reporting model, revenue and expense recognition, note disclosures, and Statements 84 and 87.
- Audit risk assessment linkage issues.
- Compliance Supplement Part 6 on internal control.
- Refocusing your governing body on finance issues.

Frank Crawford, president of Crawford & Associates, will be this year’s primary speaker. Frank brings a wealth of practical experience to his training sessions, and we are very pleased to have him back this year. Joining him will be Chris Pembrook, partner at Crawford & Associates. The two-day virtual training will also feature speakers from the Tennessee Department of Audit, including Jerry Durham and Daniel Porter. 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, and even the recent global pandemic doesn’t change that goal. We hope you will join us for the 2020 Government Auditing Virtual Training.

Sincerely,

Deborah Loveless  
Director, Division of State Audit

Jim Arnette  
Director, Division of Local Government Audit
GENERAL INFO & REGISTRATION

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 changes to audit standards issued by the GAO and the ASB.
• Be aware of recently implemented standards from the GASB and understand common implementation issues.

Level of Knowledge: Overview

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

VIRTUAL TRAINING DATES & LOGISTICS

May 4-5
Information on how to access the virtual training sessions will be emailed to participants prior to the training date.

Sessions will either be presented as webinars or live-streamed video via the internet.

REGISTRATION FEE & WHAT’S INCLUDED

$300 per person.

• Session materials in PDF format
• Up to 16 credits of CPE on Government Accounting and Auditing Standards

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/calendar_list.asp.

• 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.

QUESTIONS & MORE INFORMATION

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

Advance Preparation and Prerequisites: No advance preparation required.

CPE: 16 credits have been recommended.

Attendance Requirements: To obtain full credit for this event, attendees must submit attendance verification codes as provided during the sessions.

Delivery Method: Group Internet-Based.
All sessions include Q&A.

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: https://www.nasbaregistry.org/.
DAY ONE

8:30 – 8:35 A.M. Central Time

WELCOMING REMARKS
R. Kinney Poynter, CPA, Executive Director, NASACT

8:35 – 9:50 A.M. Central Time

EMERGING ISSUES IN GOVERNMENT ACCOUNTING AND AUDITING
Field of Study: Auditing (Governmental)

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

9:50 – 10:05 A.M. Central Time

BREAK

10:05 – 11:45 A.M. Central Time

TENNESSEE SPECIFIC ACCOUNTING AND AUDITING ISSUES
Field of Study: Auditing (Governmental)

In this session, the Division of Local Government Audit will provide an overview of accounting, auditing, and legislative issues that will affect the way Tennessee local governments and their auditors perform their jobs. As usual, we have no shortage of things to talk about. For example, the Contract Audit Review function has been restructured within the Division of Local Government Audit with an emphasis on reviewing audit workpapers; GASB 84 implementation for Pension Plans and Internal School Funds; funds that have been considered “State” Revolving Loan Funds (i.e., a state grant) in the past, are now considered “Federal funding” by the Tennessee Department of Environment and Conservation; internal school fund audits for charter schools; new legislation; the stabilization reserve trust for the teacher hybrid pension plan; the 2018 Yellow Book; and more. In addition, this year we have allotted more time to this session which should allow for more questions.

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

11:45 A.M. – 12:30 P.M. Central Time

LUNCH BREAK

12:30 – 1:20 P.M. Central Time

BEARS WILL BE BEARS – FRAUDSTERS TOO
Field of Study: Auditing (Governmental)

Bears are intelligent and motivated to find food. When I left some fried chicken in my Jeep while in Gatlinburg, a bear tore a hole in the top and ate the chicken and part of my Jeep. He was just a bear being a bear. I’m responsible because I left the chicken in the Jeep and gave him the opportunity. Similarly, people are intelligent and motivated to survive. If we give them opportunity by not implementing good internal controls, they will take our assets.

This session reviews the investigation of the former director of a local conference center who took advantage of lax internal controls and committed fraud of $31,000. She was just a fraudster being a fraudster.

Daniel Porter, CFE, Senior Investigator, Division of Investigations, Tennessee Comptroller of the Treasury

1:25 – 3:05 P.M. Central Time

GASB UPDATE: LOOKING FORWARD WITH 2020 VISION
Field of Study: Accounting (Governmental)

As the GASB begins to ponder their forward-looking future direction with recent Board and staffing changes, we are still left with several existing standards and potential standards, with soon-to-be applicable dates, to implement. This session will look at GASB’s current slate of standards or “near-standards,” outside of the Statements 84 and 87, which will be covered in separate sessions. In addition, we will review the progress being made on the GASB’s “Big 3”, with the latest developments in the new reporting model, revenue and expense recognition, and note disclosures.

Frank Crawford, CPA, President, Crawford & Associates
Chris Pembrook, CPA, Partner, Crawford & Associates

3:05 – 3:20 P.M. Central Time

BREAK

3:20 – 4:35 P.M. Central Time

GASB UPDATE: LOOKING FORWARD WITH 2020 VISION (cont.)
Field of Study: Accounting (Governmental)
DAY TWO

8:30 – 10:10 A.M. Central Time

GASB IMPLEMENTATION ISSUES ON CURRENT STANDARDS
Field of Study: Accounting (Governmental)

Time has either run out or is running out on the implementation of a number of current GASB standards. With GASB 84, Fiduciary Activities, due to be implemented this year, and GASB 87, Leases, due next year, the preparer’s and auditor’s hands will be busy for the next couple of years. As we get closer to the implementation date of these standards, implementation issues continue to make their way to the surface. This session will take a look at the implementation issues surrounding fiduciary activities and leases, along with some post implementation issues that have come to light on several recently effective standards, such as GASB 83, Asset Retirement Obligations.

Frank Crawford, CPA, President, Crawford & Associates
Chris Pembrook, CPA, Partner, Crawford & Associates

10:10 – 10:25 A.M. Central Time

BREAK

10:25 A.M. – 12:05 P.M. Central Time

GASB IMPLEMENTATION ISSUES ON CURRENT STANDARDS (cont.) Field of Study: Accounting (Governmental)

12:05 – 1:00 P.M. Central Time

LUNCH BREAK

1:00 – 1:50 P.M. Central Time

AUDIT RISK ASSESSMENT LINKAGE ISSUES
Field of Study: Auditing (Governmental)

According to the AICPA, various regulatory auditors, and the peer review community, documentation of audit risk assessments and their subsequent linkage to further audit procedures continues to be inadequate in many audit engagements. This session will provide some quick insight and tips to the audit practitioner to avoid noncompliance with audit documentation standards, and also address the importance of the role of management’s risk assessments as part of the entire audit risk assessment process.

Frank Crawford, CPA, President, Crawford & Associates
Chris Pembrook, CPA, Partner, Crawford & Associates

1:50 – 2:40 P.M. Central Time

COMPLIANCE SUPPLEMENT PART 6 – INTERNAL CONTROL
Field of Study: Auditing (Governmental)

Gone are the days of the auditor using Part 6 of the compliance supplement as an easy tool for gaining, understanding and documenting the internal controls relevant to the use of federal funds. Part 6 on internal control still has not returned to its use as a simple tool. However, what is there now can be effectively used by the auditor to meet their burden of gaining an understanding of the design of internal control over federal programs, determining whether those controls have been placed into operation, and the documentation related to both. This session will examine what Part 6 of the Compliance Supplement has evolved into, and how both the auditor and auditee compliance managers can use it to their advantage.

Frank Crawford, CPA, President, Crawford & Associates
Chris Pembrook, CPA, Partner, Crawford & Associates

2:40 – 2:55 P.M. Central Time

BREAK

2:55 – 3:45 P.M. Central Time

PANEL Q&A Field of Study: Auditing (Governmental)

Ever have a question that seems to have no good answer? Use that question during this session to stump our panel of experts that have volunteered at the chance to be stumped. We will use this session to look at technical questions related to a deeper dive into our previously presented material, or to bring up other issues not directly related to the material but of interest to the participants.

Frank Crawford, CPA, President, Crawford & Associates
Jerry E. Durham, CPA, CGFM, CFE, Assistant Director, Division of Local Government Audit, Tennessee Comptroller of the Treasury
Chris Pembrook, CPA, Partner, Crawford & Associates
R. Kinney Poynter, CPA, Executive Director, NASACT

3:45 – 4:35 P.M. Central Time

REFOCUSING YOUR GOVERNING BODY ON FINANCE ISSUES Field of Study: Auditing (Governmental)

Has your governing body ever “lost sight of the forest for the trees?” This common phrase applies all too often to many governing bodies who tend to lose focus when they see rows and columns of numbers on several sheets of paper. This session will provide insight and tips to get the governing body focused on the big picture, along with a financial training tool to assist in their understanding of many of the important aspects of governmental finance.

Frank Crawford, CPA, President, Crawford & Associates
Chris Pembrook, CPA, Partner, 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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