On September 30, 2011, NASACT provided responses to the following documents from the Governmental Accounting Standards Board:

- The preliminary views document Recognition of Elements of Financial Statements and Measurement Approaches.
- The exposure draft Financial Reporting for Pension Plans, an amendment of GASB Statement No. 25.
- The ED Accounting and Financial Reporting for Pensions, an amendment of GASB Statement No. 27.

On October 20-21, David McDermott, state controller of Colorado, provided testimony on behalf of the association on these documents during GASB hearings. Mr. McDermott is co-chair of NASACT’s Committee on Accounting, Reporting and Auditing and chair of the National Association of State Comptrollers’ Committee on Accounting and Financial Reporting.

General comments from NASACT’s letters on each document are excerpted below. The three comment letters can be viewed in full at www.nasact.org/nasact/positions/GASB.cfm.

Recognition of Elements of Financial Statements and Measurement Approaches

In general, NASACT believes the GASB’s preliminary views on measurement focus (initial amounts and remeasured amounts) represent an improvement in the conceptual framework that would support the GASB’s development of future standards. However, NASACT does not see similar improvement in the framework for recognition of the elements of financial statements—specifically for funds now reported under the current financial resources measurement focus. The near-term financial resources measurement focus resolves some of the anomalies of the current financial resources measurement focus; however, as demonstrated in the alternative view, it does not resolve all anomalies and indeed creates others that are potentially more significant (such as short-term borrowing to enhance year-end position).

Accordingly, NASACT is not convinced that the near-term measurement focus is superior to the current resources measurement focus. Although the current measurement focus may have conceptual inconsistencies, it has been in practice for many years and many of the anomalies have developed from predominant practice rather than from a theoretical basis. From the perspective of accountability reporting to users, when the incentive of aligning with existing budgetary practice is removed, there is no sound conceptual basis for either the current flows or near-term measurement focus.

In lieu of abandoning the current resources measurement focus, GASB should first address and explain the more basic question—what is the purpose of the fund level financial statements and who are they intended to serve? NASACT recommended that the Board revisit the purpose of existing fund financial statements and either move closer to a budgetary basis measurement focus or to the economic resources measurement focus. The choice between the budgetary basis measurement focus or the economic resources measurement focus should depend on whether the Board determines the fund financial statements should serve as a resource for determining how governments performed relative to their budget or demonstrate the overall long-term financial position of a fund relative to the government-wide statements.

Financial Reporting for Pension Plans

In general, NASACT believes that the ED correctly applies the developments from Concepts Statements No. 3 and No. 4. This proposed statement together with the proposed statement Accounting and Financial Reporting for Pensions will result in increased accountability for the current and cumulative prior

(article continued, next page)
NASACT Announces Next Webinar – “Workplace Ethics: Understanding Your Responsibilities”

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 training events addressing timely issues in government auditing and financial management.

The webinar “Workplace Ethics: Understanding Your Responsibilities” will be held on Wednesday, January 18, 2012. This webinar will cover general principles of workplace ethics, including the six steps to good decision-making, the differences between ethics and values, the responsibilities of public servants, and how to avoid and resolve ethical dilemmas. Through the use of hypothetical situations, attendees will learn practical steps to avoid situations that can result in ethical violations. The last 25 minutes of the webinar will be interactive where attendees will be given an opportunity to ask questions and share their experiences.

The guest speaker, Jennifer Shaw, is a founding partner of Shaw Valenza LLP. She provides practical and business-oriented advice to private and public sector employers. In addition, she develops and presents engaging training seminars for management and non-supervisory employees. Jennifer also conducts independent internal investigations for public and private sector employers.

Register today at www.nasact.org!

NASACT Testifies in GASB Hearings
(continued from page 1)

period effects of the employment exchange implicit in providing governmental pensions. However, NASACT members had several specific comments and concerns that they believe the Board should consider as it finalizes the statement.

Also, NASACT members have increasingly expressed concerns about complexity in accounting and reporting standards. Accordingly, NASACT recommends rewriting long and complex sentences within the ED (some of which include over five lines of text) into shorter, more easily understood thoughts.

Accounting & Financial Reporting for Pensions

As stated in NASACT’s July 29, 2009, response to the GASB’s invitation to comment, Pension Accounting and Financial Reporting, and the September 17, 2010, response to GASB’s PV Pension Accounting and Financial Reporting by Employers, NASACT members prefer the net pension obligation (or NPO) approach over the net pension liability (or NPL) approach. Members remain concerned with GASB’s contention that funding for government pension plans can be completely separated from an employer’s accounting and reporting for such plans. With this in mind, NASACT’s comments pertain to the proposed standards contained in the ED without focusing on the previously indicated preference for the existing NPO approach.

In general, NASACT members believe the ED correctly applies the developments from Concepts Statements No. 3 and 4. The proposed pension standards together will result in increased accountability for the current and cumulative prior period effects of the employment exchange implicit in providing governmental pensions. Overall, the proposed standard should enhance the consistency, transparency and value of financial reporting for government pensions.

However, NASACT members are particularly concerned about how these amendments will impact the timeliness of financial reporting for cost-sharing defined benefit multiple-employer plans since the calculation of the proportionate share of net pension liability will be time consuming for the plans, and each employer’s reporting will be delayed until that information is received from the plans. Therefore, NASACT members are very concerned that the proposed standard will result in significant delays in financial reporting.

More Information

Questions about NASACT’s response letters to recent GASB due process documents may be directed to Kim O’Ryan (koryan@nasact.org) or Sherri Rowland (srowland@nasact.org); both may also be reached at (859) 276-1147.
3% Repeal Gains Momentum

Efforts to repeal the three percent withholding requirement are finally paying off. This month, legislation (H.R. 674) was reported out of the House Ways and Means Committee with floor action slated to occur by the end of October. Additionally, Senate Minority Leader Mitch McConnell (R-KY) introduced S. 1726 to repeal the provision. While the Senate rejected by a vote of 57-43 moving forward with consideration of S. 1726 on the Senate floor, Senate Majority Leader Harry Reid (D-NV) stated, “The provision will be repealed, but it should be done the right way.” The majority leader did not agree with the unobligated funds offset in S. 1726 and stated that Democrats had their own plan for repeal, which includes an offset with higher taxes on oil and gas companies and the elimination of certain foreign tax credits.

The provision requiring federal, state and local governments to withhold three percent of most payments made for goods and services was inserted into legislation at the last minute during conference negotiations in 2006 without knowledge or consultation of those entities that have to implement it. The effective date for the withholding was initially set for January 1, 2011, by Section 511 of the Tax Increase Prevention and Reconciliation Act (P.L. 109-222) but was delayed by one year to January 1, 2012 by the American Recovery and Reinvestment Act (P.L. 111-5), which was signed into law on February 17, 2009. On May 9, 2011, the IRS issued the final rule, delaying implementation for an additional year. The effective date is now for transactions occurring on or after January 1, 2013.

NASACT members tasked with withholding and remitting these monies have long asserted that the burdens and costs of implementing the provision far outweigh any benefit. While no one will argue that tax compliance is not of the utmost importance, other more effective avenues could be pursued without penalizing tax compliant contractors and state and local governments who would be acting as tax collectors for the federal government.

Staff will keep members apprised of developments as movement towards full repeal continues. In the meantime, NASACT members are encouraged to continue contacting their senators in Washington to emphasize the importance of repeal. Questions about this issue may be directed to NASACT’s Washington office at (202) 624-5451.

Why Repeal?

Repeal of this onerous requirement is justified, as implementation of the new directive raises several issues for state and local governments:

- **Unfunded Mandate:** The provision would impose significant costs which have been determined to exceed the threshold of the Unfunded Mandates Reform Act, making the legislation an unfunded mandate.
- **Increased Financial and Administrative Commitments:** Implementation of the provision would impose significant financial and administrative commitments on state and local governments. Many governments do not have systems that can handle a large increase in additional information reporting or that contain modules that can withhold and remit monies for each payment made. Even governments with more robust systems would have to undergo significant changes to their current software, which would entail additional administration and personnel. In most cases, significant modifications and/or new software would be required. Many government payment systems are antiquated. Furthermore, more category codes and greater complexity and processing would be needed to accommodate the exemptions, and in most cases, manual intervention would be necessary, thereby increasing the cost of implementation.
- **Additional Staff and Education:** Even if the current systems could be amended or new systems could be purchased, additional staff resources will be necessary to carry out the requirement. New duties would include reconciliation of withholdings and subsequent payment to the federal government, preparation of tax deposits, monitoring of agency payments, and increased compliance monitoring (i.e., lots of training necessary). Additional FTEs would also be required to track down payment errors, handle bad addresses, monitor changes in the law, and field telephone calls from vendors.
- **Increased Recordkeeping:** The provision would require additional recordkeeping to track the required withholdings. Additionally, vendor files would need to be significantly expanded to accommodate virtually all payments.
- **Increase in Cost for Goods and Services:** Companies will simply pass the three percent withholding along in increased prices when dealing with governments. In turn, bids to governments will be higher and smaller businesses competing for government business will be at an unfair disadvantage.
- **Competitive Disadvantage:** Because only governments and not private sector businesses are required to withhold three percent, governments will be at a significant disadvantage over private sector buyers, as vendors may choose not to contract with governments, particularly when selling high-demand or scarce goods.
- **IRS Capacity Questionable:** Additional reporting and withholding issues raise questions about the Internal Revenue Service’s capacity to rectify withholding with corporate tax returns. The current lack of enforcement and staffing make it unlikely that a large increase in withholding and reporting could be enforced without a significant increase in resources.
- **Mechanisms to Collect Taxes and Punish Bad Actors are Already in Place—The Federal Government is Passing on Collection Responsibility to Lower Levels of Government:** Essentially, state and local governments are

Earlier this month, the Financial Stability Oversight Council, which was established by the Dodd-Frank Wall Street Reform and Consumer Protection Act, released its 2011 annual report. The Dodd-Frank Act established the council to create joint accountability for identifying and mitigating potential threats to the stability of the financial system. Treasury Secretary and Council Chairman Timothy Geithner briefed the House Financial Services Committee and the Senate Banking, Housing, and Urban Affairs Committee on the details of the report.

The Council lists three items to describe its core mission:

1. To identify risks to the financial stability of the United States that could arise from the material financial distress or failure, or ongoing activities, of large, interconnected bank holding companies or nonbank financial companies, or that could arise outside the financial services marketplace.

2. To promote market discipline by eliminating expectations on the part of shareholders, creditors, and counterparties of such companies that the U.S. government will shield them from losses in the event of failure.

3. To respond to emerging threats to the stability of the U.S. financial system.

The Dodd-Frank Act requires the council to make annual recommendations to (1) enhance the integrity, efficiency, competitiveness, and stability of U.S. financial markets; (2) promote market discipline; and (3) maintain investor confidence. In its 2011 report, the council reported a structural vulnerability in money market funds:

“When the SEC adopted new rules for money market funds (MMFs) in February 2010, it noted that a number of features still make MMFs susceptible to runs and should be addressed to mitigate vulnerabilities in this market. To increase stability, market discipline, and investor confidence in the MMF market by improving the market’s functioning and resilience, the Council should examine, and the SEC should continue to pursue, further reform alternatives to reduce MMFs’ susceptibility to runs, with a particular emphasis on (1) a mandatory floating net asset value (NAV), (2) capital buffers to absorb fund losses to sustain a stable NAV, and (3) deterrents to redemption, paired with capital buffers, to mitigate investor runs.”

The report provides an extensive analysis of the condition of state and local governments and the municipal market. The section beginning on Page 35 reflects some of the stressors felt recently by state and local governments:

“Municipal governments experienced varying degrees of stress during the downturn. States are rebalancing budgets as federal government support is withdrawn; local governments are recovering more slowly. The municipal debt market has been strained amid concerns about state and local government finances. Longer term challenges associated with retirement benefits owed to government employees remain.”

The report reinforces a key point that has been the subject of much media hype over the year: municipal bond defaults are historically low. Defaults that do occur are generally associated with smaller municipal entities in geographic areas hardest hit by the housing crisis and recession, or revenue bonds backed by issuers with corporate credit characteristics, such as industrial development bonds, pollution control bonds, or bonds in the health care sector.

Another key point made in the report was related to the unfunded portion of future benefits owed their employees by state and local governments. The report stated:

“With high equity valuations in 2000, state pension systems were considered more than adequately funded; however, by 2008, declines in asset values led to significant underfunding, and approximately 80 percent of states failed to make their actuarially required contributions to their pension funds. Estimates of the unfunded portion of state and local retirement liabilities range from $1 trillion to $3 trillion. Other postemployment benefits represent an additional $0.5 trillion to $0.9 trillion in unfunded liabilities.”


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3% Repeal Gains Momentum (continued from page 1)

being forced to act as tax collectors for the federal government. The provision to withhold three percent on payments is passing on collection duties from the federal government to the state and local levels. The provision is essentially a tax on vendors providing services to governments. Existing tax collection mechanisms have not been adequately enforced.

- The Original $6 Billion Estimated Tax Collection is an Acceleration of Receipts—Actual Collection is about $215 Million Per Year: The provision is an attempt to increase collection from vendors who are not paying taxes. The original estimate of $6 billion in the first year is actually the three percent withheld amount and does not consider reconciliation with corporate tax returns, which is shown in year two and thereafter to generate only $215 million.
**New at www.nasact.org**

The following new items have been posted on NASACT's website:

- Updates to the National State Auditors Association's Peer Review Manual at www.nasact.org/nsaa/peerreview/index.cfm (members only content).
- NASACT’s letter urging repeal of the three percent withholding requirement at www.nasact.org.
- NASACT’s response letters to the Governmental Accounting Standards Board on the following documents at www.nasact.org/nasact/positions/GASB.cfm:
  - The preliminary views document Recognition of Elements of Financial Statements and Measurement Approaches
  - The exposure draft Financial Reporting for Pension Plans
  - The ED Accounting and Financial Reporting for Pensions

**NSAA Seeks Peer Review Participants for 2012**

NSAA has 25 peer reviews scheduled for 2012, which means that many review team members and leaders will be needed. Potential team members should complete the “Team Member Qualifications Form” that can be found at www.nasact.org/nsaa/peerreview/index.cfm (must be logged in to view). Even if a qualification form has been previously submitted, a new form must be filled out each year. Potential team members should review the 2012 schedule (at the same link above) to inform their decisions in selecting a preferred state. Forms should be submitted by November 4, 2011.

**NASACT Seeks Input on GASB ED**

**Technical Corrections**

On October 10, the Governmental Accounting Standards Board issued the exposure draft Technical Corrections, an amendment of GASB Statements No. 10 and No. 62. The proposed statement is intended to improve accounting and financial reporting for governmental financial reporting entities by resolving conflicting guidance that resulted from the issuance of two recent pronouncements.

The ED may be downloaded at www.gasb.org. NASACT will be preparing an association position on the ED. Please send your comments for inclusion in NASACT’s response to Kim O’Ryan at koryan@nasact.org or Sherri Rowland at srowland@nasact.org **by Wednesday, November 23, 2011.**

**NSAA Seeks Input on AICPA ED**

The Professional Ethics Executive Committee of the American Institute of Certified Public Accountants issued an exposure draft on September 23 that contains a number of proposals for comment. Two proposals clarify the requirements when a member prepares or reports on financial statements under another comprehensive basis of accounting or the financial reporting framework of a country that is not promulgated by a body designated by the AICPA Council. A third proposal makes changes to member requirements when it comes to responding to records requests from clients and former clients. The exposure draft can be downloaded at www.aicpa.org/InterestAreas/ProfessionalEthics/Community/ExposureDrafts/Pages/ExposureDrafts.aspx.

If you have any comments on this exposure draft, please send them to Sherri Rowland at srowland@nasact.org **by Monday, November 14.** Based on the feedback received, NSAA’s Auditing Standards and Reporting Committee may prepare a response to the ED.

**Conference Call Reminders: Mark Your Calendar!**

For information on participating in any of these calls, contact NASACT’s headquarters office at (859) 276-1147.

**October 2011**

- NSAA Human Resources Information Sharing – October 26
- NASACT Faster Financial Reporting Work Group – October 27
- NASC Multi-State Consortium on Internal Control – November 27

**November 2011**

- NASC State Government Payroll Information Sharing – November 9
- NASACT Committee on Accounting, Reporting and Auditing – November 15
- NASC Travel and Purchase Card Information Sharing – November 16
- NSAA Performance Audit Information Sharing – November 17
- NASC Federal Tax Reporting Work Group – November 29

**January 2012**

- NSAA Human Resources Information Sharing – January 25
The National State Auditors Association held its annual IT workshop and conference in Denver, Colorado, on September 28-30, 2011. The conference was preceded by a day-long workshop on Tuesday, September 27. The workshop featured the topic of “Penetration Testing” and was comprised of sessions from five different speakers (see below).

The PowerPoint presentations from the workshop and conference sessions are available on NASACT’s website at www.nasact.org/conferences_training/nsaa/workshop.cfm

NSAA wishes to thank the speakers, moderators, and members of the NSAA E-Government Committee for their efforts to make this conference such a success. Finally, NSAA wishes to extend special thanks to the Colorado hosts of the conference: Dianne Ray, state auditor, Jonathan Trull, deputy state auditor, and Rosa Olveda, information systems auditor.

The 2012 IT Workshop and Conference will be held in Nashville, Tennessee, on September 25-28. Questions may be directed to Sherri Rowland (srowland@nasact.org).

E-Government Committee

The NSAA IT workshop and conference is planned by the E-Government Committee. Members of the 2011-12 committee are listed below. If you have suggestions for the 2012 conference, please e-mail them to Sherri Rowland at srowland@nasact.org and they will be passed along to the committee.

Karen Helderman, Virginia, Chair
Mike Billo, Pennsylvania, Vice-Chair
Lynn Bolton, Georgia
April Gunn, Virginia
Chloe Haidet, Georgia
Jon Ingram, Florida
Roger Norman, Arkansas
Andy Powell, Virginia
Sharon Russell, Alabama
Paul Townsend, Nevada
Jonathan Trull, Colorado
Dan Willis, Tennessee

NOTE: See page 11 for pictures from the workshop and conference.
Association Notes

NSAA Business Meeting Highlights

By Sherri Rowland, Association Director

D avid A. Vaudt, state auditor of Iowa and president of the National State Auditors Association, called to order an NSAA business meeting on the afternoon of Monday, August 15. The meeting was held in conjunction with the 2011 NASACT Annual Conference in Burlington, Vermont.

President Vaudt welcomed everyone. Association members then heard committee reports and various updates as summarized below.

- **Audit Standards and Reporting:** Auston Johnson, state auditor of Utah and chair, reported that the Governmental Accounting Standards Board currently has three documents out for comment: two exposure drafts on pensions and a preliminary views document on a concepts statement on recognition of elements of financial statements and measurement approaches. He encouraged members to respond to these documents.

- **Auditor Training:** Sherri Rowland, association director, reported on behalf of Glen Fowler (CA), chair. The 2011 Middle Management Conference was held in Portland, Oregon. The 2012 conference will be held in Little Rock, Arkansas, at the Peabody Hotel. The hotel is offering the government rate of $88 per night for April 16-18, 2012.

- **Auditor’s Education Foundation:** Thomas M. Salmon, state auditor of Utah and chair, reported that the committee recently granted six scholarships for the IT conference.

- **E-Government:** Ms. Rowland reported that the committee is currently working to finalize the technical agenda for the 2011 NSAA IT Workshop and Conference. A draft conference agenda is posted on NASACT’s website. The workshop and conference will be held September 27-30 in Denver, Colorado, at the Embassy Suites Downtown.

- **Human Resources:** Ms. Rowland reported that the committee continues to host quarterly information sharing calls. A call was held on July 27 that featured a roundtable discussion centering around supervising staff who are telecommuting and the war on talent.

- **Peer Review:** Elaine M. Howle, state auditor of California and chair, reported that the financial audit checklists in the Peer Review Manual have been revised and are currently out for review by committee members. The revised checklists incorporate recently issued SASs, statements from the Governmental Accounting Standards Board, and audit guides from the American Institute of Certified Public Accountants.

- **Performance Audit:** Stephen M. Eells, state auditor of New Jersey and chair, reported that the committee continues to host information sharing calls. The most recent call was held on August 4 and featured an open discussion on various performance audit topics. He asked those present to forward topics for future calls to Ms. Rowland.

- **Single Audit:** Mr. Salmon reported that the U.S. Office of Management and Budget’s super work group has issued a draft paper outlining several areas where the single audit process could be improved.

- **Resolutions:** William G. Holland, auditor general of Illinois and chair reported that there were no resolutions for consideration.

- **William R. Snodgrass:** Walter J. Kucharski, auditor of public accounts of Virginia and immediate past president of NSAA, presented the William R. Snodgrass Award to Ronald L. Jones, chief examiner of Alabama. The award was announced in June at the 2011 NSAA Annual Conference.

- **Time and Place:** Ms. Howle, chair, reported that she will host the 2013 NSAA Annual Conference in California. The dates and location have yet to be determined. The 2012 NSAA Annual Conference will be held June 13-15 in Madison, Wisconsin, at the Concourse Hotel. The room rate is $88 per night plus applicable taxes.

The next NSAA Business Meeting will be held on June 14, 2012, in Madison, Wisconsin. Complete minutes from the meeting will be available in the near future and will be posted at www.nasact.org/nsaa/aboutus/meetings.cfm. Questions about this summary may be directed to Sherri Rowland at srowland@nasact.org.

Beth Pearce Named to Serve on NASACT’s Executive Committee

Beth Pearce, state treasurer of Vermont, was recently selected by the National Association of State Treasurers to serve on NASACT’s Executive Committee. Ms. Pearce joins David Lillard, Jr. (TN) and Richard Ellis (UT) to comprise the three state treasurer representatives on the committee.

Ms. Pearce was appointed as Vermont’s state treasurer in January 2011. The appointment, by Gov. Peter Shumlin, followed the resignation of Treasurer Jeb Spaulding who was appointed secretary of administration.

Prior to joining the Vermont State Treasurer’s Office, Ms. Pearce served as deputy treasurer for cash management at the Massachusetts State Treasurer’s Office from 1999-2003; deputy comptroller for the town of Greenburgh, New York; and as the accounting manager and financial operations manager for the town of West Hartford, Connecticut. In addition, she has served as a fiscal officer with the Massachusetts Department of Social Services and as a project director for the Massachusetts Executive Office of Human Services.

Ms. Pierce has a bachelor of arts degree from the University of New Hampshire.
Yolanda Branche Named Acting Auditor of the District of Columbia

Effective June 1, 2011, Yolanda Branche was named as acting auditor of the District of Columbia. She replaces Deborah Kay Nichols. Previously, Ms. Branche was a senior analyst in the Office of the District of Columbia Auditor. She is an attorney admitted to the District of Columbia Bar. Her diverse career includes service as counsel to the U.S. Senate Judiciary Committee; special assistant to the Office of Postsecondary Education at the U.S. Department of Education; chief of staff to the D.C. Financial Responsibility and Management Assistance Authority, and executive director for the Mayor’s Task Force on the Future of the District of Columbia Public Library System.

Ms. Branche holds a B.A. degree in history and political science from Tufts University, and a J.D. from George Washington University.

Steve McCoy Named State Treasurer of Georgia, Tommy Hills Retires

On Monday, October 3, Georgia Gov. Nathan Deal announced that Steve McCoy will become Georgia’s state treasurer and that state Sen. Mitch Seabaugh of Sharpsburg will succeed McCoy in the role of deputy state treasurer. Mr. McCoy replaces Thomas D. Hills, who has retired.

Mr. McCoy has served as the deputy state treasurer and chief investment officer since August 2011, where he was responsible for the management of approximately $11 billion of state and local government investments and oversight of the state’s banking relationships as well as the Path2College 529 Plan.

From 1993-97, Mr. McCoy served as the director of the Office of Treasury and Fiscal Services (now the Office of the State Treasurer). In that capacity, he served on the State Depository Board, the Georgia State Financing and Investment Commission, the Employees Retirement System, the Teachers’ Retirement System and the State Properties Commission.

Mr. McCoy also served as executive director of the Georgia Environmental Facilities Authority from 1992-93.

From 1997-2010, he founded and managed an SEC-registered investment advisory firm serving state and local governments. Prior to joining the state in 1993, Mr. McCoy spent 11 years in investment banking specializing in municipal finance.

Mr. McCoy earned a B.B.A. in finance from the University of Georgia and an M.B.A. from Georgia State University.

John Radford to Retire at the End of October, Joy Sebastian to Serve as Interim Controller

John Radford, state controller of Oregon, is retiring from state service at the end of October. Joy Sebastian has been named to serve as interim controller at that time.

Mr. Radford has been an active member of NASACT, the National Association of State Comptrollers, and many other government associations. He is a past president of NASACT and NASC has served as chair and member of many NASACT and NASC committees over the years. He is a recipient of the NASACT President’s Award as well as the NASC President’s Award. He is currently a trustee on the Financial Accounting Foundation’s board of trustees, a term that ends on December 31, 2011.

Joy Sebastian has been working for the state of Oregon since September 1998. She began her state career with the Department of Corrections as the fiscal services operations manager and in 2000 moved to Department of Administrative Services, first as the operations manager and then the deputy state controller.

While working at the state, Ms. Sebastian taught Willamette University’s forensic examination course for one semester. Prior to working at the state of Oregon, she was an accounting instructor for Oregon State University and Western Oregon.

Her East Coast career included serving as CFO for the National Council of Farmer Cooperatives; accounting manager for Union Labor Life Insurance Company; and treasurer/director of member services for Millers’ National Federation.

She earned a master’s of accounting degree from George Washington University and an undergraduate degree from the University of Maryland.

Ricky A. Bejarano is Named State Controller in New Mexico

Ricky A. Bejarano, CPA, is the new state controller and director of the Financial Control Division in New Mexico. Mr. Bejarano replaces Steve A. Gonzales, who had been serving as interim state controller. Mr. Gonzales continues to serve as deputy director of the Financial Control Division.
Joe Chrisman Appointed State Auditor of Wisconsin

Joe Chrisman was appointed Wisconsin state auditor in October 2011. As state auditor, Mr. Chrisman directs the nonpartisan Legislative Audit Bureau, which conducts audits and evaluations of state agency operations to ensure financial transactions have been made in a legal and proper manner and determines whether programs are administered effectively, efficiently, and in accordance with the policies of the Legislature. The Wisconsin state auditor is appointed by and serves at the pleasure of the legislative leadership.

An employee of the Bureau since 1997, Mr. Chrisman had been serving as interim state auditor since his predecessor, Janice Mueller, retired in June 2011. From 2002 to 2011, he was the special assistant to the state auditor and served as Ms. Mueller’s chief policy advisor and liaison to the Joint Legislative Audit Committee. From 1997 to 2002, Mr. Chrisman was an analyst and audit supervisor in the Bureau’s Program Evaluation Division.

Mr. Chrisman earned undergraduate degrees in political science and economics from Montana State University and a graduate degree in public administration from the Humphrey Institute of Public Affairs at the University of Minnesota. Mr. Chrisman is also a trained classical musician and performs actively as a pianist, accompanist, and choral conductor in the greater Madison area.

Changes Coming to Hawaii State Comptroller’s Office

Hawaii Gov. Neil Abercrombie recently selected State Comptroller Bruce Coppa to serve as his chief of staff. The appointment was made following the resignation of several staff from the governor’s office. The change will be effective at the end of October, and the governor will begin a search for Mr. Coppa’s replacement.

Mr. Coppa is currently the state comptroller, serving as the director of the Hawaii Department of Accounting and General Services. Previously Mr. Coppa has served as chief operating officer of Communications Pacific and as executive director of the Pacific Resource Partnership.

NAIF Fall Meeting: November 3

The fall meeting of the National Intergovernmental Audit Forum will be held on Thursday, November 3, 2011. The meeting will be held from 8:00 a.m. to 4:30 p.m., at the Doubletree Hotel Crystal City in Arlington, Virginia.

The theme is “New Developments in Performance Measurement and Reporting.” Sen. Mark Warner has been invited to provide the keynote address. A panel, including Amy Edwards from the Senate Budget Committee, will discuss the Government Performance and Results Modernization Act and what it means for strategic and performance management. Earl E. Devaney, chairman of the Recovery Accountability and Transparency Board has also been invited to address the emerging issue of the Executive Order on delivering effective, efficient, accountable government and the proposed Digital Accountability and Transparency Act and its potential impact on federal, state, and local reporting. Representatives from the U.S. Government Accountability Office, inspectors general, and local auditors will share ideas and approaches on duplication and overlap work.

There will also be sessions on changes in international standards and the revised Yellow Book.


Visit NASACT's State Profile Pages!

Visit www.nasact.org to find NASACT’s member profiles. The profiles includes a listing for the state auditor, state comptroller and state treasurer of each state, territory and the District of Columbia. The profiles also have links to each state CAFR, the state website, transparency initiatives, and interim disclosure information. Check out your state’s NASACT profile! To update or correct information on your office’s profile, contact Glenda Johnson at gjohnson@nasact.org.
Affordable Training Options

By Donna Maloy, Conference Manager

In light of ever-increasing budget constraints and state restrictions on out-of-state travel, NASACT strives to provide members with options for affordable training that does not require travel.

**NASACT’s Training Seminars Program** will bring training to you. We have a wide range of qualified presenters who can cover topics such as interviewing techniques, standards updates, governmental accounting, internal controls, and fraud. If one of our standard training packages is not quite right for your needs, we are happy to customize training specifically for your office. Download the 2011 NASACT Training Catalog at www.nasact.org/conferences_training/nasact/seminars.cfm. To find out more information about NASACT’s Training Seminars Program, contact Fay Kurkjy at fkurkjy@nasact.org or (859) 276-1147.

**NASACT’s webinars** are another way to get affordable training. NASACT schedules on average four webinars per year. Individuals may participate in the webinars for only $50, while offices may register an unlimited number of participants (at one location) for only $249. The next webinar will feature the topic of “Workplace Ethics: Understanding Your Responsibilities” and will be held on January 18, 2012. See page 3 of this newsletter or visit www.nasact.org for more details about the webinar. If there is a specific topic that you would like NASACT to offer as a webinar, please contact Kinney Poynter at kpoynter@nasact.org.

If staff in your office can travel, **pre-payment** for future conferences is also an option to maximize the full potential of your training budget. If your office has training dollars now that you would like to use at any of NASACT’s conferences or trainings in 2012, please contact Donna Maloy to arrange to pre-pay. Donna can be reached at dmaloy@nasact.org or (859) 276-1147.
NSAA IT Workshop and Conference Recap

Karen Helderman (VA), chair of NSAA’s E-Government Committee, and Dianne Ray (CO), welcomed attendees to NSAA’s 2011 IT Workshop and Conference.

Attendees at the IT workshop used their own laptops to participate in online demos and penetration testing exercises.

April Gunn (VA), participated in a session on computer-based fraud detection.

Nathan Abbot (TN) and April Gunn (VA) gave a presentation on “Innovative Tools for Audit Efficiency.”

Over 90 IT audit professionals participated in the conference.

Rosa Olveda, IS auditor, and Jonathan Trull, deputy state auditor, from the Colorado State Auditor’s Office.