STATE AUDITORS MEET IN LITTLE ROCK FOR 37th ANNUAL CONFERENCE: PENSION AUDITING, IT SECURITY AND ETHICS TOP AGENDA

BY GLENGA JOHNSON, COMMUNICATIONS MANAGER

NSAA President Roger Norman, legislative auditor of Arkansas, recently welcomed state auditors to Little Rock for the thirty-seventh annual conference of the National State Auditors Association. The conference was held June 10-12 at the Little Rock Marriott. Over 125, including 35 principal state auditors, were in attendance.

The conference was preceded on June 9 by a day of meetings of NSAA’s committees.

TECHNICAL AGENDA & OTHER ACTIVITIES

The conference featured two roundtable sessions and 10 general sessions covering a diverse range of topics. PowerPoint presentations and speaker bios from the conference can be found at www.nasact.org/2015_nsaa_materials. A complete list of the session titles and speakers can be found on page 2.

AWARDS & RESOLUTIONS

An awards lunch was held on Thursday, June 11. President Norman announced the winner of the 2015 NSAA William R. Snodgrass Distinguished Leadership Award: Debbie Davenport, auditor general of Arizona.

Paul Townsend, legislative auditor of Nevada and chairman of NSAA’s Excellence in Accountability Awards Committee presented this year’s Excellence in Accountability Awards. Receiving those awards were:

Large Performance Audit
- **Winner:** Oregon Audits Division

- **Honorable Mention:** Illinois Office of the Auditor General
- **Honorable Mention:** Minnesota Office of Legislative Auditor

Small Performance Audit
- **Winner:** North Carolina Office of the State Auditor

Special Project
- **Winner:** Tennessee Office of the Comptroller of the Treasury, Division of State Audit

Forensic Report
- **Winner:** Louisiana Legislative Auditor

Two resolutions were approved by members at the annual June business meeting:
1. Thanking President Norman for his service.
2. Wishing David Martin, auditor general of Florida, well upon his retirement.

ACKNOWLEDGMENTS

NSAA wishes to thank all those who helped with the conference, especially Roger Norman, the conference host, and Paula Kinnard from his office. The annual conference is a highlight each year for NSAA, and active involvement by the state audit community is the reason for that: thanks to all who participated and attended.

Last but not least, thanks to this year’s conference sponsors: ACL, Bronner Group, ClifonLarsonAllen, Grant Thornton, The IIA’s American Center for Government Auditing and TeamMate.

2016 NSAA ANNUAL CONFERENCE – The 2016 NSAA Annual Conference will be held in Avon, Colorado, on June 13-16 (Monday through Thursday) at the Park Hyatt Beaver Creek. The conference will be hosted by NSAA President Dianne Ray, state auditor of Colorado.
The sessions presented during the 2015 annual conference are listed below. To download handouts, PowerPoint presentations and speaker biographies, visit www.nasact.org/2015_nsaa_materials.

**TURNING BOOS INTO CHEERS**
- Walt Coleman, Controller, Hiland Dairy, and Active Referee, National Football League

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

**THE BIG SWITCH – CLOSING THE GAP BETWEEN STRATEGY AND EXECUTION**
- Gary Tomlinson, Strategy & Execution Expert, Tomlinson & Associates

**WELL, NOW THAT THAT’S OVER... WHAT WE LEARNED AND WHAT TO COMMUNICATE ABOUT PENSION AUDITING**
- Gerry Boaz, Technical Manager, Division of State Audit, Office of the Comptroller of the Treasury (TN)
- Randy Roberts, Senior Technical Director, Office of the Auditor General (AZ)

**GASB UPDATE**
- David Vaudt, Chairman, Governmental Accounting Standards Board
- David Bean, Director of Research, Governmental Accounting Standards Board

**EMERGING ISSUES ROUNDTABLE**
Moderators:
- William G. Holland, Auditor General (IL)
- Scott Frank, Legislative Post Auditor (KS)

**ETHICS IN POLITICS, PUBLIC SERVICE AND COMMUNITY LEADERSHIP**
- Steve Clark, President and Chief Executive Officer, Fayetteville Chamber of Commerce

**IT SECURITY**
- David Coles, Field Audit Supervisor, Office of the Legislative Auditor (AR)

**HR ROUNDTABLE**
- John Geragosian, State Auditor (CT) and Vice-Chair of NSAA’s HR Committee

**OMB UPDATE**
- Tammie Brown, Audit Manager, U.S. Department of Health and Human Services, Office of the Inspector General

**GAO UPDATE: WHAT’S NEW IN GOVERNMENT AUDITING AND INTERNAL CONTROL STANDARDS?**

**PRESENTATIONS BY NSAA’S EXCELLENCE IN ACCOUNTABILITY AWARD WINNERS**

**Performance Audit – Large**
- Temporary Assistance for Needy Families
  - Sandra Hilton, Audit Manager, Audits Division (OR)
  - Ian Green, Senior Auditor, Audits Division (OR)
  - Jamie Ralls, Principal Auditor, Audits Division (OR)
  - Scott Learn, Staff Auditor, Audits Division (OR)

**Performance Audit – Small**
- Department of Health and Human Services
  - NCTracks (MMIS Replacement) – Pre-Implementation
  - Dwayne McKinley, Audit Supervisor, Office of the State Auditor (NC)
  - Luis Toledo, Audit Supervisor, Office of the State Auditor (NC)

**Special Project**
- Guide to State Audits
  - Deborah Loveless, Director, Division of State Audit, Office of the Comptroller of the Treasury (TN)

**Forensic Report**
- New Orleans Traffic Court
  - Roger Harris, Director of Investigative Audit, Legislative Auditor’s Office (LA)
  - Brent McDougall, Forensic IT Audit Coordinator, Legislative Auditor’s Office (LA)
On Thursday, June 11, NSAA members elected a new Executive Committee. From left to right: Daryl Purpera (LA), President Dianne Ray (CO), Beth Wood (NC), Past President Roger Norman (AR), Suzanne Bump (MA) and Secretary/Treasurer Steven Eells (NJ). Not pictured: President-Elect Stacey Pickering (MS)

Left: Debbie Davenport (AZ) was chosen by President Norman as the 2015 recipient of the NSAA William R. Snodgrass Distinguished Leadership Award.

Right: Steve Clark spoke to the group about ethics in politics and leadership.
Randy Roberts (AZ, center left) and Gerry Boaz (TN, center right) provided an update on GASB’s pension standards and implementation efforts.

Left: Tom Barnickel (MD) provided input during one of the roundtable sessions.

Right: New NSAA President Dianne Ray (CO) presented a plaque of appreciation to Past President Roger Norman (AR) at the conclusion of the NSAA business meeting.

Left: Kristin Kociolek from GAO presented on new auditing and internal control standards.

Right: Paula Kinnard (AR) shared input during one of the roundtable sessions.
The North Carolina Office of the State Auditor won in the Small Performance audit category. Accepting the award: Beth Wood, Luis Toledo and Dwayne McKinley.

Left: The forensic report winner was Louisiana Legislative Audit. Accepting the award: Daryl Purpera, Brent McDougall and Roger Harris.

Right: Winning in the special project category was the Tennessee Division of Audits. Justin Wilson and Deborah Loveless accepted the award.

Left: Winning in the large performance audit category was the Oregon Division of Audits. Accepting the plaque from awards committee Chair Paul Townsend (NV, far right): Scott Learn, Ian Green, Jamie Ralls and Sandra Hilton.

Right: The Illinois Office of the Auditor General received an Honorable Mention in the large performance audit category. William G. Holland was on hand to be recognized.
CELEBRATE
100 YEARS OF EXCELLENCE
AUGUST 22-26, 2015
CHICAGO MARRIOTT DOWNTOWN
WE’LL SEE YOU IN CHICAGO!

OUR ILLINOIS HOSTS
INVITE YOU TO ATTEND
NASACT 2015
August 22-26, 2015
Chicago, Illinois

WILLIAM G. HOLLAND
Auditor General (IL)
President of NASACT
Conference Host

LESLIE GEISSLER MUNGER
State Comptroller (IL)
Conference Co-Host

MIKE FRERICHS
State Treasurer (IL)
Conference Co-Host

SPECIAL EVENTS & ACTIVITIES WILL INCLUDE:

• A commemorative book celebrating NASACT’s 100 years.
• Tuesday State Night Event at the Marriott with a retrospective of NASACT’s past, the unveiling of NASACT’s inaugural Hall of Fame, and other special commemorative activities.
• Monday Cruise on Lake Michigan aboard the Spirit of Chicago.
• Sunday Gospel Brunch at the House of Blues and Reception at the John Hancock Tower.
• 5K Fun Run/Walk in Lincoln Park.
• Two-day program for guests.

Don’t miss it! Registration is now open at www.nasact.org!
NASACT 2015 ANNUAL CONFERENCE PREVIEW

KEYNOTE SPEAKERS AT THE ANNUAL CONFERENCE:

NASACT 2015
August 22-26, 2015
Chicago, Illinois

THE IMPORTANCE OF BEING FUNNY: THE ROLE OF HUMOR IN OUR PRIVATE AND PROFESSIONAL LIVES

DR. AL GINI
Professor of Business Ethics, Chair of the Department of Management in the School of Business Administration, Loyola University Chicago
Humor can act as both a sword and shield to defend and protect us against life. Humor can, at times, detox if not completely explain some of the unsolvable mysteries of life. Humor may not be able to offer definitive answers, but it can arrest and defang our certainty. Dr. Gini is convinced that laughter offers perspective, reinforces our humanity, and encourages hope. His attempt will be to offer a serious presentation on humor that is also seriously funny!

AMERICA’S CHANGING POLITICAL AND LEGISLATIVE LANDSCAPE

RON ELVING
Senior Washington Editor and Correspondent, NPR News
Do you sometimes wonder what is going on in Washington? Is anything actually being accomplished? Ron Elving will tap into his experience as a senior Washington editor and correspondent to discuss the current political and legislative environment and what it means for the future.

THE CHALLENGES KEEP COMING—FISCAL AND OTHERWISE: WHAT FINANCIAL MANAGERS CAN DO TO MAKE A DIFFERENCE

GENE DODARO
Comptroller General, U.S. Government Accountability Office
Comptroller General Dodaro will discuss some of the major fiscal and other challenges confronting the nation and outline the critical nature of involvement by the financial management community in helping to address these challenges.

PATTERNS MATTER IN ANALYTICS

CYNTHIA STORER
Hear how the use of analytics and examining data to find meaningful patterns can make a difference from CIA analyst Cynthia Storer, who was featured in the HBO documentary *Manhunt: The Inside Story of the Hunt for Bin Laden*.

OTHER FEATURED TOPICS WILL INCLUDE:

- IT Trends and Emerging Issues
- ERP Implementation, Maintenance & Improvements
- Winning the War for Talent
- Using Payment Data to Make Good Decisions
- Government’s Move to the Cloud
- GASB Pension Standards
- Big Data and What it Means for Government
- The DATA Act and the Opportunities it Presents
- OMB’s Uniform Grant Guidance and the Recent Changes
- New Chip Technology in Payment Cards: The Pros & Cons
- Emerging Issues Roundtable Sessions
NEWS FROM WASHINGTON

NEW TRANSPARENCY ACT INTRODUCED

In May, Rep. Darrel Issa (R-CA) and co-sponsor Rep. Randy Hultgren (R-IL) introduced legislation aimed at applying open data standards to financial reports. The bill, known as the Financial Transparency Act of 2015 (H.R. 2477), is based on draft legislation that Rep. Issa’s office had been previously working on, the Making All Data Open for Financial Transparency (MADOFF) Act.

H.R. 2477 directs the Treasury Department to promulgate common identification codes and common formats for information financial regulatory agencies collect from their regulated entities. The bill also requires the Treasury Department to promulgate a common identifier for legal entities, codifying the existing effort to promote the universal use of the legal entity identifier, or LEI.

Of note is a provision (Section 203) that would require the Municipal Securities Rulemaking Board to adopt data standards for the information it collects from municipal securities issuers and advisors, and have these data standards be machine readable, nonproprietary and consistent with applicable accounting and reporting principles.

While data standards could include XML, XBRL is the one that is best known for financial information.

NASACT has been involved in a few efforts to study XBRL for state government, but the use of XBRL for states seems infeasible at this time. Therefore, while NASACT is generally supportive of data standards/XBRL, the ability of state governments to comply with such a mandate if passed into law is uncertain.

The bill has 15 co-sponsors but does not have companion legislation in the Senate at this time.

NASACT & Transparency: NASACT has followed various transparency related legislation and initiatives over the past several years. To view past response letters related to transparency, visit www.nasact.org/congress_reg_comments.

NASBO RELEASES FISCAL SURVEY OF THE STATES

The National Association of State Budget Officers has released its latest report on the fiscal health of the states. The report, “Slow and Stable Budget Growth Expected to Continue for States in Fiscal 2016,” found that state budgets continue to grow at a moderate pace and that 42 governors recommended spending increases in fiscal year 2016 compared to the current fiscal year, helping to bolster core services such as K-12 education and healthcare.

Interestingly, the report found that states are varied in how they reached this point:

“Governors in 16 states proposed net tax and fee increases, while governors in 12 states proposed net decreases in fiscal 2016, resulting in an aggregate net increase of $3.0 billion. For the most part, increases were proposed for general sales taxes and cigarette taxes – ten states recommended a sales tax increase and nine states recommended increased taxes on cigarettes and tobacco products. Meanwhile, a dozen states proposed decreases for personal income taxes. Governors have also proposed $1.7 billion in new revenue measures in fiscal 2016.”

The report also notes that Medicaid spending and enrollment growth accelerated in fiscal 2015, largely due to the fact that this is the first full fiscal year reflecting the impact of Medicaid expansion under the Affordable Care Act for almost all of the expansion states. The growth in spending and enrollment is projected to decline accordingly in fiscal 2016.

In its report, NASBO concluded that “State finances continue to improve, but growth is modest and governors’ spending proposals for fiscal 2016 remain cautious.”

The full report can be found at www.nasbo.org/publications-data/fiscal-survey-of-the-states.
NEWS FROM WASHINGTON

GAO LOOKS AT MEDICAID FRAUD IN SELECTED STATES

The U.S. Government Accountability Office has released its latest analysis of Medicaid fraud and improper payments at the state level in a report titled “CMS Could Take Additional Actions to Help Improve Provider andBeneficiary Fraud Controls.” The Centers for Medicare & Medicaid Services (CMS), in working with GAO to assess the program, found thousands of Medicaid beneficiaries and hundreds of providers involved in potential improper or fraudulent payments in four selected states: Arizona, Florida, Michigan and New Jersey. These states had about 9.2 million beneficiaries and accounted for 13 percent of all fiscal year 2011 Medicaid payments. In detail, GAO identified:

- Approximately 8,600 beneficiaries received benefits worth about $18.3 million concurrently in two or more states—even though federal regulations do not permit beneficiaries to have payments made on their behalf by two or more states concurrently.
- The identities of about 200 beneficiaries received $9.6 million worth of Medicaid benefits subsequent to the beneficiary’s death.
- About 3,600 beneficiaries supposedly received about $4.2 million worth of Medicaid services while incarcerated in a state prison facility even though federal law prohibits states from obtaining federal Medicaid matching funds for healthcare services provided to inmates except when they are patients in medical institutions.
- Hundreds of thousands of beneficiaries had irregularities in their address and identifying information, such as addresses that did not match any U.S. Postal Service records and Social Security numbers that did not match identity information contained in the Social Security Administration database.

On the provider payment side, CMS’s regulations allowed states to use Medicare’s enrollment database—the Provider Enrollment, Chain and Ownership System (PECOS)—to screen Medicaid providers so that duplication of effort is reduced. In April 2012, CMS gave each state manual access to certain information in PECOS. However, GAO found that none of the four states used PECOS to screen all Medicaid providers because of the manual process.

In the conclusion of the report, GAO noted:

“We recommended that CMS issue guidance to states to better identify beneficiaries who are deceased. We also recommended that CMS provide guidance to states on the availability of automated information through Medicare’s enrollment database—PECOS—and full access to all pertinent PECOS information, such as ownership information, to help screen Medicaid providers more efficiently and effectively.”

The full GAO report can be found at www.gao.gov/products/GAO-15-665T.

LOOKING FOR COST-EFFECTIVE TRAINING?

Check out our Training Seminars Program! Through the program, NASACT members can schedule specialized training seminars tailored to meet targeted staff training needs. Experienced consultants conduct the sessions, which can cover topics ranging from auditing and accounting to human resources and information technology.

An all-inclusive seminar fee covers consultant fees and expenses, as well as planning services provided by NASACT. The state hosting the training coordinates on-site logistics and provides CPE credit.

To find out more, contact Anna Peniston at (859) 276-1147 or apeniston@nasact.org.

NASACT News | June 2015
ASSOCIATION NOTES

WHAT’S NEW AT www.nasact.org?
The following new items have been posted on NASACT’s website:

- Technical inquiries from state comptrollers (members only content at www.nasact.org/member_content):
  - Purchase of Gift Cards with P-Card
  - GASB 68 Application to Higher Education
  - Cancellation of ACH on a Closed Business
  - Payroll for the Legislative and Judicial Branches
  - ACH Returns for Payments Collected by the State

- A letter signed by NASACT and other groups supporting legislation to treat investment grade municipal securities as high-quality liquid assets at www.nasact.org/congress_reg_comments.

- The 2015 NASACT Annual Conference registration brochure, which contains the technical agenda, complete conference schedule and information about the guest program: www.nasact.org/2015_nasact_annual.

- Plain-English pension communication resources for pension standards from the Governmental Accounting Standards Board: www.nasact.org/files/Technical_Responses/GASB/2015_04_Pension_Communication_Resources.pdf.

GASB ISSUES ED: MEMBER INPUT NEEDED
The Governmental Accounting Standards Board recently issued the exposure draft Accounting and Financial Reporting for Irrevocable Split-Interest Agreements.

The Board has asked for comments on all matters in the ED, 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 will be preparing an association position on the ED. In order to meet the GASB’s deadline of September 18, 2015, please send your comments to Kim O’Ryan (koryan@nasact.org) by Friday, August 28. Questions may be directed to Kim at the email above or at (859) 276-1147.

UPCOMING INFORMATION SHARING CALLS

JULY
- NASC Electronic Payments Information Sharing Group – July 21
- NASACT Pension Workgroup – July 23
- NSAA HR Information Sharing – July 29

AUGUST
- NASC Payroll Info Sharing – August 12
- NASC Travel & P-Card Info Sharing – August 19

OCTOBER
- NASC Electronic Payments Information Sharing – October 20
- NSAA HR Information Sharing – October 28

NOVEMBER
- NASC Payroll Information Sharing – November 18
- NASC Travel & P-Card Information Sharing – November 25

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

**NASACT ANNOUNCES WEBINAR: GASB REVIEW—2015**

**GASB REVIEW—2015**
*Wednesday, July 8*
*2:00 - 3:50 p.m. Eastern*

As fiscal year-end for most state governments quickly approaches and a new year begins, it’s an opportune time for financial statement preparers and auditors to get a refresher on standards that will be effective for June 30, 2015, financial statements, as well as recently released GASB statements that will require attention in fiscal year 2016.

This webinar will provide “must know” guidance on previously-issued GASB statements that are effective for June 30, 2015 and 2016.

For 2015, these statements include:

- Statement 68—*Pensions—Employers*
- Statement 69—*Government Combinations and Disposals of Government Operations*

For 2016, these statements include:

- Statement 71—*Pension Transition for Contributions Made Subsequent to the Measurement Date*
- Statement 72—*Fair Value—Measurement and Application*
- Statement 73—*Pensions—Related Assets* (outside scope of Statements 67 and 68)
- Statement 76—*GAAP Hierarchy*

Other recently issued GASB statements will be covered as well. These include:

- Statement 74—*Other Postemployment Benefits (OPEB)—Plan Reporting*
- Statement 75—*OPEB—Employers*
- Statement 77—*Tax Abatements*

Join GASB Chairman David A. Vaudt, GASB Director of Research David R. Bean, and other GASB staff for this informative two-hour training session. You will also be given an opportunity to ask questions and share experiences during the last 25 minutes of the audio conference.

**Cost:** $299 for groups (unlimited attendance) and $50 for individuals.

**CPE:** 2 credits will be available.

**MORE INFORMATION**

Questions about NASACT’s webinars may be directed to Anna Peniston (apeniston@nasact.org) or Pat Hackney (phackney@nasact.org). Anna and Pat may also be reached at (859) 276-1147.

Registration is available now at www.nasact.org.

**ARCHIVED WEBINARS: FREE TO MEMBERS!**

NASACT’s webinars are offered in conjunction with the Association of Government Accountants and the Association of Local Government Auditors. Archived webinars that are over 180 days old are available free of charge for members. To see the list of available free webinars, go to www.nasact.org/webinar_recordings (members only content—you must be logged in to view the webinars).

**IS YOUR STATE HEADED IN THE RIGHT DIRECTION? LET OUR BENCHMARKING PROGRAM HELP YOU FIND OUT!**

Through the program, states can compare themselves to other states and to the private sector. The program also allows comparisons of agencies within the state to each other and to agencies within other states. Benchmarks are available in the following functional areas: financial management, IT, HR and payroll, and procurement. Additional executive advisory services are also available through the program.

To find out more, email Kim O’Ryan at koryan@nasact.org.
MEMBER NEWS

ILLINOIS

William G. Holland, auditor general of Illinois and president of NASACT, announced his retirement recently, effective December 31.

Mr. Holland has held the position of auditor general of Illinois since 1992. He is leaving with six years remaining in his third ten-year term. The Illinois legislature will appoint his replacement for a full term after he leaves in December. The position is appointed by the General Assembly and is non-partisan.

His tenure overlapped those of five governors, including Republicans Jim Edgar, George Ryan and Bruce Rauner and Democrats Rod Blagojevich and Pat Quinn.

Mr. Holland is a long-time participant in activities of NASACT and the National State Auditors Association. In addition to being current NASACT president, he is a past president of NSAA. He has served on numerous committees for both organizations over the years. He is a two-time recipient of NASACT’s President’s Award (in 2008 and 2004) and received the NSAA William R. Snodgrass Leadership Award in 2007. Under his leadership, his office received NSAA Excellence in Accountability Awards in 2004, 2005, 2008 and 2013.

NEW MEXICO

Effective April 11, Ronald Spilman was the new state comptroller in New Mexico. He replaces Ricky Bejarano, who accepted the position of assistant treasurer of New Mexico.

Mr. Spillman comes to the state after completing a 34-year career with ExxonMobil. During his tenure with the company, he held a variety of accounting, auditing and financial positions ranging from controls manager for ExxonMobil Iraq Limited in Dubai, UAE, to financial and accounting manager in Thousand Oaks, CA and Anchorage, AK.

Mr. Spilman has a bachelor of science in accounting from Lehigh University and an M.B.A. in finance from Rutgers Graduate School of Business and was a registered CPA in Florida.

CHANGES IN YOUR OFFICE?

Email personnel changes to Pat Hackney at phackney@nasact.org.

DAVENPORT RECEIVES 2015 LEADERSHIP AWARD

On Thursday, June 11, Debbie Davenport was named the 2015 recipient of the NSAA William R. Snodgrass Distinguished Leadership Award.

Each year the National State Auditors Association presents this award to formally recognize individuals who have demonstrated sustained outstanding leadership and notable contributions to state government auditing.

Award winners must have exhibited long-term leadership in a state auditing environment; distinctive leadership and notable accomplishment in state government auditing; innovative thinking and/or creative development of improvements in state government audit programs or techniques; and, recognized leadership and professionalism at the state level.

Ms. Davenport was appointed auditor general of Arizona in 1999. She is an officer on NASACT’s Executive Committee and is a past president of NSAA. She has chaired or served on numerous committees of NASACT and NSAA over the years.

She has served on the Governmental Accounting Standards Advisory Council, representing NASACT and served on the U.S. Government Accountability Office’s Yellow Book Advisory Council and Domestic Accountability Group.

SEE PAST AWARD WINNERS – View past winners of NSAA’s awards at www.nasact.org/nsaa_awards.
NSAA's Excellence in Accountability Awards are given to recognize outstanding performance audits, forensic reports, and special projects performed by NSAA offices.

Paul Townsend, legislative auditor of Nevada, chaired the Excellence in Accountability Awards Committee this year. NSAA wishes to thank Mr. Townsend and all the other members who volunteered to serve as judges in the program.

**LARGE PERFORMANCE AUDIT—OREGON**

The Oregon Audits Division received an award in the large performance audit category for the audit “Temporary Assistance for Needy Families: Producing a High-Impact Audit through Data Analysis, Graphics and Engaging Writing.”

In 2013, the office's financial auditors saw some disturbing red flags over the state's Temporary Assistance for Needy Families program. Soon after the TANF audit began, however, auditors realized the key policymakers and DHS managers involved could be difficult to persuade. Auditors concluded that the audit would need to be both broad and deep to provide credible recommendations and persuade managers and legislators to follow them.

The audit work uncovered some troubling conditions. The Division of Audits was able to utilize multiple data points and a pointed, forceful presentation to help focus leaders on the struggling program. The reaction to the final audit was substantial and over time has resonated more deeply, helping to spur substantial improvements for DHS and the TANF program participants.

**SMALL PERFORMANCE AUDIT—NORTH CAROLINA**

The North Carolina Office of the State Auditor received an award in the small performance audit category for the audit “Department of Health and Human Services NCTracks (MMIS Replacement) Pre-Implementation.”

The award-winning audit was the first of three reports on the NCTracks system and the first audit of its kind in the state. Prior to the new $484 million Medicaid billing system going live, the North Carolina Office of the State Auditor conducted a pre-implementation audit to determine whether the NC Department of Health and Human Services had properly tested the new system and also conducted a review of the access security of the system. The report was released in May 2013 and contained many key findings and recommendations that highlighted the need to make critical changes and/or adjustments prior to the system going live.

**FORENSIC REPORT—LOUISIANA**

The Louisiana Legislative Auditor (LLA) received an award in the forensic report category for its report “New Orleans Traffic Court.”

In July 2014, LLA issued an investigative (forensic) audit report on the New Orleans Traffic Court that identified $1,225,765 in fraudulent billings submitted by the court's former chief financial officer, and paid to three accounting firms affiliated with him between 2006 and 2011.

During the audit, LLA worked with the Federal Bureau of Investigation and the U.S. Attorney's Office of the Eastern District of Louisiana. In October 2014, the CFO was convicted by a federal jury on 11 counts of theft, money laundering, and structuring transactions to evade reporting requirements. This report served as the basis for the prosecution's case.

**SPECIAL PROJECT—TENNESSEE**

The Tennessee Division of State Audit received an award in the special project category for the project “Guide to State Audits.”

In September 2013, the director of the Division of State Audit made a presentation to the governor's cabinet on the state agency audit process and the importance of communication during an audit. From the information in that presentation and feedback received from the commissioners and others in attendance, the division created the "Guide to State Audits." This guide is designed to be informative about the audit process but deliberately is non-technical. It does not include specific references to auditing standards or state statutes or issue edicts or requirements. The focus is to make suggestions and help management understand some of the reasoning behind the different forms of auditor/auditee communication with the ultimate goal of more effective communication.

**MORE INFORMATION**

The winning award entries and audits will soon be posted at www.nasact.org/nsaa_awards. Winning audits from previous years are also posted at this link.

For more information about the awards program or to volunteer to serve on next year's awards committee, contact Sherri Rowland at srowland@nasact.org or (859) 276-1147.
CALENDAR

2015

July 8 | Webinar: GASB Review 2015
August 23 | NASACT Executive Committee Meeting, Chicago, IL
August 22-26 | NASACT Annual Conference, Chicago, IL
September 22-25 | NSAA IT Workshop & Conference, Hartford, CT

2016

March 16-18 | NASC Annual Conference, Salt Lake City, UT
April 12-14 | NASACT Middle Management Conference, Austin, TX
June 13-16 | NSAA Annual Conference, Avon, CO
August 13-17 | NASACT Annual Conference, Indianapolis, IN

2017

August 19-23 | NASACT Annual Conference, Salt Lake City, UT

REGISTER NOW FOR NSAA’S IT WORKSHOP AND CONFERENCE!

BY DONNA MALOY, CONFERENCE MANAGER

The 2015 IT Workshop and Conference is scheduled for September 22–25 in Hartford, Connecticut. The workshop will be held on Tuesday, September 22. The conference will follow on Wednesday, September 23 through noon on Friday, September 25. The conference program committee is busy developing the technical agenda. A draft program will be posted to the website when it becomes available.

CONFERENCE HOTEL – The Hilton Hartford Hotel is located in the heart of the central business and dining district, within walking distance of over 30 restaurants. A special negotiated rate of $139/night, single or double occupancy, has been offered for the IT Conference and Workshop. To reserve your room, call (800) 754-7941 and ask for the NSAA IT Conference rate. This rate will be available until the cutoff date of August 22, 2015. After this date, rooms will be available on a rate and space available basis only.

GETTING THERE – The Hilton Hartford Hotel is just 15 minutes from the Bradley International Airport. Taxi service to or from the airport costs around $40 each way.

REGISTRATION FEES AND CPE – Registration fees are $150 for the workshop and $395 for the conference per attendee. Eight continuing education credits will be given for the workshop and 19 credits for the conference.

ADDITIONAL INFORMATION – Complete hotel information and online registration are available on NASACT’s website at www.nasact.org. Questions about the conference program may be addressed to Sherri Rowland at srowland@nasact.org. Questions about registration or the conference hotel may be addressed to Donna Maloy at dmaloy@nasact.org.