The National Association of State Comptrollers held its thirty-first annual conference on March 19-23, 2012. Host Brenda Bolander, state comptroller of Oklahoma and president of NASC, welcomed attendees to the conference and to Oklahoma City. Approximately 150 were in attendance, the highest attendance at the conference for a number of years.

Some special guests from Mexico were also at the conference. Jorge Shields, controller of the Mexican state of Campeche and national coordinator of the Mexico Comptroller’s Permanent Commission (or the CPCE, Mexico’s association equivalent to NASC), addressed members at the business meeting to invite NASC to participate in an international exchange program. Mr. Shields was joined by Edgar Andrade, Mexico’s federal liaison to the CPCE, in making the request to begin an exchange.

The conference addressed a range of topics and included several roundtable sessions covering financial reporting issues, pension accounting, the Digital Accountability and Transparency Act, Circular A-87, maximizing the benefits of SWCAP for the states, and increases in levies from the Internal Revenue Service. A complete list of conference sessions can be found on page 2 of this newsletter. PowerPoint presentations are available at www.nasact.org/conferences_training/nasc/annualconference.cfm.

Several special awards were presented during the conference. During lunch on Wednesday, March 21, Richard Eckstrom, comptroller general of South Carolina and NASC’s incoming president, presented President Bolander with a Distinguished Service Award, citing her longstanding support of NASC and NASACT. At the banquet on Thursday, March 22, Ms. Bolander presented Distinguished Service Awards to Jan Sylvis and Martin Benison. She commended Ms. Sylvis for her longstanding support of the association and her service as a GASB board member and commended Mr. Benison for his longstanding service and his service on the Governmental Accounting Standards Advisory Council (he is NASACT’s representative on the GASAC and currently serves as GASAC’s chairman). Ms. Bolander presented a President’s Award to Donna Jones, for her active involvement as chair of the Outreach Committee, and to Calvin McKelvogue, for his efforts to repeal the three percent withholding requirement.

During NASC’s business meeting on Thursday, March 22, resolutions were passed thanking and commending John Radford for his service as a trustee of the Financial Accounting Foundation and his longstanding support of the association (he retired from his position as Oregon’s state controller in October 2011); commending Ms. Bolander, her staff, and Oklahoma City for an outstanding annual conference; and thanking Ms. Bolander for her service to the association as its president in 2011-12 and throughout the years and wishing her well upon her retirement (which was effective March 31).

NASC wishes to thank all those who helped with the conference, especially Ms. Bolander and Steve Funck, Oklahoma’s deputy comptroller. NASC also wishes to thank all the speakers and moderators. Special gratitude goes to each corporate partner at the conference for their financial support and technical expertise. The next NASC annual conference will be held in Columbia, South Carolina, on March 20-22, 2013.

NASC Members Elect 2012-13 Executive Committee

During the NASC business meeting, state comptrollers elected the 2012-13 Executive Committee and recognized outgoing President Brenda Bolander (OK) with a plaque of appreciation. Back row, left to right: Paul Christofferson (MT), secretary/treasurer; Clark Partridge (AZ), past president; David McDermott (CO); David Von Moll (VA); and John Reidhead (UT). Front row: Ms. Bolander (OK); Donna Jones (ID); Kim Wallin (NV), vice-president; and Richard Eckstrom (SC), president.
Below is a list of sessions from the recent NASC annual conference. To download handouts, PowerPoint presentations and speaker biographies from the conference, visit www.nasact.org/conferences_training/nasc/annualconference.cfm. Resources from past NASC annual conferences may also be found at this web address.

**STATE OF THE STATES: STATE FISCAL OUTLOOK**
- Scott Pattison, Executive Director, National Association of State Budget Officers

**TRANSPARENCY IN FEDERAL FUNDING – NOT JUST A BUZZWORD ANYMORE**
- Nancy DiPaolo, Assistant Director, Congressional and Intergovernmental Affairs, Recovery Accountability and Transparency Board

**GASB UPDATE**
- David Bean, Director of Research and Technical Services, Governmental Accounting Standards Board
- Robert Atmore, Chairman, Governmental Accounting Standards Board
- Frank Crawford, President, Crawford & Associates

**FROM TRADITIONALS TO MILLENNIALS: LEADING GENERATIONS AT WORK**
- Dr. Ken Eastman, Management Professor, Oklahoma State University

**COMPTROLLERS’ ROUNDTABLE 1: FEDERAL/STATE ISSUES**
- Moderator: Kim Wallin, State Controller (NV)

**ERP AND BEYOND: WHAT’S NEXT?**
- Wayne Bobby, Solution Specialist, Vice President, Oracle
- Brenda Bolander, State Comptroller (OK)
- Marshal Gimpel, Director, Enterprise Services Center for the Federal Aviation Administration

**HOW TO MAXIMIZE THE VALUE OF ERP AND OTHER IT INVESTMENTS**
- Thomas Lynch, Sr. Principal, Value Engineering, SAP
- Richard Eckstrom, Comptroller General (SC)

**INNOVATIVE STRATEGIES FOR COST RECOVERY AND SAVINGS FOR STATES**
- Karen Warner, Partner, Deloitte Tax LLP
- George Mitchell, Director, Deloitte Consulting LLP

**EFFECTIVE INTERNAL CONTROLS DURING ERP AND OTHER ENTERPRISE SYSTEM IMPLEMENTATIONS**
- Rory Costello, Principal, KPMG
- Christopher Gorka, Assistant Comptroller (NY)

**EXPLORING THE FEASIBILITY OF LOWER COST, LESS RISK FINANCIAL MANAGEMENT SYSTEMS... A PERSPECTIVE OF THE STATES**
- Charlie Johnson, Managing Director, US Government ERP, Microsoft
- Clark Partridge, State Comptroller (AZ)
- Jan Sylvis, Chief of Accounts (TN)
- Tom White, State Comptroller (AL)

**THE CLOUD IMPERATIVE**
- Aldona Valicenti, Vice President, CGI

**SOURCE-TO-SETTLE PROJECT WITH THE STATE OF GEORGIA**
- Shawn Taoufiki Townsend, Source to Settle Practice Director, The Hackett Group
- Bryan DeGraw, Senior Director Finance Advisory, The Hackett Group
- Alan Skelton, Deputy Director, State Accounting Office (GA)

**BEST PRACTICES: USING AN INTEGRATED TOOLSET TO SURVIVE IN THE NEW ERA**
- Robert Childree, Director, State and Local Government, Grant Thornton
- Tom White, State Comptroller (AL)

**COMPTROLLERS’ ROUNDTABLE 2: OPERATIONAL EFFECTIVENESS**
- Moderator: David McDermott, State Controller (CO)

**DATA COLLECTION VS. DATA ANALYTICS**
- Marc Sotkiewicz, Partner and Analytics Director, Health and Public Service, Accenture
- Martin Benison, Comptroller (MA)

**FIGHTING FRAUD ON NEW FRONTS; STRATEGIES TO HELP GUARD AGAINST FINANCIAL AND REPUTATIONAL RISK**
- Jeannette Martin, Director; Senior Product Manager, Bank of America
- Kim Wallin, State Controller (NV)

**DRIVING CHANGE FROM THE TOP: CAPTURING STATEWIDE SPEND**
- Jeff Bailey, Change Management Consultant, CherryRoad Technologies
- Kristine Splieth, Business Process Manager (GA)

**GASB 45 AND SMOKING CESSATION INITIATIVES: CONSIDERATIONS FOR THE STATES AND THEIR ACTUARIES**
- Anne Jackson, Principal and Consulting Actuary, Milliman
- Ed Ross, Controller (KY)

**COMPTROLLERS’ ROUNDTABLE 3: GENERAL ISSUES**
2012 NSAA Annual Conference
June 13-15 • Madison, Wisconsin

Iowa Auditor of State and National State Auditors Association President David Vaudt invites you to attend the 2012 NSAA Annual Conference to be held in Madison, Wisconsin, June 13-15. The conference will be preceded on June 12 by a full day of meetings by NSAA’s committees.

The Conference Hotel
The conference will be held at The Madison Concourse Hotel. The negotiated room rate is $88/single or double plus applicable taxes. To book your room, call (800) 356-8293 and indicate that you are with the National State Auditors Association. To get this special rate, you must call before the cut-off date of May 14, 2012.

NASACT 2012 Annual Conference: Don’t Miss It!

Join NASACT President Ron Jones and our Washington State hosts for the 2012 NASACT Annual Conference in Seattle, Washington, this August 11-15. The NASACT Training and Professional Development Committee is currently working to develop the technical program for the conference.

Conference Hotel – Grand Hyatt Seattle
The Grand Hyatt Seattle is conveniently located in the heart of downtown Seattle – a short walk from the city’s most distinguished boutiques, restaurants, museums and steps away from the Seattle Space Needle, Seattle Waterfront and Pikes Place Market. This year’s conference rate is $169/night plus applicable tax. To reserve your room, call (206) 774-6300 and ask for the NASACT Annual Conference rate. The cut-off date to receive this rate is July 9.

Travel Assistance
To help state auditors attend the conference, NASACT is offering up to $750 of travel assistance to each member or new state auditor. Additional assistance may be available for new state auditors from NSAA. For more information on assistance opportunities, email Sherri Rowland at srowland@nasact.org.

More Information
Visit www.nasact.org for registration and complete hotel information. A draft agenda is currently available, as well as a schedule of committee meetings to be held on June 12.

Questions about the program may be addressed to Sherri Rowland at srowland@nasact.org. All other questions may be addressed to Donna Maloy at dmaloy@nasact.org. Make plans now to attend!

Conference
The host state is planning a number of special events for conference participants, including a dinner cruise on Elliott Bay. A guest program will also be offered. More information about the conference will be available soon at www.nasact.org/conferences_training/events.cfm.

Association Notes

2012 NSAA Annual Conference
June 13-15 • Madison, Wisconsin

Travel Assistance
To help state auditors attend the conference, NASACT is offering up to $750 of travel assistance to each member or new state auditor. Additional assistance may be available for new state auditors from NSAA. For more information on assistance opportunities, email Sherri Rowland at srowland@nasact.org.

More Information
Visit www.nasact.org for registration and complete hotel information. A draft agenda is currently available, as well as a schedule of committee meetings to be held on June 12.

Questions about the program may be addressed to Sherri Rowland at srowland@nasact.org. All other questions may be addressed to Donna Maloy at dmaloy@nasact.org. Make plans now to attend!

NASACT principals (or their designees) are eligible to receive up to $1,000 in travel assistance to attend the annual conference. The funds may be used to cover registration or travel costs. Additionally, all new NASACT principals will be offered complimentary registration to attend.

Conference
The host state is planning a number of special events for conference participants, including a dinner cruise on Elliott Bay. A guest program will also be offered. More information about the conference will be available soon at www.nasact.org/conferences_training/events.cfm.

Association Notes

2012 NSAA Annual Conference
June 13-15 • Madison, Wisconsin

Travel Assistance
To help state auditors attend the conference, NASACT is offering up to $750 of travel assistance to each member or new state auditor. Additional assistance may be available for new state auditors from NSAA. For more information on assistance opportunities, email Sherri Rowland at srowland@nasact.org.

More Information
Visit www.nasact.org for registration and complete hotel information. A draft agenda is currently available, as well as a schedule of committee meetings to be held on June 12.

Questions about the program may be addressed to Sherri Rowland at srowland@nasact.org. All other questions may be addressed to Donna Maloy at dmaloy@nasact.org. Make plans now to attend!

NASACT principals (or their designees) are eligible to receive up to $1,000 in travel assistance to attend the annual conference. The funds may be used to cover registration or travel costs. Additionally, all new NASACT principals will be offered complimentary registration to attend.

Conference
The host state is planning a number of special events for conference participants, including a dinner cruise on Elliott Bay. A guest program will also be offered. More information about the conference will be available soon at www.nasact.org/conferences_training/events.cfm.
**News From Washington**

**GAO Releases Latest State/Local Fiscal Update**

In early April, the U.S. Government Accountability Office released a report on the fiscal condition of state and local governments. For the past five years, GAO has published long-term fiscal simulations for the state and local government sector. These simulations show that, like the federal government, state and local governments face persistent and long-term fiscal pressures.

In the report, GAO focused on the “fiscal gap” that state and local governments face. Fiscal gap is defined as an estimate of the action needed today, and to be maintained for each year over the next 50 years, to achieve fiscal balance. As has been the case for many years, the primary fiscal challenge for state and local governments continues to be the projected growth in health-related costs. GAO concluded that closing the fiscal gap would require state and local governments to reduce current annual expenditures by 12.7 percent, and that closing the fiscal gap through revenue increases would require action of a similar magnitude.

The good news in the report focused on the rebound of tax receipts to pre-recession levels. From the second quarter of 2009 to the third quarter of 2011, total tax receipts increased nearly 11 percent, returning to levels last seen in 2007. However, GAO’s 50-year model still shows a tough outlook:

“In the long term, the decline in the sector’s operating balance is primarily driven by the rising health-related costs of state and local expenditures on Medicaid and the cost of health care compensation for state and local government employees and retirees. Since most state and local governments are required to balance their operating budgets, the declining fiscal conditions shown in our simulations suggest that the sector would need to make substantial policy changes to avoid growing fiscal imbalances in the future. That is, absent any intervention or policy changes, state and local governments would face an increasing gap between receipts and expenditures in the coming years.”

“GAO Live,” which features recorded video sessions hosted by GAO officials to discuss selected reports, was also introduced with this latest report. The session was hosted by GAO Director Stan Czerwinski; the archived video of the GAO Live session on this report can be found under the April 10 tag at www.ustream.tv/channel/gaolive. The full report can be found at www.gao.gov/products/GAO-12-523SP.

**MSRB Wants Voluntary Disclosure of Bank Loans by State Governments**

As required by the Dodd-Frank Wall Street Reform and Consumer Protection Act of 2010, the Municipal Securities Rulemaking Board’s mission was expanded to include the protection of state and local issuers, public pension plans, and others whose credit stands behind municipal bonds. In response, on April 5 the MSRB issued an announcement encouraging state and local governments to make information about their bank loan financings publicly available on the MSRB’s Electronic Municipal Market Access (or EMMA) website.

Direct bank loans have been an increasingly popular way for state and local governments to cover short-term funding needs. But according to the MSRB, bank loans generally do not require the same level of disclosure as public offerings for municipal securities, thus municipal bond investors may not be aware of the bank loans incurred by a state until the release of its audited financial statements. In fact, if a bank loan is not a municipal security, existing securities law requirements with respect to disclosure do not apply.

With that in mind, the MSRB has requested that states provide:

“…voluntary submission of information concerning bank loan financings through EMMA…[to] provide timely access for bondholders, potential investors and other market participants to key information useful in assessing their current holdings of municipal securities or in making investment decisions regarding potential transactions in municipal securities.”

EMMA has been adjusted accordingly to collect bank loan information and to make it available to investors. Steps for the voluntary filing of bank loan information have been posted on the MSRB website at www.msrb.org/msrb1/EMMA/pdfs/CDSubmissions.pdf.

**SSA Catches Transparency Wave**

The Social Security Administration announced this month a new transparency initiative, Open Government Plan 2.0. Taking its cue from platforms such as Data.gov, eRulemaking.gov, the federal government’s IT Dashboard, Recovery.gov, and USA spending.gov, the SSA released an updated framework for incorporating the principles of transparency into its operations. One of the main goals noted in an announcement about the initiative was to increase collaboration with federal and non-federal government agencies, the public, and non-profit entities through advanced technologies. Some examples of new functionality include the installation of remote video service delivery terminals and the inclusion of health information technology into the disability claims process.

SSA’s Open Government 2.0 Plan and comment submission page can be found at www.socialsecurity.gov/open/story-2012-04-09-open-government-plan2.html.
President Signs Stock Act into Law

On April 4, President Obama signed a bill into law that will prohibit members of Congress, congressional employees, and certain other federal officials and employees from using non-public information obtained as a result of their official positions for personal gain. The bill results, at least in part, from several 2011 reports about members of Congress obtaining significant financial gain using information obtained through official congressional business.

The Stop Trading on Congressional Knowledge Act of 2012, also referred to as the Stock Act, directs congressional ethics committees to issue interpretive guidance on current rules about conflicts of interest, gifts, and the use of professional knowledge for personal gain. The Stock Act further amends the Securities and Exchange Act of 1934 to declare that members and employees owe a duty to Congress, the U.S. government and to U.S. citizens with respect to non-public information that is gained as a result of their official positions and finds that congressional members and employees are not exempt from securities law insider trading prohibitions. The bill also makes similar amendments to statutes governing executive and judicial branch officials and employees to assure that non-public information obtained as a result of professional position is not used for financial gain.

The Commodity Exchange Act is amended to include congressional members and staff in the prohibitions against certain commodity and SWAP transactions. The Ethics in Government Act is also amended so that covered individuals (including congressional, executive branch, and other key government employees) are required to file reports regarding the purchase, sale or exchange of more than $1,000 in stocks, bonds, commodity futures and other forms of securities. The reports must be posted online within 45 days of applicable transactions.

Further, federal retirement benefits will be denied to the president, vice-president or elected officials of state or local governments if they are convicted of certain felonies, and bonuses will be denied to senior executives of Fannie Mae and Freddie Mac during any period of conservatorship.

Next NASACT Webinar: “Clarifying the Clarity Standards: Group Audits”

NASACT, in conjunction with the Association of Government Accountants and the Association of Local Government Auditors, will host its next webinar, “Clarifying the Clarity Standards: Group Audits,” on Wednesday, May 2.

The purpose of this webinar is to help state auditors understand the new requirements and guidance for group audits contained in the highly anticipated Statement on Auditing Standards No. 122, Statements on Auditing Standards: Clarification and Recodification. This standard changes the focus in audits that involve the work of another auditor from “the coverage by each auditor” to “the extent of the involvement of the group engagement partner” (formerly referred to as the “principal auditor”).

Throughout the webinar, specific application to government auditors will be provided. Additionally, the webinar will offer:

- An overview on planning, testing and reporting considerations for group audits, both as a group auditor and a component auditor.
- A determination as to whether an audit is a group audit.
- A discussion on the appropriate application of auditing and reporting guidance relative to governmental opinion units and multi-location audits.

Join Randy C. Roberts, professional practice director for the Arizona Office of the Auditor General, and Jeff Markert, partner, Department of Professional Practice, KPMG, for this informative two-hour training session.

Registration for the webinar is now available on NASACT’s website at www.nasact.org.

The May 2 webinar is the second of a two-part series addressing the American Institute of Certified Public Accountants’ Clarity Standards Project. The first webinar was held on February 29; a digital download of the first webinar is available through NASACT’s bookstore at www.nasact.org/bookstore/index.cfm.
The NASACT Executive Committee held a meeting on March 20, 2012. The meeting was held in Oklahoma City in conjunction with the annual conference of the National Association of State Comptrollers. Ronald L. Jones, state auditor of Alabama and president of NASACT, presided. Highlights from committee reports follow.

Training and Professional Development: President Jones, co-chair of this committee, reported that planning is underway on the technical program for the NASACT annual conference. The conference will be held in Seattle, Washington, on August 11-15 at the Grand Hyatt Hotel. The state hosts, being led by the office of State Auditor Brian Sonntag, are working to plan several special events for conference attendees.

CARA: Kinney Poynter provided the report for NASACT’s Committee on Accounting, Reporting and Auditing. The committee continues to hold its regularly scheduled calls, including updates from the Governmental Accounting Standards Board.

Faster Financial Reporting Workgroup: Clark Partridge, state comptroller of Arizona and co-chair, reported that the workgroup formed three sub-groups: (1) component units, (2) shortening the closing period and reviewing CAFR timelines and (3) materiality and estimates. The first sub-group has produced a white paper and the third a list of items for consideration. The workgroup is trying to wrap up with a goal of developing a best practices document.

FMIA: Mr. Partridge, chair, gave an update on the activities of the Financial Management and Intergovernmental Affairs Committee. He reported that two longstanding issues have been resolved: the three percent government withholding was repealed in November 2011, and a solution to funding the Governmental Accounting Standards Board was finally approved in February 2012. Other issues the committee is following closely include the recent attacks on public pensions and other pension issues, ideas being discussed by the U.S. Office of Management and Budget to reform the single audit process, the Digital Accountability and Transparency Act (or DATA Act), and the potential for the federal government to make municipal financing taxable.

Membership: Rebecca Otto, state auditor of Minnesota and chair, provided a list of new members in FY 2012. All new members have received materials from NASACT about the association’s offerings and activities. A new member reception will be planned for the NASACT annual conference and new members will receive a complimentary registration to attend the conference.

Budget: Calvin McKelvogue, chief operating officer of Iowa’s State Accounting Enterprise and chair, provided the FY 2012 financial report and presented for approval by the committee the FY 2013 budget. A motion was made and unanimously approved to accept the proposed budget for FY 2013.

Strategic Planning: Martin Benison, comptroller of Massachusetts, provided the report. The next in-depth review of NASACT’s strategic plan is scheduled to occur in January 2013. The yearly membership satisfaction survey was conducted in January 2012. The results were quite positive, with 97 percent of members indicating that they are satisfied with membership in NASACT.

Mr. Benison brought five forward-looking strategic initiatives before the Executive Committee for consideration.

Travel Assistance Program. The program currently provides up to $1,000 in assistance to members in good standing and new principals to attend the NASACT annual conference. For the past two years, funds left over in the travel assistance budget have been used to offer assistance for state auditors and state comptrollers to attend the annual conferences of NASC and the National State Auditors Association. Based upon input from the membership satisfaction survey and NASACT’s solid financial position, the Strategic Planning Committee put forth the following recommendation to the Executive Committee:

The travel assistance program should be increased to offer a free conference registration plus up to $1,000 for the principal or designee to attend the NASACT annual conference, effective FY 2014. Further, NASACT should continue offering assistance to state auditors and state comptrollers to attend the NSAA and NASC annual conferences. As in the past two years, surplus funds left in the travel assistance program budget should be used for this purpose. Additionally, as part of its normal yearly budgeting process, the NASACT Budget Committee should examine the prior year’s overall budget and projected excess of net assets over reserve policy requirement to assign travel assistance funds for the purpose of the NSAA and NASC conferences, if there is a suitable surplus.

The motion was unanimously approved by the Executive Committee.

Investment Policy: NASACT’s current investment policy was originally written in 1997 and last updated in 2005. The policy is quite restrictive and short-term in nature. NASACT’s investments have historically been in CDs, money market accounts and savings accounts. Due to the current low interest rates, NASACT’s investment revenue is significantly under budget. Staff asked the Strategic Planning Committee to consider changes to the policy. After considering various options, the Strategic Planning Committee made the following recommendation to the Executive Committee:

NASACT President Ronald Jones should appoint a Finance Committee to examine the current investment policy, and if

(article continued, next page)
appropriate, make recommendations (using the draft policy prepared by staff as a starting point) for a new policy. Any new policy should be guided by three main priorities: safety, liquidity, and yield.

After discussion, the motion was unanimously approved by the Executive Committee.

**Future NASACT Dues.** NASACT’s dues were last increased in August 2001, with the increases implemented in fiscal years 2003 and 2004. The increase at that time was significant, representing a 100 percent increase for the largest states.

Also in 2001, NASACT’s members approved a target mix of revenue in order to ensure a proper balance between sponsor dollars and other revenue sources, with at least 25 percent of the association’s revenue coming from dues. Since dues have not been increased since FY 2001, the percentage of revenue from dues has slipped to 21.8 percent (FY 2011).

In his report, Mr. Benison emphasized that the discussion about dues is not intended to address an immediate financial need but is rather a long-term fiscal balance issue. Based upon standard practice by peer associations and a desire to address the issue before it becomes critical, the Strategic Planning Committee made the following recommendation to the Executive Committee:

Membership dues should be increased by an amount between 3.5 and five percent to be spread incrementally over a number of years. This would represent an approximate 25 percent increase in dues and would bring dues revenues back up to approximately 25 percent of overall revenues. The Executive Committee should decide on the amount and the time period of the increase.

There was much discussion among the Executive Committee. The consensus was that incremental increases spread over time would be the best approach. There was discussion about the appropriate amount of the increase and whether the percentage of increase should be on the base amount or compounded over time. There was discussion about whether there should be an end date to the increase or whether the dues should be subject to a small increase each year. Ultimately, the following motion was put forth for consideration:

*Beginning in FY 2014, NASACT’s dues should be increased by 3.5 percent annually. The increase should be compounded over time and considered annually for appropriateness.*

The motion was unanimously approved by the Executive Committee. According to NASACT’s Constitution, “The annual dues to be assessed by the Association as membership dues shall be recommended by the Executive Committee and approved by vote of the members in good standing.” This vote will occur at the next regularly scheduled NASACT business meeting, which will be held on Tuesday, August 14, in Seattle, Washington, in conjunction with the 2012 NASACT Annual Conference.

**Conference Registration Fees.** Registration fees for the NASACT annual conference have not changed since 2003. They are currently at a level that does not cover the minimum required costs for attendees. The next three annual conferences will be held in cities that will be expensive (Seattle, Boston and Santa Fe). The NASACT Budget Committee approved an increase in the registration fees for the Seattle conference.

The Strategic Planning Committee recommended to the Executive Committee that the following increases also be implemented for Boston and Santa Fe:

1. **Members** (from $600 to $700)
2. **Other government officials** (from $725 to $825)
3. **Non-government attendees** (from $1,000 to $1,200)
4. **Guests** (from $200 to $250)

This motion was unanimously approved by the Executive Committee.

**Bronze Corporate Associates.** The fifth item for discussion was an increase in the amount for a bronze sponsorship through the NASACT Corporate Associates Program. The levels of NASACT’s corporate associates program have not changed since the program was implemented in 2003. The lowest level, bronze, is currently $5,000.

The Strategic Planning Committee recommended the following to the Executive Committee:

*The bronze level of the NASACT corporate associates program should be increased from $5,000 to $6,000.*

This motion was unanimously approved by the Executive Committee.

**Disposition of GASB Funds.** The final item brought forth for consideration was disposition of funds collected through the 2012 GASB assessment process. Since a funding model for GASB was approved in February, the Executive Committee needed to determine what to do with funds collected to date in 2012 through the normal annual assessment process.

After much discussion, the committee unanimously approved retention of the funds to support the association’s technical activities. The Strategic Planning Committee was tasked with reviewing a policy for the use of the funds, which currently includes the support of GASB and GAAP related activities by the association, but which may be expanded to include other technical activities, such as testimony by NASACT members at hearings of the Securities and Exchange Commission, the Government Accountability Office or Congress. The Strategic Planning Committee will make its recommendations at the next scheduled meeting of the Executive Committee.

**Next Meeting or More Information:** The next scheduled meeting of the NASACT Executive Committee will occur on Sunday, August 12, in Seattle, Washington, in conjunction with the 2012 NASACT Annual Conference. Questions about the content of this article may be directed to Glenda Johnson at gjohnson@nasact.org or Kinney Poynter at kpoynter@nasact.org. Committee minutes (members only content) are available at www.nasact.org/nasact/committees/executive/index.cfm.
NASC Business Meeting Highlights

The National Association of State Comptrollers held a business meeting on March 22 in Oklahoma City in conjunction with the 2012 NASC Annual Conference. President Brenda Bolander, state comptroller of Oklahoma, welcomed everyone including a delegation of comptrollers from Mexico.

Committee Reports

- **Advisory Committee for State Comptrollers: Technical Activities and Functions:** Anna Maria Kiehl, state comptroller of Pennsylvania and chair, reported that the committee held nine meetings to revise the questions for the short-term and long-term portions of the 2012 book. The short-term sections (chapters 1-7) have been made available to comptroller’s offices and the long-term sections will be available for completion soon. The responses to the prior survey will be generated and needed changes can easily be made to the responses. Responses to the short-term portion are due April 27.

- **Committee on the Financial Plan:** Kim Wallin, state controller of Nevada and chair, discussed the 2012 projected results of operations. The positive projected amount is mainly due to the NASC conference having more sponsors and the high attendance at the conference. The 2013 financial plan includes some of the indirect costs being reallocated, resulting in lower expenses for NASC.

- **Committee on Outreach:** Donna Jones, state controller of Idaho and chair, reported that since the August 2011 meeting, NASC has the following new members:
  - Dean Seki, comptroller, Hawaii
  - Martin Eckhardt, director, Kansas Office of Management, Analysis and Standards
  - Wes Mohling, interim state accounting administrator, Nebraska
  - Ricky Bejarano, state controller, New Mexico
  - Joy Sebastian, interim state controller, Oregon

- **Nominating Committee:** Clark Partridge, state comptroller of Arizona and chair, reported that the committee was provided a list of members who are eligible for consideration to be on the NASC Executive Committee. The committee nominated Paul Christofferson, administrator of the Montana State Accounting Division, who was asked to resume his service on the committee. The following 2012-13 NASC Executive Committee roster was presented for vote and was unanimously approved:
  - Richard Eckstrom, South Carolina, president
  - Kim Wallin, Nevada, vice president
  - Paul Christofferson, Montana, secretary/treasurer
  - Clark Partridge, Arizona, immediate past president
  - David McDermott, Colorado
  - David Von Moll, Virginia
  - John Reidhead, Utah
  - Donna Jones, Idaho

- **Resolutions Committee:** Mr. Reidhead, chair, put forth the following resolutions for consideration and approval by NASC’s members (they were approved unanimously):
  - Recognizing John Radford, who retired in October 2011.
  - Recognizing Brenda Bolander, her staff and Oklahoma City for hosting the NASC conference.
  - Thanking Ms. Bolander for her leadership during her year as NASC’s president and for her service to the association.

- **Site Committee:** Mr. Von Moll, chair, reported that the 2013 NASC Annual Conference will be held in Columbia, South Carolina.

- **Committee on Accounting and Financial Reporting:** Mr. McDermott, co-chair, said that on March 20, Robert Attmore provided a report from the Governmental Accounting Standards Board during a meeting of the committee. The group also heard from Martin Benison, chair of the Governmental Accounting Standards Advisory Council. Mr. Benison has formed a NASACT sub-committee to review documents and provide feedback to GASAC. He reported on the feedback received during the group’s first meeting. Mr. McDermott said the CAFR has responded to six GASB due process documents since August 2011.

- **Program Committee:** Mr. Eckstrom, chair, informed everyone that attendance at the annual conference is up by about 10 percent from the pre-recession conferences. However, attendance by principals is down about 30 percent. He stated his desire to increase participation by state comptrollers in the annual conference.

- **Middle Management Conference Committee:** Greg Griffin, state accounting officer of Georgia and chair, reported that the 2012 Middle Management Conference will be held on April 16-18 in Little Rock, Arkansas. He recognized and thanked the members of the committee. He also encouraged members to send staff to the conference.

- **Information Sharing Groups:** Reports were also provided by the following NASC information sharing groups:
  - Internal Controls (Barb Wallace, Wyoming)
  - Paperless Accounts Payable (Alan Skelton, Georgia)
  - State Government Payroll (Lisa Pusich, Alaska)
  - Transparency (Paul Christofferson)
  - Travel and P-card (Bob Jaros, Colorado)

- **Next Meeting or More Information:** The next scheduled NASC business meeting will occur on Monday, August 13 in Seattle, Washington, in conjunction with the 2012 NASACT Annual Conference. Questions about the content of this article may be directed to Kim O’Ryan at koryan@nasact.org. Past meeting minutes (members only content) are available at www.nasact.org/nasc/aboutus/meetings.cfm.
New at www.nasact.org

- NSAA technical inquiries on the following topics at www.nasact.org/nsaa/technical/index.cfm (members only content):
  - Complaint/Hotline Process
  - Correctional Facilities Staffing
  - Performance Audit of Leased Building Space Usage

- NASC technical inquiries on the following topics at www.nasact.org/nasc/technical/index.cfm (members only content):
  - Intelligent Transportation Systems
  - New Employee Benefits
  - Payee Positive Pay
  - Multiple EINs and Overtime Pay
  - Validating Vendor Banking Information

- The Office of Management and Budget’s proposed guidance on reform of federal policies relating to grants and cooperative agreements, cost principles, and administrative requirements (including the Single Audit Act) at www.nasact.org.

- NASACT is partnering with Grant Thornton to conduct the annual CFO survey of issues impacting state financial management leaders. To participate in the survey, go to www.nasact.org.

- NASACT and Microsoft have release a 2012 financial systems survey entitled “The Challenge of Change.” It is available at www.nasact.org.

Info Sharing Spotlight

NSAA Human Resources – April 25, 3:00 p.m. Eastern
The next NSAA Human Resources Information Sharing Group will focus on “Building the Next Generation of Leaders,” with an emphasis on professional development plans, building employee loyalty, motivating employees to become leaders and succession planning. For information on participating, contact Glenda Johnson at gjohnson@nasact.org

NASC Payroll – May 9, 2:00 - 4:00 p.m. Eastern
At the next meeting of the NASC Payroll Information Sharing Group, representatives from the Internal Revenue Service will participate.

NASC Transparency – May 15, 3:00 p.m. Eastern
At the next meeting of the NASC Transparency Information Sharing Group, representatives from Texas will discuss the state’s new transparency website.

NASC Travel and P-Card – May 15, 1:00 - 4:00 p.m. Eastern
At the next meeting of the NASC Travel and P-Card Information Sharing Group, representatives from MasterCard and Visa will participate.

For more information on these three NASC information sharing calls, email Kim O’Ryan at koyran@nasact.org.

Mark Your Calendar: Upcoming Information Sharing Calls

April
- NSAA Human Resources Information Sharing – April 25

May
- NASACT Committee on Accounting, Reporting and Auditing – May 1
- NASC State Government Payroll Information Sharing (expanded call, with participation from the IRS) – May 9
- NSAA Performance Audit Information Sharing – May 10
- NASC Transparency Information Sharing – May 15
- NASC Travel and P-Card Information Sharing (expanded call, with participation from MasterCard and Visa) – May 16

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

Idaho

April Renfro earned a bachelor’s degree in accounting and a master of business administration degree from Boise State University. A certified public accountant, Ms. Renfro has worked for the Idaho Legislative Services Office, Audit Division, for 15 years, starting out as an entry-level auditor working on audits such as the Department of Health and Welfare, the Department of Administration, and Self-Governing Boards. As a managing auditor Ms. Renfro supervised agency audit work at the Department of Health and Welfare and the State Treasurer’s Office in support of the comprehensive annual financial report and the statewide single audit.

Ms. Renfro was recently promoted to manager of the Audit Division at the beginning of April. She replaces Don Berg who retired from the manager position.

Oklahoma

Lynne Bajema was appointed state comptroller in April 2012. Ms. Bajema served as the chief financial officer for the Oklahoma State and Education Employees Group Insurance Board (OSEEGIB) for two years after serving as director of finance for the previous decade. Prior to joining OSEEGIB in 1996, she was in public accounting with the Oklahoma City firm of Wilsey, Meyer and Company. She is a certified public accountant and a past president of the Oklahoma City Chapter of the Oklahoma Society of CPAs. She graduated Summa cum Laude from the University of Central Oklahoma.

Ms. Bajema replaces Brenda Bolander, who retired from her position as state comptroller following 30 years of service with the state of Oklahoma.

Guam

Benita A. Manglona is the new director of the Guam Department of Administration. She replaces Lourdes M. Perez.

PIRG Report Ranks States on Spending Transparency

In Following the Money 2012: How the States Rank on Providing Online Access to Government Spending Data, researchers at the U.S. Public Interest Research Group (or U.S. PIRG) graded all 50 states on how well they provide online access to information about government spending. States were given “A” to “F” grades based on the characteristics of the online transparency systems they have created to provide information on contracts, subsidies and spending at quasi-public agencies. The report shows that eight states created new transparency websites and several others made significant improvements to sites already launched.

“State governments across the country continue to be more transparent about where the money goes, extending checkbook-level disclosure of data on spending to contracting, tax subsidies, development incentives and other expenditures,” explained Phineas Baxandall, senior analyst for tax and budget policy at U.S. PIRG and co-author of the report. “But most states still have a lot of room for improvement.”

The report, developed mainly using information provided by public officials responsible for providing transparency information, is the third annual study from the U.S. PIRG on state spending transparency. To view the complete report, visit www.uspirg.org/reports/usp/following-money-2012.

NAIF Seeks Nominations for David M. Walker Excellence Award

The National Intergovernmental Audit Forum is seeking nominations for the 2012 David M. Walker Excellence in Government Performance and Accountability Award. The NAIF sponsors this award, which recognizes and honors government audit professionals who have made sustained contributions to improve government performance and accountability through their leadership in transforming government organizations. The NAIF will recognize one individual at each level of government service: federal, state and local.

The nomination deadline is April 30, 2012. NAIF Chair, Gene L. Dodaro will present the awards at the 19th Biennial Forum of Government Auditors meeting in Alexandria, Virginia at the end of June. Individuals can obtain information about the award and apply for the award online via the audit forum website at www.auditforum.org.

Questions may be directed to Catherine Myrick at (404) 679-1994 or myrickc@gao.gov or Luis Escalante, Jr. at (214) 777-5693 or escalantel@gao.gov.
Eckstrom Testifies Before GASB on Economic Condition Reporting

Richard Eckstrom, comptroller general of South Carolina and current president of the National Association of State Comptrollers, testified on April 17 before the Governmental Accounting Standards Board on behalf of NASACT. The hearing was held to gather input on the GASB’s preliminary views document Economic Condition Reporting: Financial Projections.

On March 14, NASACT sent a letter to GASB strongly disagreeing that financial projection information should be placed in states’ general purpose external financial reporting. That disagreement stemmed from a number of conceptual, operational and practical reasons:

- Projections of inflows and outflows and related forward-looking information belong in the budgeting process. This information is inherently subjective and subject to fluctuations and lies outside the realm of objective and verifiable accounting and financial reporting, and thus outside of GASB’s purview and jurisdiction.
- Including financial projections in general purpose external financial reporting could be misleading and misinterpreted by users of that information.
- Subjective information should not be included in general purpose external financial reporting (as supported by GASB Concepts Statement 3, paragraph 44).
- The costs to include the information proposed in the PV in general purpose external financial reporting far outweigh any potential benefits.

Mr. Eckstrom went before the GASB to affirm NASACT’s position on the PV. To view the complete association position letter, visit www.nasact.org/downloads/GASB/LOC/03_12-Economic_Condition_Reporting.pdf.

GASB Issues ED “Government Combinations and Disposals of Government Operations,” NASACT Seeks Comment

On March 16, the Governmental Accounting Standards Board issued the exposure Draft Government Combinations and Disposals of Government Operations. The ED would require state and local governments to:

- Identify whether a government combination is a government merger, government acquisition, or a transfer of operations
- Use carrying values to measure the assets and liabilities combined in a government merger or transfer of operations
- Measure acquired assets and liabilities based upon their acquisition values in a government acquisition, and
- Provide guidance for government operations that have been transferred or sold.

The proposed statement would also require disclosures to be made about government combinations and disposals of government operations to enable financial statement users to evaluate the nature and financial effects of those transactions.

The Board has asked for comments on all matters in this proposed statement including comments on any aspects with which you agree as well as any with which you disagree. The Board requests that you explain the reasons for your views, including alternatives that you believe should be considered. Where possible, please provide a paragraph reference for your comments.

The ED can be downloaded from the GASB’s website at www.gasb.org.

NASACT, through its Committee on Accounting, Reporting and Auditing, will be preparing an association position on this ED. In order to meet the GASB’s deadline of June 15, please send your comments to NASACT no later than Friday, May 18. Comments may be sent to Kim O’Ryan at koryan@nasact.org or Sherri Rowland at srowland@nasact.org. Questions may be directed to Kim or Sherri at (859) 276-1147.

Visit NASACT’s State Profile Pages!

Visit www.nasact.org to find NASACT’s member profiles. The profiles include 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 and single audit, 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.
NASACT Members: Use the Travel Assistance Program to Attend Annual Conferences!

By Donna Maloy, Conference Manager

NASACT’s travel assistance program now makes it easier than ever for members to attend the annual conferences. Through the program, NASACT principals (or their designees) are eligible to receive up to:

- $750 for the 2012 NASC Annual Conference
- $750 for the 2012 NSAA Annual Conference
- $1,000 for the 2012 NASACT Annual Conference (PLUS: all new members will be given a free registration to this conference)

The travel assistance may be used to cover registration or travel costs (all reimbursements are processed after the conference).

If you haven’t submitted a reimbursement request for the 2012 NASC Annual Conference that was held March 21-23, it is not too late. Download the reimbursement form at www.nasact.org/conferences_training/nasc/conferences/AnnualConferences/2012AnnualConference/Materials.cfm.

Take advantage of this member benefit and make plans to attend the 2012 NSAA Annual Conference scheduled for June 12-15, in Madison, Wisconsin, and the 2012 NASACT Annual Conference scheduled for August 11-15, in Seattle, Washington.

Questions about NASACT’s travel assistance program may be directed to Lori Slagle at lslagle@nasact.org.
Preston Doerflinger (at podium), Oklahoma’s secretary of finance, opened the conference. Brenda Bolander then introduced the opening speaker Scott Pattison (far right).

Ed Ross discussed GASB 45 and smoking cessation efforts and how those efforts have helped defray costs for the state of Kentucky.

Edgar Andrade, Maria Castaneda, Brenda Bolander, and Rodrigo Llanos pause to chat during a break between sessions.

The table was packed during the three roundtable sessions at the conference.

Paul Christofferson, Kim Wallin and Chris Gorka participate in a roundtable discussion.

Anna Maria Kiehl, Richard Eckstrom, Steve Barnett and Jan Sylvis at a roundtable session.
NASC President Brenda Bolander introduced Jorge Shields (center), president of the Mexican comptroller’s association, to speak during the NASC business meeting.

NASC President Bolander presented gifts to the Mexican delegation at the conference banquet on Thursday evening.

Donna Jones (right) received a President’s Award for her active involvement as chair of NASC’s Outreach Committee.

A President’s Award was also given to Calvin McKelvogue for his efforts to help repeal the three percent government withholding last year.

Martin Benison received a Distinguished Service award in recognition of his service on the Governmental Accounting Standards Advisory Committee.

Jan Sylvis received a Distinguished Service Award to recognize her service as a member of the Governmental Accounting Standards Board.