NASACT’s Executive Committee met on March 15 in Salt Lake City. The meeting was held in conjunction with the 2016 NASC Annual Conference. Highlights from the meeting follow.

- **Training and Professional Development:** The committee is working to finalize the technical agenda for the upcoming 2016 NASACT Annual Conference in Indianapolis, Indiana, on August 13-17. NASACT will be debuting a mobile conference app, which should make it easier for attendees to access conference materials and connect with each other.

- **Committee on Accounting, Reporting and Auditing:** The committee has been working on responses to a number of exposure drafts from the Governmental Accounting Standards Board. The CARA will hold its next conference call on June 7.

- **Membership:** The committee voted to approve lifetime membership in NASACT for several past NASACT members, including five state auditors—David Martin (Florida), William G. Holland (Illinois), Paul Townsend (Nevada), Rich Gilbert (South Carolina) and John Keel (Texas), as well as former Vermont comptroller James Reardon.

- **Strategic Planning:** The committee voted to approve several recommendations related to NASACT’s strategic plan and strategic initiatives, including:
  - Adopting a new succession plan for staff.
  - Lowering the travel assistance program by 25 percent, beginning in FY 2017.
  - Adopting a new communications plan, with a greater emphasis on social media and weekly updates to members in lieu of monthly and weekly newsletters.

- **Budget:** The committee adopted an FY 2017 budget and discussed the strategic spend down of reserves.

- **NAST/NASACT Work Group:** NASACT has been participating in a work group with the National Association of State Treasurers to establish voluntary best practices or guidelines for the management of stable net asset value local government investment pools. The group has developed a best practices paper. The paper was approved by the committee and awaits final approval by NAST prior to publication and distribution.

- **FAF/GASB/GASAC Selection Task Force:** Financial Accounting Foundation government trustee Daniel W. Ebersole’s term on the FAF board will expire December 31, 2016. NASACT is working with the Government Finance Officers Association and the Big 7 public interest groups to identify nominees to fill the position. Jan Sylvis’s term on the GASB will expire June 30, 2017. NASACT will soon be actively seeking candidates to put forward as nominees for this “preparer” seat on the GASB.

**MORE INFORMATION & NEXT MEETING**

Questions about the content of this meeting summary may be directed to Glenda Johnson at gjohnson@nasact.org.

The committee will hold its next meeting on Sunday, August 14, in Indianapolis, Indiana, in conjunction with the 2016 NASACT Annual Conference.
The sessions presented during the 2016 NASACT Middle Management Conference are listed below. To download conference materials, visit www.nasact.org/2016_mm_materials.

**BEING AN AUTHENTIC LEADER**
- Michelle Poole, Leadership and Career Coach, Coaching 4 Good
- Amy Wolfgang, Leadership and Career Coach, Coaching 4 Good

**INTERNAL CONTROLS – PRACTICAL APPLICATIONS**
- Scot Phillips, Partner, Eide Bailly

**STATE OF THE STATES**
- Brian Sigritz, Director of State Fiscal Studies, National Association of State Budget Officers

**DEALING WITH DIFFICULT SITUATIONS IN THE WORKPLACE: USING “FIERCE” CONVERSATIONS**
- James Smack, Chief Deputy Controller (NV)
- Amanda Bibby, Audit Manager, Department of Audits and Accounts (GA)

**ETHICS IN GOVERNMENT: EVERYTHING YOU WANTED TO KNOW... BUT WERE AFRAID TO ASK!**
- David Reisman, Chief Ethics Officer, Health and Human Services Commission (TX)

**STOP FRAUD – TRUST VS. CONTROL**
- Jeffrey Aucoin, Partner, Fraud, Forensics, and Litigation, Horne LLP

**EMERGING ISSUES IN GOVERNMENT AUDITING, FINANCIAL MANAGEMENT AND HUMAN RESOURCES MANAGEMENT**
- Steve Morgan, President and CEO, Excellence in Government Accountability and Performance Practices

**WRITING – MIND THE GAP**
- Harvey Lillywhite, Director, Quality Communications Group, Inc.

**CHALLENGES OF LARGE PUBLIC SECTOR IT PROJECTS**
- Payson Hall, Project Manager, Catalysis Group, Inc.

**SELECT CHANGES TO FEDERAL GRANT POLICIES AND SINGLE AUDITS**
- Susan Warren, Partner, KPMG

**FINANCE ROUNDTABLE**
- Moderator: Jay Cleveland, Division Administrator, State Accounting Enterprise (IA)

**TRAINING ISSUES ROUNDTABLE**
- Moderator: Courtney Carraway, Director of Professional Development, Office of the State Auditor (NC)

**PROTECTING CONFIDENTIAL DATA AGAINST UNAUTHORIZED ACCESS**
- Jeffrey Knoll, Agency Privacy Officer, Office of the State Comptroller (TX)
- Mike Wyatt, Director, Cyber Risk Services, Deloitte & Touche LLP

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

**PERFORMANCE AUDIT ROUNDTABLE**
- Moderator: Cesar Saldivar, Audit Manager, State Auditor’s Office (TX)

**RECRUITING, HIRING, AND RETAINING TALENT**
- Courtney Carraway, Director of Professional Development, Office of the State Auditor (NC)
- Jo Dale Guzman, Professional Development Manager, State Auditor’s Office (TX)
- James Smack, Chief Deputy Controller (NV)
- Glen Fowler, Recruiting and Training Manager, State Auditor’s Office (CA)

The conference featured sessions on leadership; ethics in government; internal controls; emerging issues; and recruiting, hiring and retaining staff.
2016 NASACT MIDDLE MANAGEMENT CONFERENCE RECAP

Texas hosts Lisa Collier, first assistant state auditor (left), and Glenn Hegar, state comptroller of public accounts (right) welcomed NASACT and the conference attendees to Austin.

Harvey Lillywhite led the group in a number of exercises to improve writing skills and critical thinking.

Left: Courtney Carraway (left, NC) and Jo Dale Guzman (right, TX) both spoke and moderated sessions.

Right: Glen Fowler (CA) spoke and moderated a session on “Recruiting, Hiring and Retaining Talent.”
The conference featured several roundtable sessions, including Finance, Training Issues and Performance Audit.

Left: Jay Cleveland (IA) moderated the Finance Roundtable session.

Right: Michelle Poole and Amy Wolfgang, from Coaching 4 Good, opened the conference with their talk on "Being an Authentic Leader."

Left: Jeffrey Aucoin with Horne LLP answers questions during his session on fraud.

Right: Over 120 were in attendance at this year’s conference.
GAO RELEASES DUPLICATION REDUCTION REPORT

The U.S. Government Accountability Office has released its 2016 Annual Report: Additional Opportunities to Reduce Fragmentation, Overlap, and Duplication and Achieve Other Financial Benefits, which examines a variety of opportunities for cost savings and revenue enhancement in the areas of economic development and health, as well as actions to reduce the cost of government operations or enhance revenue collections for the Treasury across 25 areas of government.

State-related recommendations were identified throughout the report, mostly focusing on improvements in Medicaid:

- **The Centers for Medicare and Medicaid Services (CMS) should take actions to minimize the risk of duplicative federal spending on health insurance coverage for individuals transitioning between Medicaid and exchange coverage.**

  GAO recommended in October 2015 that the administrator of CMS:
  - Establish a schedule for regular checks for duplicate coverage and ensure that the checks are carried out according to schedule.
  - Develop a plan to routinely monitor the effectiveness of the checks and other planned procedures to minimize duplicate coverage.
  - Take additional actions as appropriate.

Because GAO found that CMS did not have a process in place to identify individuals with duplicate coverage, the extent to which duplicate coverage was occurring and duplicative payments were being made for such individuals could not be determined.

- **CMS should provide written guidance to state Medicaid programs clarifying its policies that the distribution of Medicaid supplemental payments be linked to the provision of Medicaid-covered services, and that such payments not be made contingent upon the availability of local funding for the nonfederal share—actions that could result in substantial cost savings.**

To promote consistency in the distribution of supplemental payments among states and with CMS policy, GAO recommended that the administrator of CMS issue guidance clarifying its policy that requires a link between the distribution of supplemental payments and the provision of Medicaid-covered services and its policy that payments should not be made contingent upon the availability of local funding.

- **The secretary of Health and Human Services could potentially curtail spending growth of Medicaid demonstrations, which have resulted in the authorization of billions of dollars in federal spending, by establishing specific criteria for assessing whether demonstration spending furthers Medicaid objectives and taking other steps to improve the transparency and accountability of the approval process.**

To improve the transparency and accountability of the Medicaid demonstration approval process, GAO recommended that the secretary of Health and Human Services take steps to ensure Medicaid demonstration approval documentation consistently provides assurances that states will avoid duplicative spending by offsetting (as appropriate) all other federal revenues received when claiming federal Medicaid matching funds.

GAO has found that it is not currently possible to estimate the potential cost savings that may result from CMS taking these actions because the total amount of supplemental payments that are distributed based on the availability of local funding is unknown, as is the extent to which payment amounts would be reduced in response to CMS’s clarification of its policies. Previous GAO reports have shown that states often make large Medicaid supplemental payments to a small number of providers, increasingly relying on local funding for the nonfederal share of supplemental payments, and effectively shifting costs for Medicaid payments to the federal government in doing so. Curtailing the practice of basing payments on the availability of local funding, and instead clarifying that they be distributed based on the level of Medicaid-covered services provided, may result in substantial savings through the reduction of these surpluses.

- **The secretary of Health and Human Services could potentially curtail spending growth of Medicaid demonstrations, which have resulted in the authorization of billions of dollars in federal spending, by establishing specific criteria for assessing whether demonstration spending furthers Medicaid objectives and taking other steps to improve the transparency and accountability of the approval process.**

To improve the transparency and accountability of the Medicaid demonstration approval process, GAO recommended that the secretary of Health and Human Services take steps to ensure Medicaid demonstration approval documentation consistently provides assurances that states will avoid duplicative spending by offsetting (as appropriate) all other federal revenues received when claiming federal Medicaid matching funds.

GAO has found that the actual cost savings associated with these actions is unknown because HHS has not issued specific criteria upon which GAO could assess whether existing expenditure authorities should have been approved. GAO estimates that savings could potentially be significant, given the billions of dollars of spending approved under Medicaid demonstrations, including for new costs not otherwise eligible for federal Medicaid funds.

The full GAO report can be found at www.gao.gov/assets/680/676473.pdf.
NEWS FROM WASHINGTON

TOPS PROGRAM REMAINS SUCCESSFUL FOR STATES

The U.S. Treasury’s Bureau of Fiscal Service released its fiscal year 2015 Annual Report to the States: Treasury Offset Program Delinquent Debt Collection. The Fiscal Bureau runs the Treasury Offset Program, or TOP, which in part collects debts on behalf of state governments, including delinquent child support and state income tax obligations, unemployment insurance compensation fraud and other delinquent debt.

According to the 2015 report, the TOPS program collected over $3 billion in delinquent debt for states including:

- The collection of $1.9 billion in delinquent child support obligations.
- The recovery of $1 billion, from FY 2011 until February 2015, in unemployment insurance (UI) improper payments to individuals by offset of federal tax refund payments to payees who received UI benefits as a result of fraud or a failure to report earnings.
- The UI Employer Tax Program resulted in the recovery of $547.8 million in FY 2015. The UI program is a joint collaboration between Treasury, the U.S. Department of Labor, Internal Revenue Service, and participating states.
- The State Reciprocal Program recovered $47.7 million in FY 2015.
- The State Income Tax Program recovered $571.2 million for states in FY 2015, with 40 states and the District of Columbia participating.

The 2015 report is the fifth one providing important information on the 50 states, the District of Columbia, and three territories. The report is an important tool for states, breaking out by state the amount recovered and showing the public how states are maximizing debt collection efforts.


STATE AND LOCAL GROUPS ISSUE FACTS ABOUT PENSION DISCLOSURE

To assist lawmakers and others in understanding the new pension calculations required by the Governmental Accounting Standards Board, figures released by bond raters, and numbers used for budgetary purposes, several state and local groups have issued “10 Things You Should Know About Public Pension Disclosure Changes.” The document provides ten key takeaways regarding existing disclosure, notable changes and their effects:

1. State and local governments provide significant oversight for their retirement systems and require open reporting and processes.
2. The GASB is recognized by governments, the accounting industry, and the capital markets as the official source of generally accepted accounting principles for state and local governments.
3. GASB has recently completed a multi-year process of reviewing and revising its accounting standards on public pension reporting.
4. The new GASB requirements do not affect the actuarial funded ratios or pension contributions requirements.
5. The placement of net pension liabilities on an employer’s balance sheet creates the erroneous impression that this is an obligation that is due immediately.
6. A new term, pension expense, refers to the change in the net pension liability from one year to the next, and should not be confused with what governments actually budget or expend on pension contributions.
7. Information about annual pension contributions has not gone away.
8. Adjusted pension data being published by some credit rating agencies does not change a government’s pension liabilities, it is merely part of its credit analytics.
9. State and local policy makers are urged to review the effectiveness of existing funding policies and practices.
10. Since the Great Recession, all 50 states and numerous localities have been taking steps to strengthen their pension funding; none has requested nor required federal intervention.

NASACT 2016 in Indy: Don’t Miss It!

Join NASACT President Calvin McKelvogue in Indianapolis this August for the 2016 NASACT Annual Conference! Highlights will include:

- Two and one-half days of general and concurrent sessions, roundtables and networking opportunities customized to meet the executive-level training needs of NASACT’s principal members and management. Confirmed general sessions include:
  - **Political Outlook:** Ron Elving, Senior Washington Editor and Correspondent, NPR News
  - **Member Roundtable Focusing on HR Issues:** Dr. Trish Holliday, SPHR, SHRM-SCP, Assistant Commissioner/Chief Learning Officer, Tennessee Department of Human Resources, and David H. Lillard, Jr., State Treasurer of Tennessee and NASACT’s President-Elect
  - **State/Federal Policy Implications & Budgetary Impacts:** Scott Pattison, Executive Director, National Governors Association
  - **Communications & Media Relations:** David Goodnow, Former Anchor, CNN
  - **IT Trends:** Cathilea Robinette, President, e.Republic
  - **Panel of Standards Setters/Regulatory Agencies - Featuring Guests from 7 Groups:** Jim Dalkin, GAO; Mary Foelster, AICPA; Karen Lee, OMB; Lynette Kelly, MSRB; Terri Polley, FAF; Scott Showalter, FASAB; and David Vaudt, GASB

- Reception at the Indianapolis Museum of Art
- Dinner at Lucas Oil Stadium

*Stay tuned for additional details in coming weeks at www.nasact.org!*
ASSOCIATION NOTES

NASC BUSINESS MEETING RECAP
BY KIM O’RYAN, ASSOCIATION DIRECTOR

The National Association of State Comptrollers held a business meeting on March 17 in Salt Lake City, Utah, in conjunction with the 2016 NASC Annual Conference. President John Reidhead, director of the Division of Finance in Utah, welcomed everyone.

COMMITTEE REPORTS

■ Rob Hamilton, manager of statewide accounting in Oregon and chair of the Advisory Committee for State Comptrollers: Technical Activities and Functions, reported that Microsoft OneDrive is being used to edit the data in the tables for the comptrollers’ book this year. OneDrive allows users to see responses from other states while editing/entering their own state’s data. States are currently working on providing data for the short-term portion (the first seven chapters of the book). The long-term portion (the last seven chapters of the book) will soon be made available for editing.

■ Thomas L. White, Jr., state comptroller of Alabama and chair of the Committee on the Financial Plan, reported that the 2017 NASC Financial Plan shows a positive projection. Much of this is due to the financial success of the NASC annual conference. The middle management conference projects a loss; however, we want to continue to hold this conference because it provides good training and networking among peers. A proposal to increase the NASC technical services fees from $2,000 to $2,500 was discussed and approved. In FY 2018 there will be a $250 increase, and in FY 2019 there will be an additional $250 increase. The last increase in fees was in FY 2010.

■ Diane Langham, former fiscal management director in Mississippi and chair of the Committee on Outreach, reported that since the August 2015 meeting, NASC has the following new members:
  • **Mississippi**: Mark Valentine is the new fiscal management director. He replaces Ms. Langham who took another position.
  • **Vermont**: Andy Pallito is the new commissioner, replacing Jim Reardon, who retired.

Tom Shack (MA), Mark Valentine (MS), Cody Pearce (MT) and Jerry Broz (NE) were in attendance at their first NASC conference as principal members.

■ Ed Ross, state controller of Kentucky and chair of the Resolutions Committee, put forth the following resolutions for consideration and approval by NASC’s members:

1. Thanking Glen B. Gainer III, state auditor of West Virginia, for his leadership and service in to NASC and its members. Mr. Gainer will be leaving public service in May 2016.
2. Thanking Mr. Reidhead for his leadership during his year as NASC’s president and for his support of the Association.

Both resolutions were unanimously approved.

■ Brandon Woolf, state controller of Idaho and chair of the Site Committee, reported that incoming NASC President Anna Maria Kiehl, state comptroller of Pennsylvania, has agreed to host the 2017 conference in Harrisburg. The conference will be held on March 15-17. Mr. White will be the host in March 2018 and is considering hosting the conference in Montgomery, Alabama.

■ Kristopher Knight, director of the Division of Accounting in Delaware and chair of the Committee on Accounting and Financial Reporting, reported that the committee is currently considering the following exposure drafts from the Governmental Accounting Standards Board:
  • **Fiduciary Activities**
  • **Certain Asset Retirement Obligations**
  • **Leases**

NASACT will participate in the public hearing process in April on the Fiduciary Activities ED with Mr. Knight providing the testimony.

■ Anna Maria Kiehl, state comptroller of Pennsylvania and chair of the Program Committee, thanked the members of the committee. She reported that there were a total of 157 attendees at the conference in Salt Lake City, with state attendees from 29 different states.

■ James Smack, chief deputy controller in Nevada and member of the Middle Management Conference Committee, reported that the conference will be held in Austin, Texas, on April 12-14. He mentioned some of the topics for the conference and encouraged members to send staff. The group also discussed the possibility of changing the name of the conference to the Emerging Leaders Conference.

■ David Von Moll, state comptroller of Virginia and chair of the Nominating Committee, brought forth the following 2016-2017 Executive Committee roster for a vote by the membership:

continued, next page
ASSOCIATION NOTES

- President: Anna Maria Kiehl, Pennsylvania
- Vice president: Thomas L. White, Jr., Alabama
- Secretary/treasurer: Cynthia Cloud, Wyoming
- Immediate past president: John C. Reidhead, Utah
- Alan Skelton, Georgia
- Steve Barnett, South Dakota
- Kristopher Knight, Delaware
- Stacy Neal, Missouri

The new committee was unanimously approved.

INFORMATION SHARING GROUPS

Reports were provided on activities of the following NASC information sharing groups:

- Electronic Payments (Lynne Bajema, state comptroller of Oklahoma and chair).
- State Government Payroll (Audrey Musgrave, administrator of the Division of Statewide Payroll in Idaho).
- Travel & P-card (Patti Everill, senior financial specialist in Idaho and co-chair).

OTHER TOPICS

- NASACT’s Executive Committee voted to reduce the travel assistance for the NASACT annual conference from $2,000 to $1,500. For the NASC and NSAA annual conferences the travel assistance will be decreased from $1,000 to $750. This will allow NASACT to have a more gradual decline toward the target reserve level.
- Cornelia Chebinou provided a Washington update including information on the DATA Act, the Financial Transparency Act, the Public Employee Pension Transparency Act, municipal market issues and the Department of Labor’s Fair Labor Standards Act definition of overtime.

NEXT MEETING OR MORE INFORMATION

The next scheduled NASC business meeting will occur in conjunction with the 2016 NASACT Annual conference in Indianapolis, Indiana, in August.

Questions about the content of this article may be directed to Kim O’Ryan at koryan@nasact.org or (859) 276-1147.

NASC Names Committee Chairs for 2016-17

Executive Committee
- President: Anna Maria Kiehl (PA)

Advisory Committee for State Comptrollers: Technical Activities and Functions (Comptrollers’ Book)
- Chair: Robert Hamilton (OR)

Committee on the Financial Plan
- Chair: Cynthia Cloud (WY)

Committee on Outreach
- Chair: Brandon Woolf (ID)

Constitution and Bylaws Committee
- Chair: Calvin McKelvogue (IA)

Middle Management Conference Committee
- Co-Chair: Rachael Lieblick (FL)
- Co-Chair: Mike Corricelli (TN)

Nominating Committee
- Chair: John C. Reidhead (UT)

Program Committee
- Chair: Thomas L. White, Jr. (AL)
- Vice-Chair: Cynthia Cloud (WY)

Resolutions Committee
- Chair: Edgar Ross (KY)

Site Committee
- Chair: Clark Partridge (AZ)

Committee on Accounting and Financial Reporting
- Chair: Kristopher Knight (DE)
- Vice-Chair: Stacy Neal (MD)

State Government Payroll Information Sharing Group
- Co-chair: Steve Nielson (WA)
- Co-chair: Vicki Smith (TX)

Travel and Purchase Card Information Sharing Group
- Co-chair: Patti Everill (ID)
- Co-chair: Michelle Oliver (FL)

Electronic Payments: Payment Methodology, Vendor Setup and Security Issues Information Sharing Group
- Chair: Lynne Bajema (OK)

MORE INFORMATION

Find complete committee rosters, minutes and resources on NASACT’s website at www.nasact.org/comms_groups (members only content — you must be logged in to view the information).
ASSOCIATION NOTES: UPCOMING CONFERENCES

AUDITORS TO MEET IN BEAVER CREEK FOR NSAA ANNUAL

The 2016 NSAA Annual Conference is scheduled for June 14-16 in Beaver Creek, Colorado, at the Park Hyatt Beaver Creek. The conference will be hosted by NSAA President and Colorado State Auditor Dianne Ray. NSAA’s committees will meet on Monday, June 13 and conference sessions will follow on Tuesday, June 14 through noon on Thursday, June 16.

NOTE: This is a change from the normal format.

Hotel: The room rate at the Park Hyatt Beaver Creek is $169/night for single or double occupancy plus applicable taxes. To book your room, go to https://aws.passkey.com/g/51327546 or call (970) 949-1234 and ask for the NSAA Annual Conference group rate. The cut-off date is May 30, 2016. Rooms in the block often sell out, so we recommend making your hotel reservation early.

CPE & Technical Agenda: The conference agenda is posted online. Topics will include:

- Rock Star Communication, with Sari de la Motte, FORTE Nonverbal Solutions.
- An auditor’s approach to pension plans and identifying what is important, with William “Flick” Fornia, president, Pension Trustee Advisors, Inc.
- The CPA profession on federal fiscal responsibility, with Greg Anton, former chairman of the American Institute of Certified Public Accountants.
- Standards update from the Governmental Accounting Standards Board

Sixteen credits of continuing professional education credit will be offered for the conference.

Getting There: The Park Hyatt Beaver Creek is approximately 120 miles from the Denver International Airport. Shuttle service is provided by Colorado Mountain Express. More information can be found at www.nasact.org/2016_nsaa_conference.

There are a limited number of daily flights into the Eagle County Airport. For more information, visit http://flyvail.com/.

Cost: Registration fees for the conference are:

- Member or member staff: $575
- Other governmental personnel: $650
- Non-governmental personnel: $725
- Guest: $150

Travel Assistance: State auditors (or their designees) can receive up to $1,000 in travel assistance to cover expenses related to attending the conference. All assistance will be provided as a reimbursement following the conference.

Registration & Additional Information: Registration is now available at www.nasact.org! Questions may be addressed to Sherri Rowland at srowland@nasact.org.

NASACT ANNOUNCES WEBINAR ON UNIFORM GRANT GUIDELINES

UNIFORM GRANT GUIDELINES: IMPLEMENTATION ISSUES FOR MANAGEMENT AND AUDITORS

Wednesday, May 18
2:00 - 3:50 p.m., Eastern

NASACT’s next webinar will provide practical guidance on how two states, Maine and Virginia, have implemented the new requirements of the U.S. Office of Management and Budget’s Uniform Administrative Requirements, Cost Principles and Audit Requirements for Federal

Awards in two areas:

1. Administrative and Management Issues
2. Single Audit Issues

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

- Use promo code INDWEB to receive the discounted individual rate of $50.

CPE: Two 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. Questions may be directed to Anna Peniston or Pat Hackney at (859) 276-1147.
ASSOCIATION NOTES

WHAT’S NEW AT www.nasact.org?

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

- NASACT’s response to the GASB EDs Certain Asset Retirement Obligations and Fiduciary Activities at www.nasact.org/gasb
- The following technical inquiries from state comptrollers (members only content at www.nasact.org/member_content):
  - ACA Reporting Responsibility
  - General Banking Services RFPs
  - AASHTOWare for Infrastructure Projects
  - Large Ticket Purchases Rebate
  - Tax Accruals
  - CPC Internal Controls
  - Software for CAFR Production
- The following technical inquiries from state auditors (members only content at www.nasact.org/member_content):
  - College and University Unrelated Business Taxable Income
  - Business Tax Credits/Incentives Programs
  - Data Analysis/Statistical Sampling Software

LOOKING FOR COST-EFFECTIVE TRAINING?

Sign up for NASACT’s Training Seminars! Through the Training Seminars 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 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.

MEMBERS ONLY RESOURCES: CHECK IT OUT!

Members of NASACT can find a number of resources in the members only section at www.nasact.org:

- Committee Resources, Rosters and Minutes
- Technical Inquiries
- GASB Meeting Observations
- Members-Only Publications

UPCOMING INFORMATION SHARING CALLS

MAY
- NASC Electronic Payments Info Sharing Group – May 10
- NASC Travel & P-Card Info Sharing Group – May 18

JUNE
- NASACT Committee on Accounting, Reporting and Auditing – June 7
- NASC Payroll Info Sharing Group – June 15

JULY
- NSAA Human Resources Info Sharing Group – Jul 27

GET INVOLVED!

For information on participating in any of these calls, contact NASACT’s headquarters office at (859) 276-1147.
ASSOCIATION NOTES/NEWS FROM AROUND THE NATION

MEMBER NEWS

WEST VIRGINIA

After more than 23 years as West Virginia’s state auditor, Glen B. Gainer III will resign, effective May 14. He has served as the state’s elected state auditor since 1993. Gainer will be pursuing an opportunity in the private sector. He has served on numerous committees of NASACT and the National Association of State Comptrollers over the years, and has been a leader in association efforts to address issues including transparency, fraud prevention and the innovative use of technology in government. He is a past president of both NASACT and NASC.

CHANGES IN YOUR OFFICE?
Personnel changes in your offices affecting your NASACT membership may be sent at any time to Pat Hackney at phackney@nasact.org.

KNIGHT TESTIFIES ON GASB ED FIDUCIARY ACTIVITIES

On April 1, 2016, NASACT provided a response to the Fiduciary Activities exposure draft from the Governmental Accounting Standards Board. The comment letter can be viewed in full at www.nasact.org/gasb.

On April 21, during the GASB public hearings, Kristopher Knight, director of the Delaware Division of Accounting, provided testimony on behalf of the association on the document. Mr. Knight is co-chair of NASACT’s Committee on Accounting, Reporting and Auditing and chair of the National Association of State Comptroller’s Committee on Accounting and Financial Reporting.

Mr. Knight testified that NASACT has two primary concerns with the ED:

1. Defining terms such as “control,” “equivalent arrangements” and “recipients of the government’s goods and services.”
2. The increased volume of detail required in the Statement of Changes in Fiduciary Net Position for custodial funds.

If these concerns are addressed, NASACT members believe the ED will function to enhance consistency and comparability in financial reporting.

MORE INFORMATION

Questions about NASACT’s response letters to recent GASB due process documents may be directed to Kim O’Ryan (koryan@nasact.org) or Sherri Rowland (srowland@nasact.org).

NASACT MEMBERS — PROVIDE YOUR INPUT ON GASB ED LEASES

The Governmental Accounting Standards Board recently issued the exposure draft Leases. The proposed statement would provide guidance for lease contracts for nonfinancial assets—including vehicles, heavy equipment, and buildings—but exclude grants, donated assets, and leases of intangible assets (such as patents and software licenses).

The Board has asked for comments on all matters in the ED, including aspects with which you agree or 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.

A public hearing on this ED is scheduled for June 29 in Burlingame, CA.

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

NASACT will be preparing an Association position on the ED. Comments for inclusion in NASACT’s letter should be submitted by Monday, May 2 to Kim O’Ryan (koryan@nasact.org) or Sherri Rowland (srowland@nasact.org). GASB’s comment deadline is May 31.
5 STEPS TO ERP HAPPINESS  BY DOREEN STURGIS, CGI

For many enterprise resource planning (ERP) projects, “go-live” weekend is viewed as the pinnacle of a successful engagement, after which staff, resources and project team support trail off precipitously. The reality is that go-live resembles driving into a blind curve that must be carefully navigated to prevent end-user dissatisfaction, or worse, a political firestorm calling for dramatic changes or a system shut-down.

True ERP success should be based on fully understanding, communicating and realizing the long-term vision of the ERP engagement, which requires defining key objectives such as the:

- Level of customer service to be provided to the end users.
- Types of information to be made available to managers every day to be effective in their jobs.
- Specific outcomes to be achieved during the project and beyond.

Defining and realizing the vision comes from proactively building the team, facilities and tools to manage the new steady-state, stabilize operations, and enable continuous improvement, transformation and innovation. Additionally, establishing post go-live best practices is extremely critical for minimizing the expected dip in business performance following the go-live and maximizing the long-term business benefits to be realized from the project.

Drawing from CGI’s 40 years of experience in government ERP implementations, I offer five complementary tried-and-true steps to long-term ERP happiness:

1. **Envision and build the right support organization for go-live and beyond at project start.**

   Define the post go-live organizational structure (e.g., service center, shared services team, etc.) and begin building the team at the outset to ensure responsive customer service and sufficient lead time to attract/retain key staff. In building this team, it is important to recognize that the competencies and knowledge are very different between project implementation and ongoing operations. Those who thrive on the adrenaline of deadline-driven projects may not be well-aligned with operational support work where adherence to process and policy and achievement of a calm steady-state are vital.

2. **Personalize functional and technical knowledge transfer.**

   Use a multi-faceted approach (e.g., mentorship, product training, shadowing, etc.) where strategies are driven by the role, personal strengths and readiness of the team members being ramped up.

3. ** Cultivate your brand of customer service early.**

   Invest in customer service training at the start and make great customer service a core long-term value and expectation. Also establish the steady-state team’s telecom and physical space early and start using this well in advance of go-live. It is a good idea to collaboratively build service level agreements with internal customers along with the processes to enforce them. Another best practice is to define creative reward/incentive programs and use multiple communication channels and social media to increase end user involvement.

4. **Incorporate reporting into day-to-day “to-be” management processes.**

   Strongly resist the urge to replicate old legacy reports and really think about how information can be used most effectively, and by whom, and tailor technologies (e.g., open data platforms, mobile, business intelligence, analytics, etc.) and access by stakeholder need.

5. **Reimagine ERP through inspired governance and stakeholder engagement.**

   Adopt the mindset that ERP is not a system but a powerful platform for continuous improvement and innovation. Regular review of the IT-business ecosystem will identify opportunities for incremental modernization. ERP steering committees should continue to seek out the legacy and department shadow systems that can be replaced beyond go live. Additionally, continue efforts to identify and deploy emerging digital technologies (e.g., cloud, cybersecurity, mobility and analytics) to integrate with ERP as part of your ERP roadmap with sufficient collaboration to achieve buy-in and support across your key stakeholders. In our age of all things digital, this last step is critical. There are many bright and shiny IT initiatives taking place concurrently across governments of all shapes and sizes. Happy users and a clear roadmap for keeping them happy will certainly help keep ERP rightfully top of mind as a dynamic enabler for continuous transformation.

**ABOUT THE AUTHOR**

Doreen Sturgis is a CGI vice president and a veteran project leader of large-scale ERP implementations. She is currently a practice leader focused on exploring how ERP can be leveraged as an innovation platform as part of CGI’s Future Cities and Counties initiative.
CALENDAR

2016

May 2-3 | Tennessee Training Seminars, Nashville, TN
May 9-10 | Tennessee Training Seminars, Morristown, TN
May 12-13 | Tennessee Training Seminars, Jackson, TN
May 18 | Webinar: Uniform Grant Guidelines: Implementation Issues for Management and Auditors
June 13-16 | NSAA Annual Conference, Beaver Creek, CO
July 13 | Webinar: GASB Review
August 14 | NASACT Executive Committee Meeting, Indianapolis, IN
August 13-17 | NASACT Annual Conference, Indianapolis, IN
September 20-23 | NSAA IT Workshop & Conference, Phoenix, AZ

PREVIOUS NASACT WEBINARS AVAILABLE FREE TO MEMBERS

BY DONNA MALOY, CONFERENCE MANAGER

Did you know that NASACT webinars held more than 180 days ago are available free to members? To access the recordings, go to www.nasact.org/webinar_recordings. You must be logged in to the NASACT website as a member to view the free content.

TOPICS AVAILABLE

- Visualizing Fraud Patterns: Exposing the Hidden Threats
- Establishing Risk Management and Controls for State Government
- GAO’s New Green Book: A Revised Internal Control Framework for Government
- ERP eProcurement and Vendor Self-Service
- Pension Issues: Remaining Implementation Challenges and New Audit Guidance
- Treasury Offset Program: How Federal and State Partnerships Can Cost Effectively Maximize Debt Recoveries
- The Pension Challenge: Critical Issues to Implementing the New GASB Pension Standards

Please NOTE: No CPE will be granted for listening to previously recorded webinars.

DO YOU HAVE A TOPIC IDEA FOR A WEBINAR?

Let us know about it! We are always looking for topics of interest to member offices to feature in a two-hour webinar! Information about NASACT’s webinars, including links to past webinar recordings, can be found at www.nasact.org/webinars.

Ideas for future webinars may be sent to Anna Peniston (apeniston@nasact.org).