

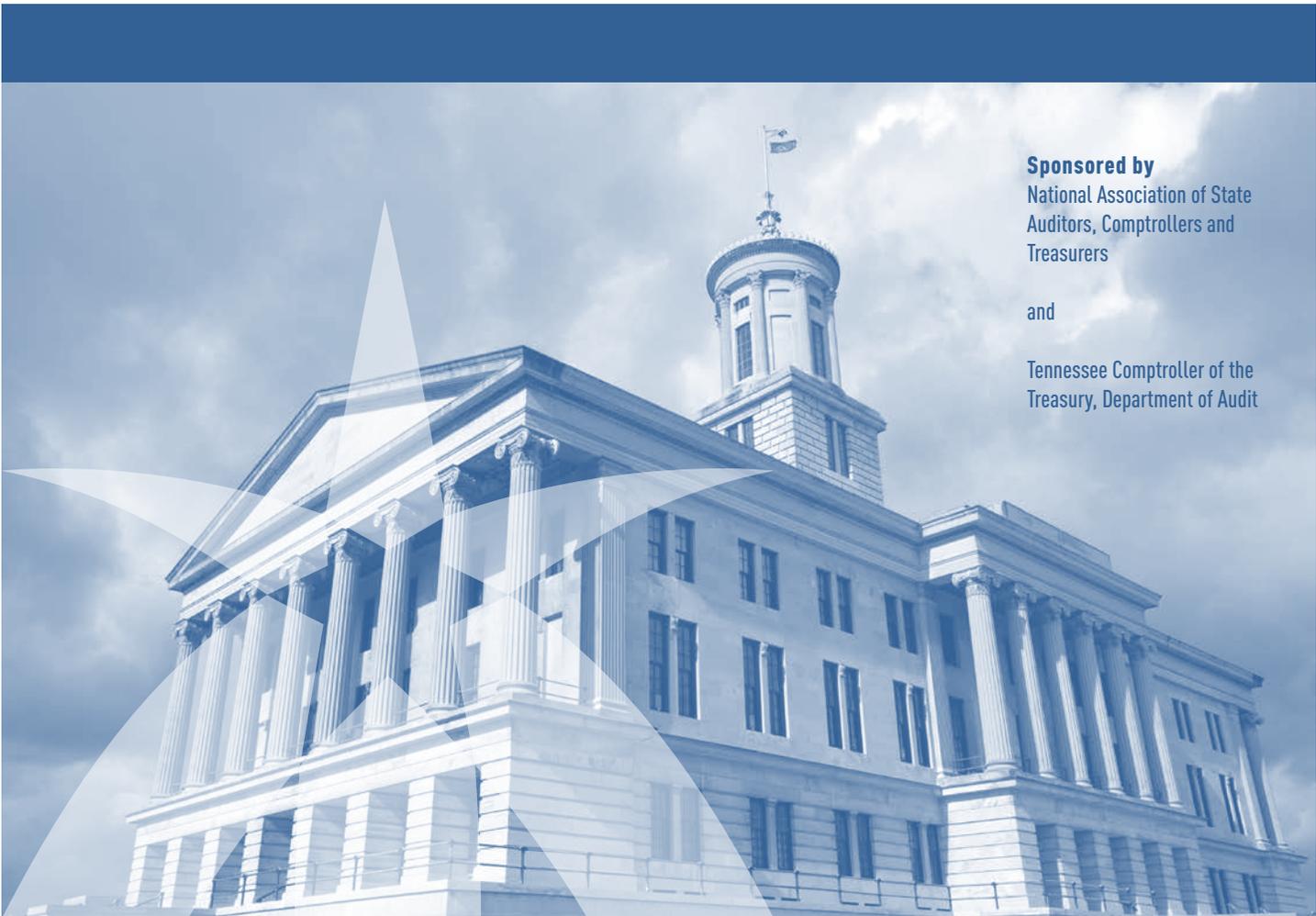


**NASACT**

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

**38th Annual Government  
Auditing Training Seminars  
2019 Tennessee Training**

APRIL-MAY 2019



**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  
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February 2019

Fellow CPAs and Colleagues:

Each year brings unique challenges and opportunities for the auditing and accounting profession - 2019 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-eighth 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 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 an in-depth review of Statements 84, 87 and preliminary views on the New Reporting Model.
- An update on the new Yellow Book.
- A look at the future of auditing and audit evidence.

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, partner at Crawford & Associates. The two-day seminars 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. We hope you will join us for information-sharing, networking and continued learning at the 2019 Government Auditing Training Seminars.

Sincerely,

Deborah Loveless  
Director, Division of State Audit

Jim Arnette  
Director, Division of Local Government Audit

# GENERAL INFO & REGISTRATION

## WHEN WILL THE TRAINING BE OFFERED?

### April 25-26, Chattanooga, Tennessee

University of Tennessee – Chattanooga  
University Center (Tennessee Room)

### April 29-30, Nashville, Tennessee

One Century Place Conference Center (Amphitheater)

### May 6-7, Morristown, Tennessee

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

### May 9-10, Jackson, Tennessee

DoubleTree Hotel (Andrew Jackson Ballroom)

## REGISTRATION FEE & WHAT'S INCLUDED

\$345 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.

## HOW TO REGISTER

Register today at [www.nasact.org/tn\\_training](http://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](http://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.

## 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.

**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-Live. 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/>.

# TRAINING SCHEDULE

## DAY ONE

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**8:00 – 8:30 A.M.**

**CONTINENTAL BREAKFAST** (provided)

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**8:30 – 8:35 A.M.**

### WELCOMING REMARKS

R. Kinney Poynter, CPA, Executive Director, NASACT

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**8:35 – 9:50 A.M.**

### 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 be developments from Congress, the U.S. Office of Management and Budget, the Government Accountability Office and others.

R. Kinney Poynter, CPA, Executive Director, NASACT

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**9:50 – 10:05 A.M.**

### BREAK

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**10:05 – 11:20 A.M.**

### TENNESSEE SPECIFIC ACCOUNTING AND AUDITING ISSUES

Field of Study: Auditing (Governmental)

This presentation will provide an overview of accounting, auditing, and legislative issues that will influence the way Tennessee local governments and their auditors perform their jobs. The new Yellow Book will impact the way auditors perform their audits and write our findings. We are still feeling the effects of implementing GASB 68 and 75, and we all need to consider how we are going to test census data going forward. GASB 84 is effective for June 30, 2020 audits, but Tennessee governments and auditors need to be preparing now for the changes. In addition, by the time this training takes place we should have a clearer picture about new legislation that will affect us all.

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

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**11:25 A.M. – 12:15 P.M.**

### SOMETIMES STUPID LOOKS LIKE FRAUD

Field of Study: Auditing (Governmental)

This session reviews the methodologies and the results of the investigations of two school bus repair garages. The red flags of fraud were there: inadequate separation of duties

and lack of management oversight. The evidence was there: intentionally circumvented internal controls and falsified documents. One investigation resulted in an indictment. One investigation led to “you did WHAT!” and no indictment. Learn how to investigate allegations of fraud in a garage and learn the importance of a thorough investigation and accurate findings. There is no room for error in investigations.

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

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**12:15 – 1:00 P.M.**

**LUNCH** (provided)

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**1:00 – 2:15 P.M.**

### GASB 84: IS THERE MORE TO FIDUCIARY ACTIVITIES THAN MEETS THE EYES?

Field of Study: Accounting (Governmental)

The fiduciary funds are forgotten no longer! The GASB has not only issued a brand new fiduciary activities principle, but it may be the first comprehensive look at just what fiduciary activities are and how they should be accounted for. In addition, the Board is also identifying what is NOT considered a fiduciary activity, and those changes could mean big changes for you. This session will take a look at the new principle in detail, along with the recently exposed fiduciary activities implementation question and answer guide.

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

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**2:15 – 2:45 P.M.**

### GASB 87 - LEASES: AT ITS LEAST, ITS LESSEE, LESSOR AND MORE

Field of Study: Accounting (Governmental)

Be prepared to throw away all of your previously accumulated knowledge about lease accounting and prepare to be introduced to the GASB's new lease principle. Accounting for leases has been changing across all the various standard-setters, and it is now the GASB's turn to change its accounting for both lessees and lessors. This session will take a fairly deep dive into implementation tips and tricks to assist both the preparer and the auditor in what to expect.

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

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**2:45 – 3:00 P.M.**

**BREAK**

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**3:00 – 3:45 P.M.**

### GASB 87 - LEASES: AT ITS LEAST, ITS LESSEE, LESSOR AND MORE (cont.)

Field of Study: Accounting (Governmental)

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**3:45 – 4:35 P.M.**

**PRELIMINARY VIEWS ON GASB'S NEW REPORTING MODEL**

Field of Study: Accounting (Governmental)

Oh, how we yearn for the good ol' days of GASB 34. That's what you may be saying after you see and hear about the GASB's proposed changes to their financial reporting model. Has it really been 20 years since the issuance of GASB 34? While the GASB is not yet finished with their redesign, this session will take a quick look at the most significant proposed changes to date.

Frank Crawford, CPA, President, Crawford & Associates

Chris Pembroke, CPA, Partner, Crawford & Associates

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**DAY TWO**

**8:00 – 8:35 A.M.**

**CONTINENTAL BREAKFAST** (provided)

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**8:35 – 10:15 A.M.**

**GASB UPDATE: THE HIT PARADE CONTINUES**

Field of Study: Accounting (Governmental)

The hits from coast to coast! Gone are the days when only 1 or 2 new standards at the most were being implemented together. We are now in an era of maybe 4-5 standards becoming effective in a single year. What else does the GASB have going on besides fiduciary activities, leases, and a new reporting model? This session will take a look at what else is out there for implementation considerations this year and in the next few years. We will also take a quick look at where the GASB is headed in the future.

Frank Crawford, CPA, President, Crawford & Associates

Chris Pembroke, CPA, Partner, Crawford & Associates

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**10:15 – 10:30 A.M.**

**BREAK**

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**10:30 – 11:20 A.M.**

**GASB UPDATE: THE HIT PARADE CONTINUES (cont.)**

Field of Study: Accounting (Governmental)

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**11:20 A.M. – 12:10 P.M.**

**YELLOW BOOK UPDATE: HOW WELL DO YOU KNOW GAS?**

Field of Study: Auditing (Governmental)

Well, if you are like us, you know *GAS* well. But, just in case you don't, this session will take a deeper dive into both old and new Government Auditing Standards requirements. With the recent issuance of the new Yellow Book and the effective dates creeping up, these are standards that you should know.

Frank Crawford, CPA, President, Crawford & Associates

Chris Pembroke, CPA, Partner, Crawford & Associates

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**12:10 – 1:00 P.M.**

**LUNCH** (provided)

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**1:00 – 1:50 P.M.**

**YELLOW BOOK UPDATE: HOW WELL DO YOU KNOW GAS?**

(cont.) Field of Study: Auditing (Governmental)

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**1:50 – 2:40 P.M.**

**STUMP THE CHUMPS PANEL**

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 chumps that have volunteered at the chance to be stumped. We will use this session to take a 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 Pembroke, CPA, Partner, Crawford & Associates

R. Kinney Poynter, CPA, Executive Director, NASACT

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**2:40 – 2:55 P.M.**

**BREAK**

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**2:55 – 4:35 P.M.**

**THE FUTURE OF AUDITING AND AUDIT EVIDENCE**

Field of Study: Auditing (Governmental)

How can evolving technology transform analysis and improve judgment? Deep learning technology will transform the way in which audits are conducted, and big data analytics will allow the development of automated audit procedures to supplement audit evidence to improve the efficiency and effectiveness of the audit process. In addition, the Auditing Standard Board and the IAASB are currently addressing whether revisions of audit evidence standards are appropriate due to the evolving nature of audit services. This session will update the participants on the latest developments related to the future of auditing.

Frank Crawford, CPA, President, Crawford & Associates

Chris Pembroke, 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.



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