On April 4, David A. Vaudt, Iowa’s auditor of state, was named as the next chairman of the Governmental Accounting Standards Board, effective July 1, 2013. The appointment was made by the Board of Trustees of the Financial Accounting Foundation, which oversees the GASB and its sister organization, the Financial Accounting Standards Board.

Mr. Vaudt was appointed by the FAF trustees to a single, seven-year term, a change from the past practice of appointing GASB chairs to an initial five-year term with the possibility of serving a second five-year term. Mr. Vaudt will succeed current GASB Chairman Robert H. Attmore, who is retiring on June 30.

“We’re very pleased to welcome David Vaudt as the new chairman of the GASB,” said Jeffrey J. Diermeier, chairman of the FAF Board of Trustees. “David’s extensive experience with and knowledge of the challenging accounting and financial issues facing state and local governments will enable him to continue the strong tradition of leadership and transparency established by our outgoing chairman, Bob Attmore, during his nine distinguished years as head of the GASB.”

Mr. Vaudt has served as Iowa’s constitutionally elected auditor of state since January 2003. In that position, he has been responsible for auditing the state’s comprehensive annual financial report and single audit report. He also has supervised the annual audit of more than 200 Iowa cities, counties, school districts, and other government organizations and agencies. Previously, Mr. Vaudt worked for 25 years in KPMG’s Des Moines office, including 13 years as a partner. He specialized in the office’s government services practice and also served as the office’s human resources and recruiting partner. In the latter roles, he was responsible for conducting the annual reviews and evaluations of managers and staff and for leading the on-campus recruiting effort for audit professional staff. He also served as an instructor for KPMG national governmental accounting and auditing continuing education courses.

Mr. Vaudt was president of the National State Auditors Association from 2011 to 2012, chair of the National Association of State Boards of Accountancy from 2003 to 2004, and chair of the Iowa Accountancy Examining Board from 1995 to 2002. He also has served on the boards or audit committees of civic or government organizations, including the Better Business Bureau of Iowa, the Iowa Homeless Youth Centers, the Des Moines public school system, the Young Women’s Resource Center, and the Walnut Creek Family YMCA.

“All of us at the FAF look forward to working with David as we continue to pursue our objective of more closely aligning the goals and operations of the FAF, the FASB, and the GASB in the months and years ahead,” said FAF President and CEO Teresa S. Polley.

“These are challenging times for state and local governments,” Mr. Vaudt said. “I look forward to quickly engaging with the other GASB members and the wide range of GASB stakeholders, especially the Governmental Accounting Standards Advisory Council, to get a sense of the issues that they believe are the most pressing as we move ahead. I’m also looking forward to working during my transition with Bob Attmore, who has done an exceptional job of leading GASB in the past nine years.”
The National Association of State Comptrollers held its thirty-second annual conference on March 20-22, 2013. Host Richard Eckstrom, comptroller general of South Carolina and president of NASC, welcomed attendees to the conference and to Columbia, South Carolina. Over 170 were in attendance, the highest number in many years.

The conference addressed a range of topics and included several roundtable sessions covering the Treasury Offset Program, CMIA Treasury/state agreements, SWCAP issues, pension accounting, cloud services, financial guarantees, electronic payment programs and more. A complete list of conference sessions can be found on page 13 of this newsletter. PowerPoint presentations are available at www.nasact.org/conferences_training/nasc/annualconference.cfm.

Awards
At the conference banquet on Wednesday, March 20, President Eckstrom presented Distinguished Service Awards to:

• **David J. McDermott**, state controller of Colorado, citing his commitment to improving state government financial management through leadership as co-chair of the Committee on Accounting and Financial Reporting and chair of the Committee on Accounting, Reporting and Auditing.

• **Paul Christofferson (not present)**, former administrator of the Montana State Accounting Division, citing his commitment to improving state government financial management through leadership as a co-chair of the Transparency Information Sharing Group and as secretary/treasurer of the NASC Executive Committee.

He also presented President’s Awards to:

• **Anna Maria Kiehl**, state comptroller of Pennsylvania, citing her service as chair of the Advisory Committee for State Comptrollers: Technical Activities and Functions, NASC’s book of data about state comptrollers.

• **Edgar R. Carter (not present)**, state comptroller of New Hampshire, citing his service as co-chair of the Pension Standards Implementation Work Group.

Resolutions
During NASC’s business meeting on Thursday, March 21, resolutions for the following were passed:

• **Robert H. Attmore**, commending him for his service as chairman of the Governmental Accounting Standards Board and wishing him well upon his upcoming retirement from the GASB.

• **Richard Eckstrom**, thanking him for his service during his presidency of NASC.

• **David J. McDermott**, commending him for his service to the association and his fellow comptrollers and wishing him well upon his upcoming retirement.

• **NASACT’s staff**, commending them for service to the association’s members.

Mexico Exchange Program
This year was the second in an exchange program between NASC and the Mexico state comptroller’s association, the CPCE-F. Attending the conference on behalf of the CPCE-F were Julián Alfonso Olivas Ugalde, secretary of the Ministry of Public Administration; Javier Dávila Perez, director of Public Procurement Policy Unit; and Juan Pablo Yamuni, state controller of Sinaloa and regional coordinator of the Northwest Zone for the CPCE-F. The group shared a presentation on Friday, March 22, to discuss Mexico’s award-winning CompraNet system, which is the country’s newest procurement and transparency initiative.

Acknowledgements and 2014 Conference
NASC wishes to thank all those who helped with the conference, especially Richard Eckstrom and his staff and Kim R. Wallin, state controller of Nevada and chair of the NASC Program Committee. 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 Reno, Nevada, on March 12-14, 2014, and will be hosted by NASC’s new president, Kim Wallin.

NASC Members Elect 2013-14 Executive Committee
During the NASC business meeting, state comptrollers elected the 2013-14 Executive Committee. Shown left to right: John C. Reidhead (UT); Thomas L. White (AL); Cynthia I. Cloud (WY); Kim R. Wallin (NV), president; Anna Maria Kiehl (PA); David A. Von Moll (VA), secretary/treasurer; and Richard Eckstrom (SC), immediate past president. Not shown: David J. McDermott (CO), vice president.
Plan Now to Attend NASACT2013!

Join NASACT president Martin J. Benison and our Massachusetts hosts for the 2013 NASACT Annual Conference in Boston, Massachusetts, this August 10-14. The NASACT Training and Professional Development Committee has distributed the conference topics survey and is now working to develop the technical agenda.

Conference Hotel: Seaport Hotel

The conference will be held at the Seaport Hotel which is located on the bustling Boston waterfront in the Seaport District, and offers dazzling city and harbor views. This year’s conference rate is $185/night plus applicable tax. To reserve your room, call (617) 385-4000 and ask for the NASACT Annual Conference group rate.

Special Activities

Our hosts are planning a number of special activities, including a reception at the John F. Kennedy Presidential Library and Museum and a BBQ at Fenway Park. A guest program will also be offered where guests will be treated to some of Boston’s rich history and a luncheon cruise on Boston harbor.

More Information

Watch for more details coming soon! Questions about the conference may be directed to Donna Maloy at dmaloy@nasact.org or (859) 276-1147.

State Auditors Set to Meet in California in June 2013

California State Auditor and NSAA President Elaine M. Howle will host the 2013 NSAA Annual Conference in Monterey, California, June 11-14. Committees will meet on June 11; the conference sessions will begin on Wednesday, June 12.

The Conference Hotel

The conference will be held at The Portola Hotel. The negotiated room rate is $134 (single or double, plus applicable taxes). To book, contact the hotel at (831) 649-4511, ext. 362, and indicate that you are with the National State Auditors Association, or visit https://resweb.passkey.com/go/nasact2013. To get the conference rate, you must call before the cut-off date of May 13, 2013. After this date, rooms will be offered only on a space- and rate-available basis. It is recommended that those interested in attending make hotel recommendations early.

Technical Agenda

President Howle is currently working with staff to finalize the conference’s technical agenda. Confirmed topics include:

- Data analytics and using technology in auditing.
- Accountability and what it means to the public and the press.
- State of the states: fiscal outlook.
- Social media and the legal implications.
- How innovation affects the ways we live, communicate and work.
- Standards updates.

Travel Assistance and Scholarships

All NSAA members in good standing are eligible to receive up to $750 in travel assistance to help cover costs to attend the conference. Additionally, all new state auditors will be offered free registration (a $575 value).

More Information

The conference agenda and additional information are posted at www.nasact.org. Questions about the conference may be directed to Sherri Rowland at srowland@nasact.org or (859) 276-1147.
Why Report Findings if No One Is Listening?

By Ronald L. Jones, Chief Examiner of Alabama and Immediate Past President of NASACT

I recently received a newsletter from another state audit organization and one of the articles contained in this newsletter caught my attention. This article was titled “Repeat Audit Findings.” The article explored some of the causes of repeat findings within its state. Some of the reasons given were (1) lack of oversight or poor internal controls, (2) lack of staffing or funding, (3) staff error, (4) technology issues and (5) other. This caused me to wonder if a study was conducted in Alabama whether we would find similar reasons for repeat findings. It also occurred to me that since we, the auditors, are continuously reporting the same findings year after year that maybe no one is listening. If no one is listening, then why do we continue to report the same findings year after year? In the paragraphs that follow, I will attempt to address this question.

Generally accepted auditing standards indicate that “the purpose of an audit is to provide financial statement users with an opinion by the auditor on whether the financial statements are presented fairly, in all material respects.” It further states that an “auditor’s opinion enhances the degree of confidence that intended users can place in the financial statements.” While not all of the audits we conduct contain an expression of an opinion on the financial statements, our audits, whether they be compliance examinations, or financial audits, provide a level of assurance to users of that information that management alone cannot provide. The users of this information—taxpayers, investors, public officials, and citizens at large—need to know whether management is properly utilizing the resources they are provided; that management is complying with applicable laws and regulations; and that the financial statements prepared by management are fairly stated, in all material respects, with the appropriate financial reporting framework. Examiners (auditors) provide an independent, unbiased assessment of how well or how poorly management has performed these functions. Examiners have a duty to report, even if it means repeating the same finding year after year.

Examiners are well respected within the state of Alabama. Although sometimes it seems that no one is listening, a recent news article indicates that perhaps this is not true. An article written by John Archibald of the Birmingham News, titled “Alabama state auditors may be washed away in a tide of corruption,” reads (referring to the Examiners of Public Accounts), “they warned—years before the collapse—that Jefferson County’s sewer finances were weaker than its pipes, that its vast array of interest rate swaps was a disaster in the making.” This article reminded me that sometimes we are the bearer of bad news, but nevertheless, it is news that needs to be told. Even when our critics tried to minimize our findings and comments about Jefferson County’s interest rates swaps, we continued to report. Sometimes many years pass before the information (findings) we present is fully appreciated.

Our reports, including the findings contained therein, serve the public interest. Government Auditing Standards define the public interest as “the collective well-being of the community of people the auditors serve.” Examiners act in the public’s interest and honor the public’s trust when they act with integrity, independence and objectivity. Government Auditing Standards indicate that acting in the public’s interest is fundamental to the responsibilities of auditors and critical to the government environment. My department is independent and the findings that our examiners report are factual and objective. Therefore, we are serving the public interest and observing a fundamental principle of Government Auditing Standards.

The findings that are included in our reports help to ensure government transparency. The public has a right to know how government resources are being used and our reports provide this information. The article mentioned above provides an example of how our reports help to ensure government transparency. This article recounts some instances where our audits uncovered and reported instances at various governmental entities where assets were misappropriated or improperly used. The article stated “They outed a former Jefferson County commissioner for receiving a county car and a car allowance at the same time. They caught Bishop State Community College handing out scholarships to players the coaches didn’t know, and sounded an alarm when the prison system illegally collected millions from prisoners for rides to work release jobs, drug tests and medical treatment.” Although, the information provided on the governmental entities portrayed in this article was not very favorable, the public nevertheless had a right to know about it, and we had a duty to report it.

To state auditors and staff within state audit offices: I want you to remember as you go about your day-to-day activities that you are providing a very valuable service to the nation and its citizens. The audits you perform provide an objective independent assessment of the activities of the entities that we audit. They also serve the public interest and help to ensure government transparency. We will, therefore, continue to report findings even when it appears that no one is listening.
NASACT Executive Committee Meeting Highlights

By Glenda Johnson, Communications Manager

The NASACT Executive Committee met on March 19, 2013. The meeting was held in Columbia, South Carolina, in conjunction with the annual conference of the National Association of State Comptrollers. Martin J. Benison, comptroller of Massachusetts and president of NASACT, presided. Highlights from committee reports follow.

- **Training and Professional Development**: President Benison, chair, reported that planning is underway on the technical program for the NASACT annual conference. The conference will be held in Boston, Massachusetts, on August 10-14. The state hosts are working to plan several special events for conference attendees, including events at Fenway Park and the John F. Kennedy Library.

- **Committee on Accounting, Reporting and Auditing**: President Benison, chair, reported to the committee the FY 2014 budget. A motion was made and seconded and approved unanimously.

- **Pension Standards Implementation Work Group**: Kinney Poynter, executive director, reported on behalf of Co-Chairs Greg S. Griffin, state auditor of Georgia, and Edgar R. Carter, state comptroller of New Hampshire. The group, which is a subcommittee of the CARA, has been holding regular calls to help states implement GASB Statements 67 and 68. The group enjoys participation from 47 states and Guam.

- **Financial Management and Intergovernmental Affairs Committee**: Cornelia Chebinou, director of NASACT’s Washington office, provided an update on the activities of the Financial Management and Intergovernmental Affairs Committee on behalf of D. Clark Partridge, state comptroller of Arizona and chair. Among other items, she reported on:
  - The U.S. Office of Management and Budget’s recently issued proposed grant reforms.
  - Recent meetings by NASACT with the U.S. Securities and Exchange Commission.
  - NASACT’s participation in the Municipal Securities Rulemaking Board’s roundtable and other activities.
  - NASACT’s efforts to help educate Congress on municipal bonds and public pensions.
  - The Digital Accountability and Transparency Act.

- **Continuing Disclosures Task Force**: Kim R. Wallin, controller of Nevada and co-chair, reported that the task force has had three calls since it was formed in January 2013. The task force is building on the work of NASACT’s Faster Financial Reporting Work Group and recommendations that resulted from a 2003 focus group on interim disclosure. The main emphasis surrounds how and what types of information may be made available to current and future municipal bond investors on an interim basis. The group hopes to develop best practice guidelines for disclosure to address the growing interest in disclosure by the SEC and the evolving nature of data availability and information technology.

- **Membership**: Rebecca Otto, state auditor of Minnesota and chair, provided a list of new members in FY 2013. 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. She made a motion for the committee to approve the following for lifetime membership in NASACT:

  - **Former State Comptrollers**:
    - Brenda Bolander (Oklahoma)
    - Paul Christofferson (Montana)

  - **Former State Auditors**:
    - Marion Higa (Hawaii)
    - Russell Hinton (Georgia)
    - Auston Johnson (Utah)
    - Walter Kucharski (Virginia)
    - Bruce Myers (Maryland)
    - Brian Sonntag (Washington)
    - Jack Wagner (Pennsylvania)

  - **Former State Treasurer**:
    - Tate Reeves (Mississippi)

The motion was seconded and approved unanimously.

- **Budget**: Richard K. Ellis, state treasurer of Utah and chair, provided the FY 2013 financial report and presented for approval by the committee the FY 2014 budget. A motion was made and unanimously approved to accept the proposed budget for FY 2014.

- **Strategic Planning**: James B. Lewis, state treasurer of New Mexico and chair, reported that the committee met via conference call on February 13 to review results from the 2013 membership satisfaction survey, to discuss strategic initiatives, and to finalize a draft strategic plan to put forward to the Executive Committee for review and approval. Results from the survey this year were very positive, with 99 percent of members indicating satisfaction with their membership in NASACT. The committee made minor adjustments to the strategic plan. Mr. Lewis made a motion for the Executive Committee to adopt the proposed strategic plan, which would be effective for FY 2014-2016. The motion was seconded and unanimously approved.

(continued, next page)
CBO Releases 2012 Unfunded Mandates Review

The Congressional Budget Office has released its 2012 Unfunded Mandates Reform Act (UMRA) review of laws and regulations that impose federal mandates on state, local and tribal governments. UMRA requires that the CBO assess the costs of mandates on state, local and tribal governments and on the private sector.

Congress passed the Unfunded Mandates Reform Act in 1995 to help monitor the costs of mandates contained in potential legislation. Mandates are defined as a provision in legislation that would:

• Impose an enforceable duty on state, local or tribal governments or on private sector entities.
• Reduce or eliminate funding provided to comply with existing mandates.
• Increase the conditions that apply to funds for large mandatory programs or make cuts in funding for mandatory programs if there is no flexibility to alter the programs.

CBO is required to determine whether the aggregate direct costs of mandates would exceed the thresholds provided in the law. The thresholds are indexed annually. For 2012 the thresholds were $73 million for intergovernmental mandates and $146 million for private sector mandates.

The 2012, CBO review found that of the 428 bills that the agency reviewed, 68 (or 16 percent) contained intergovernmental mandates; however, only two of those bills included mandates with costs that would exceed the threshold. The first bill (H.R. 2309) would require the state of Alaska to make a payment to the U.S. Postal Service, and the second bill (H.R. 1860) would prohibit state and local governments from taxing some sales of digital goods and services. Neither of these bills passed into law.

In addition to reviewing legislation for mandates, CBO reviews public laws enacted each year. For 2012, CBO looks at 202 public laws that were signed into law by the president in 2012 or early 2013. CBO found that 16 public laws contained intergovernmental mandates. However, none of those mandates exceeded the thresholds provided in the law.

A full copy of the report can be viewed at www.cbo.gov/sites/default/files/cbofiles/attachments/44032_UMRA.pdf.

Fay Kurkjy Leaves NASACT, Kathleen Howard Young Returns

Fay Kurkjy, coordinator of the National State Auditors Association’s Peer Review Program, will be leaving NASACT effective April 24. Fay, who has worked at NASACT for almost ten years, is moving from Lexington, Kentucky, the location of NASACT’s headquarters office, to Louisiana, where she is from, to be closer to her family.

Kathleen Howard Young has been hired to fill the position. Some members may remember Kathleen, who previously worked at NASACT from May 2001 to May 2005. Since leaving in 2005, Kathleen has worked in commercial property management. She also got married and added a baby girl to her family.

In addition to coordinating NSAA’s Peer Review Program, Kathleen will manage NASACT’s Training Seminars Program and will be part of the member services team that fulfills the association management contract NASACT has with the Association of Local Government Auditors.

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Kathleen will work out of NASACT’s headquarters office in Lexington, Kentucky. She can be reached at (859) 276-1147 or kyoung@nasact.org.

Executive Committee (continued from previous page)

Time and Place: William G. Holland, auditor general of Illinois and chair, reported that the 2013 NASACT Annual Conference will be held in Boston, Massachusetts, August 10-14, at the Seaport Hotel. It will be hosted by President Benison.

The 2014 NASACT Annual Conference will be held in Santa Fe, New Mexico, August 9-13, at the Eldorado Hotel. It will be hosted by Mr. Lewis.

The 2015 NASACT Annual Conference will be held in Chicago, Illinois, at the Marriott. Mr. Holland will be hosting the event, which will be the Association’s one-hundredth annual conference.

Next Meeting or More Information: The next meeting of the NASACT Executive Committee will be held on Sunday, August 11, in conjunction with the 2013 NASACT Annual Conference in Boston, Massachusetts.

Questions about the content of this article may be directed to Glenda Johnson at gjohnson@nasact.org or Kinney Poynter at kpoynter@nasact.org.

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Committee minutes (members only content) are available at www.nasact.org/nasact/committees/executive/index.cfm.
GAO Releases Annual Report on Cost Efficiencies, Revenue Collections and "Action Tracker"

Earlier this month, the U.S. Government Accountability Office released a report on existing opportunities for Executive Branch agencies and Congress to reduce overlap, duplication, and enhance revenue collection. This is the third in a series of reports, which began in 2011. In the prior two reports, GAO identified approximately 300 actions that would improve the efficiency and effectiveness of government programs and activities.

The 2013 report offers two types of recommendations: (1) areas where agencies may achieve greater efficiency and effectiveness and (2) areas where opportunities exist to achieve cost savings and enhance revenue collections. There are several items of note for states:

1. The departments of Energy and Agriculture could take actions to help ensure effective use of financial support from several wind initiatives. (Page 51).
2. The Centers for Medicare and Medicaid Services needs to take steps to eliminate duplication and increase efficiency in two Medicaid Integrity Program activities: provider audits and the collection of state program integrity data (Page 66).
3. To improve the transparency of and accountability for certain high-risk Medicaid payments (which annually total tens of billions of dollars) Congress should consider requiring the Centers for Medicare and Medicaid Services to take steps that would facilitate the agency’s ability to oversee these payments, including identifying payments that are not used for Medicaid purposes or are otherwise inconsistent with Medicaid payment principles. GAO’s analysis of providers for which data are available suggests that savings could be in the hundreds of millions or even billions of dollars (Page 200).

Also included in the report is GAO’s introduction of the “Action Tracker” website, a publicly accessible website that will allow Executive Branch agencies, Congress, and the public to track the progress the government is making to address the issues. This new website will contain the status of “actions” (i.e., the specific suggestions for improvement) that GAO has identified in its three annual reports. It can be found at www.gao.gov/actiontracker.

The full annual report can be found at www.gao.gov/assets/660/653604.pdf.

GAO Continues to Find Accounting Issues at the SEC

While much of the recent news surrounding the Securities and Exchange Commission centers on the selection of Mary Jo White as the new chairman and the Commission’s quest to improve the transparency and efficiency of the municipal securities market, one topic that has not received as much attention is the SEC’s own internal struggle: the Commission’s serious accounting issues. The U.S. Government Accountability Office earlier this month released its third report in less than two years on the SEC’s problems, highlighting both continuing and new deficiencies in the SEC’s financial reporting controls over budgetary resources and property, and equipment transactions.

The purpose of GAO’s latest investigation was to report the results of its SEC financial audit, communicate other less significant control deficiencies, and provide an overview of the status of prior recommendations. GAO made recommendations to address deficiencies in SEC’s controls over financial reporting in the following areas:

• Review and monitoring of disgorgement and penalty transactions.
• Supervisory review and monitoring procedures over manual journal entries.
• Accounts payable accrual methodology.
• Information security.

Specifically, GAO asked the new chairman to pursue the following actions on cash management, accounting activities and improper payments:

• Revise existing collection procedures to provide for segregating incompatible responsibilities, including prohibiting an individual from both processing and reviewing electronic collections transactions.
• Revise existing procedures for review of disbursements transactions to include specifically required steps for verification of individual disbursements processed by Treasury to ensure that these disbursements were made for the correct amounts and to the correct payees.
• Revise existing procedures for the monitoring of accounts receivable transactions recorded in the general ledger to specifically require review of all types of accounting entries that could affect the accounts receivable balance, including correcting entries.
• Revise the SEC’s procedures for evaluating the ongoing reasonableness of its account payable accrual methodology to include steps to ensure that the results of reviews will be projectable to the population and any variances derived from its review, in aggregate, are acceptable for financial reporting purposes.

The full GAO critique of the SEC’s financial procedures can be found at www.gao.gov/assets/660/653575.pdf.
NASC Business Meeting Highlights

By Kim O’Ryan, NASC Association Director

The National Association of State Comptrollers held a business meeting on March 21 in Columbia, South Carolina in conjunction with the 2013 NASC Annual Conference. President Richard Eckstrom, comptroller general of South Carolina, welcomed everyone. Mr. Juan Pablo Yamuni from the Mexico Comptroller’s Permanent Commission addressed the group and discussed some of the responsibilities of the comptroller’s offices in Mexico.

Committee Reports

- **Committee on the Financial Plan**: David J. McDermott, state controller of Colorado and chair, discussed the 2013 projected results of operations. A positive projected amount is mainly due to an increase in the number of sponsors for the NASC conference and additional offices paying the technical services fee. The 2014 financial plan includes fewer sponsors for the NASC conference and also a 15 percent rebate for food and beverage at the Reno hotel for the 2014 conference.

- **Committee on Accounting and Financial Reporting**: Mr. McDermott, co-chair, told the group that earlier in the week, Robert Attmore, chairman of the Governmental Accounting Standards Board, presented a report during a meeting of the CAFR. Mr. Attmore discussed proposed changes by the Securities and Exchange Commission for 2a-7 like pools, tax abatements, electronic reporting research projects, leases and the hierarchy project. Mr. McDermott also provided a report for the Governmental Accounting Standards Advisory Council. Martin Benison, chair of the GASAC, has formed a sub-committee to review documents and provide feedback from NASACT to GASAC. The sub-committee provided input for the high and medium priority topics to be included in the GASB’s agenda. Mr. McDermott also reported that in September 2012, the NASACT Committee on Accounting, Reporting and Auditing responded to a GASB exposure draft, Accounting and Financial Reporting for Nonexchange Financial Guarantee Transactions. Lastly, he encouraged the attendees to respond to a proposal from the Financial Accounting Foundation that would change the GASB’s agenda setting process. The state comptrollers thanked Mr. McDermott for his work.

- **Advisory Committee for State Comptrollers: Technical Activities and Functions**: Anna Maria Kiehl, state comptroller of Pennsylvania and chair, reported that the complete book is now posted to NASACT’s website. The short-term section (chapters 1-7) was completed by 42 states and the long-term section (chapters 8-14) was completed by 39 states. She thanked and recognized the committee members.

- **Committee on Outreach**: Thomas L. White, state comptroller of Alabama and member of the committee, reported that since the August 2012 meeting, NASC has the following new members:
  - Kristopher Knight, director, Delaware Division of Accounting (mentor: Thomas White).
  - Brandon Woolf, state controller of Idaho (mentor: Anna Maria Kiehl).
  - Julie Feldman, acting administrator of the Montana State Accounting Division (mentor: Cynthia Cloud).
  - Hari Kadavath, administrator of the Nebraska State Accounting Division (mentor: John Reidhead).
  - Pete Grannis, first deputy comptroller in New York (mentor: Clark Partridge).
  - Kathy Ross, manager of statewide accounting and reporting, Oregon (mentor: Diane Langham).

- **Nominating Committee**: President Eckstrom reported for the Nominating Committee. The 2013-2014 committee roster put forth for vote was:
  - President: Kim R. Wallin, state controller, Nevada
  - Vice president: David J. McDermott, state controller, Colorado
  - Secretary/treasurer: David A. Von Moll, state comptroller, Virginia
  - Immediate past president: Richard Eckstrom, comptroller general, South Carolina
  - John C. Reidhead, director – division of finance, Utah
  - Anna Maria Kiehl, state comptroller/chief accounting officer, Pennsylvania
  - Thomas L. White, state comptroller, Alabama
  - Cynthia L. White, state auditor, Wyoming

The new committee was unanimously approved.

- **Resolutions Committee**: Mr. Reidhead, chair, put forth the following resolutions for consideration and approval by NASC’s members (they were approved unanimously):
  - Recognizing Robert Attmore for his service as GASB chair.
  - Thanking Mr. Eckstrom for his leadership during his year as NASC’s president and for his service in the Association.
  - Recognizing David McDermott for his leadership and service in the Association.
  - Recognizing the NASACT staff for their efforts in serving the Association.

- **Site Committee**: Mr. Von Moll, reported that the 2014 NASC Annual Conference will be held in Reno, Nevada. Mr. Von Moll will likely host the 2015 conference in Virginia.

- **Program Committee**: Ms. Wallin, chair, informed everyone that the conference attendees are from 31 different states with 23 principals and a total of 174 attendees. She said this is a record attendance. She also recognized the members of the program committee.

(continued, next page)
NASACT Member Input Needed

OMB Grant Reforms: Comments Due May 3

The U.S. Office of Management and Budget issued a massive set of proposals for grant reform. The proposal has been shared with NASACT members, and can be found at www.nasact.org/washington/downloads/announcements/02_13-OMB_Grant%20Reform_Notice.pdf.

The proposal streamlines eight existing OMB circulars into one document. The reform ideas under consideration are outlined in four main categories:

3. Section C – reforms to audit requirements (circulars A-133 and A-50).
4. Section D – additional suggestions outside of the guidance reform.

NASACT will be developing an association response to these proposed reforms. A list of questions to help frame the comments was distributed to members. NASACT members are encouraged to share the questions with other relevant parties who might be impacted (e.g., SWCAP coordinators for the proposed changes to the cost allocation plans).

To include your comments in NASACT’s response, please send them to Kinney Poynter at kpoynter@nasact.org by Friday, May 3. Members are also encouraged to respond directly to OMB; OMB’s deadline to respond is June 2.

FAF Proposal to Change GASB’s Agenda-Setting Process: Comments Due to FAF by April 30

In late February, the Financial Accounting Foundation released for public comment a proposal outlining proposed changes to the agenda-setting process of the Governmental Accounting Standards Board. The proposed changes are a result of an independent academic study commissioned by the FAF last year, which documented GASB stakeholders’ views on the scope of the GASB’s standard-setting activities and authority. The results of the study revealed a lack of consensus about the appropriate scope of the GASB’s activities and involvement in government accountability reporting.

The FAF believes that the proposed changes will allow for early stakeholder input resulting in better decisions about whether projects are “in scope” before they are added to the GASB’s technical agenda. The GASB classifies governmental financial information into three categories:

- Group 1 – Information that GASB assesses as clearly within its standard-setting authority.
- Group 2 – Information that the GASB believes is within its standard-setting authority, but that is not clearly in Group 1.
- Group 3 – Information clearly recognized as being outside GASB’s standard-setting authority.

With the proposed changes, the FAF trustees would make a final determination on whether Group 2 projects are within the GASB’s jurisdiction or not. This is a significant change. There are currently three government trustees on the FAF Board.

The FAF’s proposal can be downloaded at www.nasact.org or at www.accountingfoundation.org. Comments are due to the FAF by April 30.

NASC Business Meeting (continued from previous page)

- **Middle Management Conference Committee**: Ms. Cloud, member of the committee, reported that the 2013 Middle Management Conference will be held on April 17-19 in St. Paul, Minnesota. She mentioned some of the speakers for the conference and encouraged members to send staff.

- **Information Sharing Groups**: Reports were also provided by the following NASC information sharing groups:
  - Internal Controls (Brandon Purcell–Idaho)
  - State Government Payroll (Lisa Pusich–Alaska)
  - Transparency (Mike Smarik–Arizona)
  - Travel & P-card (Kathy Sheppard–Massachusetts)

- **Other Topics**: The following additional items were reported to NASC’s members during the meeting:
  - The new benchmarking contract with The Hackett Group has been signed and NASACT has signed contracts for benchmark-related consulting services with Accenture, First Data, Grant Thornton, MAXIMUS, and Plante & Moran.
  - NASACT has formed a new Interim Disclosures Task Force to be pro-active in getting information to the market in a more timely fashion.
  - The deadline for response to grant reform proposals from the U.S. Office of Management and Budget has been extended to June 2. Member input is requested by May 3.

- **Next Meeting or More Information**: The next scheduled NASC business meeting will occur on Monday, August 12 in Boston in conjunction with the 2013 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

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

- Gerry Boaz’s observations of the January meetings of the Governmental Accounting Standards Board, at www.nasact.org/nasact/positions/GASB.cfm (members only content).
- NASC technical inquiries on the following topic at www.nasact.org/nasc/technical/index.cfm (members only content):
  - Sensitive or High-Risk Personal Property
- Pension Funding Guide developed by NASACT and other government groups at www.nasact.org/washington/downloads/announcements/03_13_Pension_Funding_Guide.pdf.

Info Sharing Spotlight!

National State Auditors Association

**Human Resources – April 24, 3:00 p.m. Eastern**
The next NSAA Human Resources Information Sharing Group will focus on “Five Steps to World-Class Onboarding.” The group will be joined by guest speaker Emily Bennington, who will lead the discussion. Ms. Bennington is an HR expert and author of several books on the successful management of employees.

For information on participating, contact Glenda Johnson at gjohnson@nasact.org

National Association of State Comptrollers

**Payroll – May 8, 1:30 - 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 Travel and P-Card – May 22, 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 NASC information sharing calls, email Kim O’Ryan at koyran@nasact.org.

Upcoming Information Sharing Calls

**April**
- NSAA Human Resources Information Sharing – April 24

**May**
- NASACT Pension Standards Implementation Work Group – May 1
- NASC Payroll Information Sharing (expanded call with the IRS) – May 8
- NASC Committee on Accounting, Reporting and Auditing – May 21
- NASC Travel and P-Card Information Sharing (expanded call with Visa and MasterCard) – May 22

**July**
- NSAA Human Resources Information Sharing – July 31

Get Involved!
For information on participating in any of these calls, contact NASACT’s headquarters office at (859) 276-1147.
AICPA Accepts Nominations for 2013 Awards

For 2013, the American Institute of Certified Public Accountants’ Outstanding CPA in Government Award Program has been modified to include an online nominations process and to recognize contemporaneous contributions of CPAs in government in addition to those made over the span of a career.

The AICPA Outstanding CPA in Government Awards recognize the achievements of individual CPAs employed in government at the local, state and federal levels. Through their accomplishments, award recipients and nominees demonstrate the importance and contribution of CPA skills and competencies to the effective performance of the organizations that they serve.

Nominations for these two awards are due by April 30 and may be made by visiting www.aicpa.org/InterestAreas/BusinessIndustryAndGovernment/Community/Pages/Outstanding%20CPA%20in%20Government.aspx.

Outstanding CPA in Government Impact Award – NEW!

The Outstanding CPA in Government Impact Award recognizes the impact of significant contributions of the CPA to the efficiency, effectiveness or innovative service delivery of their respective local state or federal employer organization. Current or recent accomplishments (3-5 years) are the focus of this award.

Outstanding CPA in Government Career Contribution Award (Formerly the Outstanding CPA in Government Award)

The Outstanding CPA in Government Career Contribution Award recognizes the significant contributions to the CPA profession via government service at the local, state or federal level over a candidate’s entire career. Career Contribution Award candidates will have demonstrated exceptional leadership and high ethical standards and a track record of professional excellence.

U.S. PIRG Releases Fourth Annual Transparency Report

U.S. PIRG Education Fund recently released its fourth annual study, titled “Following the Money 2013,” evaluating each of the 50 states on their spending transparency.

“State governments across the country have become more transparent about where public money goes, providing citizens with the information they need to hold elected officials and businesses that receive public funds accountable,” said Phineas Baxandall, senior analyst for tax and budget policy with the U.S. PIRG Education Fund. “But standards for transparency are continually rising, so there is always room for improvement.”

Among the report’s findings:

• Thirty-nine state transparency websites now include reports about government spending through tax-code deductions, exemptions and credits—up from just eight states that did so three years ago.
• In the past year, a number of states created new transparency websites, including Arkansas, Connecticut, Idaho, Maine, Montana, Pennsylvania, Rhode Island, and Vermont.
• Seven states earned “A” grades: Texas, Massachusetts, Florida, Illinois, Kentucky, Michigan, and Oklahoma. These “leading” states provide detailed information on different types of payments, usually in searchable and easy-to-use databases.
• Five states earned “F” grades: Wyoming, Wisconsin, Hawaii, California, and North Dakota. These “failing” states provide some checkbook-level information, but their websites are limited in scope, lack comprehensiveness, and are difficult to navigate.

To view the report, visit www.uspirgedfund.org/reports/usp/following-money-2013.

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.
2013 Calendar of Events  Register for these events at www.nasact.org.

2013

April 25-26  •  Tennessee Government Auditing Training Seminar, Chattanooga, TN
May 13-14  •  Tennessee Government Auditing Training Seminar, Morristown, TN
May 16-17  •  Tennessee Government Auditing Training Seminar, Jackson, TN
June 11-14  •  NSAA Annual Conference, Monterey, CA
August 10-14  •  NASACT Annual Conference, Boston, MA
September 30-October 3  •  NSAA IT Workshop and Conference, Raleigh, NC

2014

March 11  •  NASACT Executive Committee Meeting, Reno, NV
March 12-14  •  NASC Annual Conference, Reno, NV
August 9-13  •  NASACT Annual Conference, Santa Fe, NM

Corporate Partners: Join Our Corporate Associates Program!

By Donna Maloy, Conference Manager

NASACT corporate partners—contact us today to find out how to join the NASACT Corporate Associates Program! The program offers your company various opportunities for exposure and participation at NASACT’s annual conference as well as other benefits throughout the year, including a company listing on NASACT’s website. As a corporate associate, you will also receive copies of NASACT’s publications and e-distributions.

Whether your goal is networking, staying informed about state government finance, or participating in one of the premier conferences of the year for state government officials, the corporate associates program will benefit your company. The program has four levels of participation: platinum, gold, silver and bronze.

Benefits associated with these levels vary. To view the complete brochure outlining the benefits and to see which companies are currently members, visit www.nasact.org/nasact/corporate/index.cfm.

Questions about the Corporate Associates Program or opportunities tied to participating in NASACT’s annual conference may be directed to Donna Maloy at dmaloy@nasact.org or (859) 276-1147.

Mark your calendar for this year’s NASACT Annual Conference to be held August 10-14, 2013, in Boston, Massachusetts. Details about this year’s conference can be found on NASACT’s website at www.nasact.org.

NSAA Sponsorship Opportunities

Sponsorship opportunities are still available for the annual conference of the National State Auditors Association, which will be held June 11-14 in Monterey, California. Those interested in learning more should contact Sherri Rowland, NSAA’s association director, at srowland@nasact.org or (859) 276-1147.

The next issue of NASACT News will be published in May 2013. To submit articles, photos or ideas, contact Glenda Johnson by May 10 at gjohnson@nasact.org or phone at (859) 276-1147.
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

UPDATE OF OMB ACTIVITIES

GASB UPDATE
- Robert Attnmore, Chairman, Governmental Accounting Standards Board
- David Bean, Director of Research and Technical Services, Governmental Accounting Standards Board

PENSION ACCOUNTING: FINANCIAL REPORTING IMPLEMENTATION CONSIDERATIONS
- Jeffrey Markert, Partner, KPMG
- David Bean, Director of Research and Technical Services, Governmental Accounting Standards Board

BETTER, FASTER, CHEAPER: A FRAMEWORK FOR OPERATION EFFICIENCY
- Stephen Goldsmith, Director, Innovations in American Government Program, Harvard University

ROUNDTABLE 1: FEDERAL-STATE ISSUES
- Moderator: Kim R. Wallin, State Controller (NV)

LEVERAGING ERP, ANALYTICS, & STRATEGIC INSIGHT TO MAKE BETTER BUSINESS DECISIONS
- Simon Threlfall, Senior Director, Industry Strategy & Insight
- Sherrie Southern, Director, Public Sector Solutions, Oracle
- Martin J. Benson, Comptroller (MA)
- Jan I. Sylvis, Chief of Accounts (TN)

NEW APPROACHES FOR TACKLING GRANTS MANAGEMENT
- Christina Dorfhuber, Principal, Deloitte Consulting LLP
- Norman Dong, Deputy Controller, U.S. Office of Management and Budget

CLOUD/SAAS ERP: THE FUTURE?
- Aaron Millstone, Managing Director, Accenture
- Bill Killmartin, Director, State and Local Government, Accenture
- David Andrews, Managing Director, Accenture

FIGHTING FRAUD: EMERGING TRENDS IN 2013
- Don Binns, Commercial Fraud Policy Executive, Bank of America Merrill Lynch
- Jimmy Earley, Director, Division of State Information Technology (SC)

SOCIAL CONTRACTS – OLDER AND YOUNG WORKERS DOING THE SAME WORK BUT WITH DIFFERENT BENEFITS
- Robert Childree, Director, Grant Thornton
- Virginia Gibson, OI-GPS Sr. Manager, Grant Thornton

MOVING ERP TO THE CLOUD – LESSONS ALREADY BEING LEARNED!
- Larry Honarvar, Vice President – Managed Services, CGI
- Daniel Keene, Vice President – State and Local Government ERP, CGI
- David J. McDermott, State Controller (CO)

THE EVOLUTION OF FINANCIAL MANAGEMENT SYSTEM IMPLEMENTATIONS
- Charlie Johnson, Managing Director, U.S. State and Local Government ERP, Microsoft
- Thomas L. White, State Comptroller (AL)
- Christina Smith, Director, Division of Accounting & Auditing (FL)
- David A. Von Moll, Comptroller (VA)

IMPROVING FINANCE AND PROCUREMENT COLLABORATION
- Bryan DeGraw, Director, Senior Advisor, The Hackett Group
- Patty Miller, Senior Director, The Hackett Group

ROUNDTABLE 2: OPERATIONAL EFFECTIVENESS
- Moderator: David J. McDermott, State Controller (CO)

CITIZEN TRANSPARENCY PORTALS 2013: BEST PRACTICES AND SUCCESS STORIES
- Steve Brooks, Managing Director, Client Solutions, CherryRoad Technologies
- Mike Smarki, Deputy Comptroller (AZ)
- Carol McFarland, Director, Performance and Efficiency Division (OK)
- Lisa McKeithan, Manager Regulatory and Transparency (OK)

MANAGING STATES UNDER REDUCED FEDERAL RESOURCES FROM A BOND RATER’S POINT OF VIEW
- Ed Mazur, Senior Advisor – Public Sector Services, CliftonLarsonAllen
- Nick Samuels, Vice President/Senior Credit Officer, Moody’s Investors Service

SAVINGS AND EFFICIENCIES OF ELIMINATING PAPER FROM THE PAYMENT PROCESS
- Cannon Wadsworth, Director of State Programs, Global Science & Technology
- Glen B. Gainer III, State Auditor (WV)

THE BENEFIT OF VOLUNTARY BENEFITS TO STATE EMPLOYEES AND STATE GOVERNMENT
- Jim Cothron, Executive Vice President of Distribution, NTA Life Management
- James Holly, Chief of Staff for the State Comptroller General (SC)

TREASURY OFFSET PROGRAM – THE KEY TO MAXIMIZING YOUR STATE’S DELINQUENT DEBT COLLECTION
- Ronida Kent, Deputy Assistant Commissioner, U.S. Department of the Treasury, Bureau of the Fiscal Service, Debt Management Services
- Alyssa Riedl, Director, Treasury Offset Program, U.S. Department of the Treasury, Bureau of the Fiscal Service, Debt Management Services

TOOLS FOR TRANSPARENT ACQUISITIONS
- Julián Alfonso Olivas Ugalde, Secretary of the Ministry of Public Administration
- Javier Dávila Perez, Director of Public Procurement Policy Unit

ROUNDTABLE 3: GENERAL TOPICS
- David A. Von Moll, Comptroller (VA)
Kim Wallin (NV), incoming president, presented Richard Eckstrom (SC) with a plaque of appreciation for his service as NASC’s president during the past year.

Anna Maria Kiehl (PA) received a NASC President’s Award at the banquet on Wednesday.

President Richard Eckstrom (SC) selected David McDermott (CO) to receive a Distinguished Service Award. Mr. McDermott will retire later this spring.

Robert Attmore addressed the group as GASB chairman for the last time. Mr. Attmore was recognized for his service by NASC’s members with a resolution at the business meeting.

Three comptroller’s roundtable sessions each had a packed agenda.

Norman Dong (OMB, center) participated in the roundtable to hear NASC member concerns about CMIA Treasury/state agreements and other state/federal issues.
Cynthia Cloud (WY) was selected as one of NASC’s new Executive Committee members at the business meeting.

Thomas White (AL, center), was also selected to serve on NASC’s Executive Committee.

A delegation from the Mexico comptroller’s association spoke during a session on Friday. The group was led by Julian Olivas (third from left), secretary of the Ministry of Public Finance.

NASC President Eckstrom (SC) arranged for interested attendees to take a tour of the historic South Carolina state house after the conference sessions on Thursday.

Left to right: Lynne Bajema (OK), Kathy Ross (OR) and new Executive Committee member Anna Maria Kiehl (PA), participating in one of the comptroller’s roundtable sessions.

Brandon Woolf (ID) attended his first NASC conference after becoming Idaho’s state controller last fall.
Rhonda Kent (at podium) participated in a panel session to discuss the U.S. Treasury’s offset program.

John Reidhead (UT, center), a member of NASC’s Executive Committee, shared his state’s perspective during one of the roundtable sessions.

Mike Smarik (AZ) participated in a panel discussion about citizen transparency portals.

Richard Eckstrom (SC), Kim Wallin (NV) and David McDermott (CO), members of NASC’s Executive Committee, at the conference banquet.

Stacey Neal (MO, center), during one of the roundtable sessions.

Christina Smith (FL) and Alan Skelton (GA) at a roundtable session.