

2015 GOVERNMENT LEARNING PROGRAM

OVERALL CONFERENCE OBJECTIVES: To provide participants with a fun and entertaining two-day (16 CPE hour) interactive group learning experience where program participants work as teams to learn and apply the latest in governmental accounting principles, governmental auditing standards, fraud detection and prevention techniques and theories, and professional and personal ethics.

SESSION INFORMATION:

General Session 1. **Living a Life Worth Living – An Ethical Framework for Everyday Life**

Objectives: To enhance awareness of the pressures and rationalizations behind unethical behavior; to learn one's ethical orientation; to understand and apply an effective approach to resolving ethical dilemmas; and to appreciate the positive impact of living life by a basic set of moral principles.

Description: Every day we seem to encounter an unending barrage of disturbing cases of fraud or unethical behavior. Moral behavior is not just the application of professional ethics in our work environment but also provides the overriding framework of our everyday life. This presentation is an entertaining, informative, and interactive study and assessment of values, ethics and behavior that includes a discussion of identifying and avoiding rationalizations, recognizing one's own ethical orientation, resolving ethical dilemmas, and living life through applying a basic set of ethical principles.

Training Level: Basic

Recommended Prerequisites: None

Presenter: Michael A. Crawford, CPA

General Session 2. **The Good, the Bad, and the Ugly – Case Studies in Fraud and Corruption**

Objectives: To improve knowledge and skills related to how and why fraud and corruption occurs in government; to better identify and respond to fraud risk factors; and to understand the effective design of internal controls to better prevent and detect instances of fraud and corruption.

Description: This interactive session will examine the facts surrounding several fraud and corruption cases to determine if and how they could have been prevented and if and how auditors should have detected them. Participant teams will be challenged to identify fraud risk factors, evaluate elements of the fraud triangle, identify internal controls that could help prevent the situation, and postulate appropriate fraud risk factor responses that would have led to detection.

Training Level: Basic

Recommended Prerequisites: None

Presenter: Dave Cotton, CPA, CFE, CGFM

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General Session 3. **The Performer™ – Evaluating a Government’s Financial Health and Performance**

Objectives: To demonstrate a user-friendly approach to analyzing and communicating a government’s financial health, performance and future financial capability; to understand important financial ratios/measures applicable to governmental entities and how to calculate such measurements; and to learn effective techniques for the communication of the financial results in a non-technical manner to users.

Description: Participant teams will use Crawford & Associates’ trademarked governmental financial analysis tool, The Performer™, to complete an evaluation of various aspects of a government’s financial health, performance and capability by calculating financial ratios and awarding a score to the various financial ratios using excerpts from an actual government’s annual financial report. The financial report to be used will be the most recent CAFR of the Commonwealth of Puerto Rico.

Training Level: Basic

Recommended Prerequisites: None

Presenter: Frank Crawford, CPA

General Session 4. **It’s Almost Midnight – Do You Know Where Your Assets Are?**

Objectives: To improve knowledge and skills over the protection of a government’s financial and non-financial assets; to identify internal control weaknesses over a government’s assets; and to identify and design effective and efficient internal controls to better prevent or detect instances of asset misappropriation and theft.

Description: It’s time to talk about internal controls and asset protection. In this interactive session, participants grouped into teams with some teams assigned the task of designing internal controls to protect specific types of assets, while other teams will try to concoct schemes to steal those assets. Who will win: the internal controllers or the fraud perpetrators?

Training Level: Basic

Recommended Prerequisites: None

Presenter: Dave Cotton, CPA, CFE, CGFM

Concurrent Session 1A. **Reporting Fund Balances – Exercises in Constraint**

Objectives: To understand the applicable GAAP and theoretical background behind the proper classification of fund balances in an entity’s governmental type funds; to understand the GASB’s definitions for the various fund balance constraint categories; and to accurately apply fund balance constraint requirements.

Description: This interactive training session will involve group exercises in classifying governmental fund balances by appropriate level of constraint into categories of non-spendable, restricted, committed,

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assigned and unassigned pursuant to the requirements of GASB Statement 54, *Fund Balance Reporting and Governmental Fund Type Definitions*.

Training Level: Intermediate

Recommended Prerequisites: 1 year governmental accounting experience

Presenter: Marcy Twyman, CPA

Concurrent Session 1B. **Testing Your Knowledge of the Latest from the AICPA and OMB**

Objectives: To learn the latest developments applicable to financial statement assurance services applicable to state and local governments as promulgated by the various organizations and agencies responsible for establishing such standards and guidance; and to determine the impact of recent standard changes on the preparation, compilation and audits of governmental financial statements.

Description: This interactive group question and answer session will focus on the latest in auditing standards and audit regulations/guidance, including the new OMB Super Circular containing administrative requirements applicable to single audits, new AICPA standards on group audits, and the recently issued statements on accounting and review services related to preparation of financial statements, compilations and reviews.

Training Level: Advanced

Recommended Prerequisites: None

Presenters: Chris Pembroke, CPA, MBA, CGAP and Frank Crawford, CPA

Concurrent Session 2A. **Timing is Everything – Case Studies on Deferred Outflows/Inflows**

Objectives: To understand the applicable GAAP and theoretical background behind the proper reporting of the GASB's newest statement of net position categories – deferred outflows and deferred inflows; to understand the GASB's definition of items to be included in deferred outflows and inflows; and to accurately apply deferral requirements to applicable transactions or events.

Description: With the issuance of Statement 63, *Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position*, the GASB introduced standards for two new reporting categories within governmental financial statements – deferred outflows and deferred inflows. These new standards address the identification and reporting of transactions that involve the acquisition or consumption of net assets in one period but which are applicable to future periods. This interactive group learning session will use a case study approach to the practical application of these new standards.

Training Level: Advanced

Recommended Prerequisites: 2 years of governmental accounting experience

Presenters: Dwayne Tate, CPA, Justin Kersey, CPA and Frank Crawford, CPA

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Concurrent Session 2B. **Filling in the Knowledge GAAP with OCBOA**

Objectives: To understand the differences between general purpose frameworks and special purpose frameworks for financial reporting; to understand the unique aspects of applying cash basis or modified cash frameworks to governmental entity financial statements; and to identify and correct the most common deficiencies found in governmental financial statements prepared on a modified cash basis and related auditor reports.

Description: Special purpose frameworks such as cash basis, modified cash basis and regulatory basis are commonly used in the preparation of state and local government financial statements as an alternative to GAAP, especially in smaller governments where knowledge and understanding of generally accepted accounting principles may be limited. In this session, participant teams will address and answer questions related to the application of OCBOA frameworks, and will review example OCBOA governmental financial statements to identify common financial reporting errors found in such OCBOA statements.

Training Level: Intermediate

Recommended Prerequisites: 1 year governmental accounting experience

Presenter: Michael A. Crawford, CPA

Concurrent Session 3A & 4B. **Sharing in the Obligation to Retirees – A Case Study in Cost Sharing Pensions**

Objectives: To understand the applicable GAAP and theoretical background behind the newest reporting requirements of the GASB related to the accounting and financial reporting of governmental pension obligations; to understand the GASB's new requirements for measurement and recognition of pension expense and liabilities; and to accurately apply the new standards with regards to cost sharing plans.

Description: Significant accounting and reporting changes are in store for governments that provide defined benefit pension plan benefits for their retired employees. With the issuance of Statement 68, *Accounting and Financial Reporting for Pensions*, the GASB has made major revisions to their previous pension standards contained in Statement 25, as to how governments should measure and report their defined benefit pension expenses and obligations. This is especially true for employers participating in cost sharing defined benefit pension plans. This interactive group learning session will use a case study approach to work through the implementation of these accounting and reporting changes for an example cost sharing plan.

Training Level: Advanced

Recommended Prerequisites: 2 years governmental accounting experience

Presenters: Marcy Twyman, CPA and Frank Crawford, CPA

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Concurrent Session 3B. **Playing Nice - Writing Sensitive but Effective Audit Findings**

Objectives: To increase awareness of the need for complete audit findings written from an auditor-auditee balanced perspective; and to learn proper techniques for writing effective and fair audit findings using the finding elements recommended by the Government Accountability Office.

Description: Yes, there are ways to write clear and complete audit findings that are both fair to the auditee and effective in making the auditor's point. However, successful writing involves certain learned skills and requires a concentrated effort and some dedicated time, something that is often allusive at the end of an audit engagement when most findings are written. This interactive group learning session will provide participant teams with some example internal control and compliance conditions, facts and circumstances and then require each team to develop complete and effective audit findings that are sensitive and fair to auditee management.

Training Level: Intermediate

Recommended Prerequisites: None

Presenter: Michael A. Crawford, CPA

Concurrent Session 4A. **Governmental Marriage, Divorce, and Signing Your Life Away – Case Studies in Applying GASB 69 and 70**

Objectives: To understand the GAAP and theoretical background behind the recent GASB accounting pronouncements related to government combinations and financial guarantees; to understand the GASB's new requirements for measurement and recognition of combinations and guarantees; and to accurately apply the new standards using applicable transactions or events.

Description: What happens when governments merge, dispose of operations, or guarantee obligations of others? New accounting standards from the GASB now address these significant events. In this session, participant teams will tackle and solve practical case studies in applying the following new GASB accounting pronouncements: GASB Statement 69 – *Government Combinations and Disposals of Government Operations* and GASB Statement 70 – *Accounting and Financial Reporting for Nonexchange Financial Guarantees*.

Training Level: Intermediate

Recommended Prerequisites: 1 year governmental accounting experience

Presenters: Dwayne Tate, CPA, Justin Kersey, CPA and Brenda Wright, CPA

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BIOGRAPHIES:

Michael A. (Mike) Crawford, CPA, is the retired chairman of Crawford & Associates, P.C in Oklahoma City, OK. He is a past president of the Oklahoma Society of CPAs, an inductee into the Oklahoma Accounting Hall of Fame, and is past Vice-Chairman of the GASB's Governmental Accounting Standards Advisory Council. Over the past thirty years, Mike has authored a number of professional guides, practice aids, and articles on topics of governmental accounting, auditing, and professional ethics.

Frank Crawford, CPA, is President of Crawford & Associates, P.C. He is the past Chair of the AICPA Government Expert Panel, and has chaired the AICPA National Government Accounting and Auditing Conferences Planning Committees. He is the current and long-time chair of the Oklahoma Government Accounting and Auditing Committee and is a nationally recognized and award winning instructor in governmental accounting and auditing topics.

Dave Cotton, CPA, CFE, CGFM, is chairman of Cotton & Company, LLP Certified Public Accountants in Alexandria, VA. Dave is a certified fraud examiner and he and his firm assist Federal and State government agencies, inspectors general, and government grantees and contractors with a variety of government program-related assurance and advisory services.

Marcy Twyman, CPA, is managing shareholder of Crawford & Associates, P.C. She has over 25 years of serving state and local governments including service as the Finance Director for the City of Guymon, OK, recognized as the first city in the United States to implement the GASB Statement 34 reporting model. Marcy is a frequent public speaker and instructor on topics of governmental accounting and financial management.

Brenda Wright, CPA is a shareholder in Crawford & Associates, P.C. She has over 25 years of serving state and local governments including service as the Finance Director for the City of Mustang, OK. Brenda is a frequent public speaker and instructor on topics of governmental accounting and financial management.

Chris Pembroke, CPA, MBA, CGAP, is a certified forensic accountant and manager at Crawford & Associates, P.C. Chris has also served as CFO of the Oklahoma Police Pension & Retirement System and Deputy Director of the Local Government & Special Services Division of the Oklahoma State Auditor & Inspector's Office.

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Dwayne Tate, CPA is a shareholder in Crawford & Associates, P.C. Dwayne manages Crawford & Associates' college and university practice, and has previously served as the Controller and Finance Director for two different governmental college and university entities, in addition to working with the Board of Regents of the Regional University System of Oklahoma.

Justin Kersey, CPA is a governmental accounting and consulting specialist with Crawford & Associates, P.C. Justin works extensively in the firm's college and university practice area, in addition to preparing annual governmental financial statements for a variety of municipal governments.