



## National Association of State Auditors, Comptrollers and Treasurers

# WASHINGTON UPDATE

444 N. Capitol Street NW, Suite 234 ♦ Washington, DC 20001 March 11, 2014

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### GAO Releases Consolidated Financial Statements for the Federal Government

The U.S. Government Accountability Office has released its report on the FY 2013 and 2012 consolidated financial statements of the federal government. Once again, GAO was unable to provide an opinion on the financial statements. In the report, GAO noted three major impediments that prevent them from rendering an opinion:

1. Serious financial management problems at the Department of Defense.
2. The federal government's inability to adequately account for and reconcile intra-governmental activity and balances between federal entities.
3. The federal government's ineffective process for preparing the consolidated financial statements.

In addition to those issues, GAO also found several material weaknesses, featuring the federal government's inability to:

1. Determine the full extent to which improper payments occur and reasonably assure that appropriate actions are taken to reduce them.
2. Identify and resolve information security control deficiencies and manage information security risks on an ongoing basis.
3. Effectively manage its tax collection activities.

The full report can be found at

[www.gao.gov/products/GAO-14-319R](http://www.gao.gov/products/GAO-14-319R).

### Moody's Explains New Ratings Methodology

Moody's Rating Service, in conjunction with *The Bond Buyer*, conducted a webinar on its new ratings scorecard. The webinar, entitled "Moody's Revises Local Government GO Methodology: What's New and

Who is Impacted?" looked at the increased focus on pensions in Moody's ratings calculations, as well as:

- What's in the new GO methodology?
- What's in the new GO scorecard?
- What is the rationale behind these changes?
- How will the methodology and scorecard be used by Moody's analysts?
- What's the impact on GO ratings?

You can view the webinar at

[www.bondbuyer.com/webinars/-1059213-1.html?st=Pmail&s=archive&mkt\\_tok=3RkMMJWWfF9wsRols6jIZKXonjHpfX97%2B8sWaa%2FIMI%2F0ER3fOvrPUfGjI4FT8Fq1%2BSLDwEYEGJlv6SgFT7X-AMaV0z7gIWhU%3D](http://www.bondbuyer.com/webinars/-1059213-1.html?st=Pmail&s=archive&mkt_tok=3RkMMJWWfF9wsRols6jIZKXonjHpfX97%2B8sWaa%2FIMI%2F0ER3fOvrPUfGjI4FT8Fq1%2BSLDwEYEGJlv6SgFT7X-AMaV0z7gIWhU%3D).

### Internet Sales Tax Hearing Pushed Back

The House Judiciary Committee had originally scheduled a hearing last Tuesday to discuss possible options in the continuing debate surrounding the ability of states to tax Internet sales. However, due to a massive snowstorm that blanketed Washington D.C. early last week, the hearing was cancelled and the new date for the hearing will be Wednesday, March 12. The hearing will feature testimony from Mr. Joe Crosby, principal at MultiState Associates Incorporated, and Mr. Stephen Kranz, partner at the law firm of McDermott Will & Emery.

Information about the hearing can be found at <http://judiciary.house.gov/index.cfm/2014/3/exploring-alternative-solutions-on-the-internet-sales-tax-issue>.

### The 2014 Washington Office Survey Enters Final Week

If you have not yet done so, please take this opportunity to fill out our NASACT Wash-

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## WASHINGTON STAFF

TANYA GRAYSON  
Administrative Assistant/  
Website Coordinator  
tgrayson@nasact.org

NEAL HUTCHKO  
Policy Analyst  
Nhutchko@nasact.org

CORNELIA CHEBINOU  
Washington Director  
cchebinou@nasact.org

## NASACT Washington Office

444 N. Capitol Street NW  
Suite 234  
Washington, DC 20001

p: (202) 624-5451  
f: (202) 624-5473

ington Office Survey for 2014. The short survey gives us a snapshot of your thoughts/ideas on certain topics for the coming year. A section for open-ended comments is included.

Please fill out the survey by **Friday, March 14th.**

*Your responses are extremely important to us, and the data will not be used or shared with any outside parties.*

Please follow the link below to fill out the brief survey. Thank you for your time:

[The 2014 NASACT Washington Office Survey](#)