



**NASACT**

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

**39th Annual Government  
Auditing Training Seminars**

**2020 Tennessee Training**

APRIL-MAY 2020



**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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NASHVILLE, TENNESSEE 37243-1402  
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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 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-ninth 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 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 seminars, and we are very pleased to have him back this year. Joining him will be Chris Pembrook, 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 2020 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 27-28, Chattanooga, Tennessee

University of Tennessee – Chattanooga  
University Center (Tennessee Room)

### April 30-May 1, Jackson, Tennessee

DoubleTree Hotel (Andrew Jackson Ballroom)

### May 4-5, Nashville, Tennessee

Lipscomb University, George Shinn Center  
3906 Belmont Blvd. — **NEW LOCATION\*\***

### May 11-12, Morristown, Tennessee

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

## REGISTRATION FEE & WHAT'S INCLUDED

\$345 per person. This fee includes:

- 2 continental breakfasts and 2 lunches
- Session materials
- 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/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

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## 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 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

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**9:50 – 10:05 A.M.**

**BREAK**

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**10:05 – 11:45 A.M.**

**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

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**11:45 A.M. – 12:30 P.M.**

**LUNCH** (provided)

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**12:30 – 1:20 P.M.**

**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

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**1:25 – 3:05 P.M.**

**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 Pembroke, CPA, Partner, Crawford & Associates

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**3:05 – 3:20 P.M.**

**BREAK**

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**3:20 – 4:35 P.M.**

**GASB UPDATE: LOOKING FORWARD WITH 2020 VISION**

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

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## DAY TWO

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**8:00 – 8:30 A.M.**

**CONTINENTAL BREAKFAST** (provided)

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**8:30 – 10:10 A.M.**

### **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 Pembroke, CPA, Partner, Crawford & Associates

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**10:10 – 10:25 A.M.**

**BREAK**

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**10:25 A.M. – 12:05 P.M.**

### **GASB IMPLEMENTATION ISSUES ON CURRENT STANDARDS**

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

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**12:05 – 1:00 P.M.**

**LUNCH** (provided)

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**1:00 – 1:50 P.M.**

### **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 Pembroke, CPA, Partner, Crawford & Associates

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**1:50 – 2:40 P.M.**

### **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, although back to relatively comprehensive guide to internal control over federal awards, 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 Pembroke, CPA, Partner, Crawford & Associates

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**2:40 – 2:55 P.M.**

**BREAK**

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**2:55 – 3:45 P.M.**

### **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 Pembroke, CPA, Partner, Crawford & Associates

R. Kinney Poynter, CPA, Executive Director, NASACT

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**3:45 – 4:35 P.M.**

### **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 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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