



GOVERNMENT E-NEWS

E-NEWSLETTER FOR AICPA MEMBERS IN GOVERNMENT

September 12, 2006— Issue #16



DEAR MEMBERS

Summer 2006 is now a memory, and we hope you enjoyed it! Now as the kids go back to school we all start to get back to real life, so this issue of Government E-News is timed to help you make that transition. There are a number of things to update you on, so read on and take advantage of the links and other information.

I want to take this opportunity to toast two special people to the AICPA government member community. The first is Costa Triantaphilides, who has been the chair of the Government Performance and Accountability Committee (GPAC) for the last 4 years, after serving 3 years before that as a member. During Costa's tenure as chair the committee achieved some significant objectives including the [AICPA Audit Committee Toolkit: Government Organizations](#), production of the Recruitment Video to expose careers in government to the best and brightest, and the first government member survey – with more to follow. In real life, Costa is the City Auditor of Fort Worth, TX. He is a great guy and we appreciate his leadership over these past years.

The second person to toast is my colleague Pam Green. Pam has been an AICPA staffer for over 19 years now, and while her position is moving to Durham, NC, she has decided not to make the move and will take a new turn in her career. Pam has been the primary staff support to the GPAC for the last six years now, and has been a close colleague of mine for most of the last 19 years. *Hats off* to Costa and Pam and *Thanks* for your years of dedication to our members in government!

Best regards,

John F. Morrow, CPA
AICPA Vice President
The New Finance

IN THIS ISSUE

[Yellow Book Revision: Archived Conference Call with GAO Staffers](#)

[2006 Outstanding CPA in Government Award Winners](#)

[Governmental Accounting Standards Board's Proposed Concepts Statement](#)

[Registration Still Available for GAAC-West](#)

[The Federal Accounting Standards Advisory Board issues Exposure Draft – Items Held for Remanufacture](#)

[AICPA Financial Literacy Program](#)

[AICPA CAREER RESOURCES](#)

Yellow Book Revision: Archived Conference Call with GAO Staffers

The Governmental Audit Quality Center (GAQC) recently held a member only conference call titled "What You Should Know about the Proposed Revisions to *Government Auditing Standards*." As you know, the [Government Accountability Office](#) issued an exposure draft of proposed revisions to the 2003 edition of *Government Auditing Standards*. Even though the actual call was for members of GAQC only, the archive is made available to all and features Jeanette Franzel and Marcia Buchanan who were the lead GAO staffers on the Yellow Book revisions.

The proposed revisions to the Yellow Book are wide-ranging and are expected to be issued in final form before the end of this calendar year. Certain of the proposed revisions may impact Yellow Book financial statement audits of entities with December 31, 2006 year-end.

To [Listen to Archived Conference Call](#) use this link. Before doing so, you should use this link to download the slide deck used during the call: [Presentation for the 2006 Proposed Revisions to the Government Auditing Standards](#). Note that it will take several minutes to download the slide deck, so be prepared for that when listening to the archive.

2006 Outstanding CPA in Government Award Winners

We are pleased to announce the winners of the Outstanding CPA in Government Award. The Award recognizes CPAs working at the federal, state and local levels of government who have made significant contributions to increased efficiency and effectiveness of government organizations and to the growth and enhancement of the profession.

The award was presented by Leslie Murphy, AICPA Chair of the Board, at the AICPA's 23rd Annual National Governmental Accounting and Auditing Update Conference in Washington, D.C. This is the first year we had winners at all three levels of government; in prior years, one award was granted each year on a rotating basis among the different levels of government.

Jeffery Steinhoff, the winner of the federal award, is Managing Director for Financial Management and Assurance, the largest audit team at the U.S. Government Accountability Office (GAO). Steinhoff has held top leadership positions in GAO's Senior Executive Service for more than half of his 38 years of federal service, acting as a catalyst for sweeping improvements in government financial management and auditing. Steinhoff has been at the forefront of the enactment of almost every major financial management legislative initiative in the past 25 years, most notably the landmark Chief Financial Officers (CFO) Act of 1990. During the past five years alone, he has led initiatives that have resulted in over \$36 billion in financial benefits to American taxpayers.

Craig Watanabe, the winner of the award at the state level, is the Captive Insurance Administrator for the state of Hawaii. Watanabe has been instrumental in expanding Hawaii's captive insurance industry. He spearheaded passage of Hawaii's Captive Insurance Law of 1986. As a result of the law's enactment, Hawaii's captive insurance industry has flourished and Hawaii is recognized as one of the top ten domiciles in the world for captive insurance, and one of the top five in the world based on capital assets of Hawaii's captive insurance companies. Since Watanabe's appointment as Captive Insurance Administrator, Hawaii's captive insurance industry has more than tripled in size.

Carla Sledge, the winner of the Outstanding CPA in Government Award at the local level, is the Chief Financial Officer of the Charter County of Wayne, MI. Wayne County is the home of Detroit and is the 11th largest county in the U.S. In 2003, Wayne County faced a \$54 million dollar deficit as it struggled to recover from the national recession. In response to the problem, Sledge created a deficit plan to bring the budget into

balance and developed and implemented strategies to strengthen and stabilize the county's financial situation for the next several years. Sledge's efforts have reduced the size of government by \$50 million without increasing property taxes or reducing services to Wayne County residents.

For more information on the award contact Pam Green at pgreen@aicpa.org.

Governmental Accounting Standards Board's Proposed Concepts Statement

The GASB proposed its fourth Concepts Statement, [*Elements of Financial Statement*](#), defining the seven elements of governmental financial statements. When considered collectively, Concepts Statements form the GASB's conceptual framework which provides a foundation to guide the Board's development of accounting and financial reporting standards.

In order to develop a conceptual framework appropriate for the government environment, the Board needs to define even the most basic building blocks of financial reporting. A central feature of each of the proposed definitions of elements is a *resource*, which is an item with a present capacity to provide service.

The GASB is currently seeking constituent comment on the proposed Concepts Statement, *Elements of Financial Statements*. The comment deadline is November 17, 2006. The GASB will also be conducting a public hearing in association with this project its regular meeting on November 30, 2006, beginning at 1 p.m. in Norwalk, CT. The public may participate in person or over the telephone.

To learn more on the proposal, visit the [GASB](#) website.

Registration Still Available for GAAC-West

There is still time to register for the "western" version of the Government Accounting and Auditing Update Conference to be held September 18-19, 2006 in Denver, CO. [Click here](#) for the conference link for the brochure and to register.

The Federal Accounting Standards Advisory Board issues Exposure Draft – Items Held for Remanufacture

FASAB is seeking input on an Exposure Draft for a proposed Interpretation, *Items Held for Remanufacture*. The proposed Interpretation would provide guidance for the classification, valuation and reporting of items that are held for remanufacture prior to sale or issuance.

Items held for remanufacture include items in the process of inspection, disassembly, evaluation, cleaning, rebuilding, refurbishing and restoration to serviceable or technologically updated/upgraded condition. The proposed Interpretation would not apply to stand-alone items such as entire airplanes, ships, tanks, intercontinental ballistic missiles (ICBMs) or other higher assemblies that function independently.

The proposed Interpretation applies existing standards, including Statements of Federal Financial Accounting Standards 3, 6 and 23 to items held for remanufacture. Although the guidance was requested by the Department of Defense, the proposed Interpretation would apply to other Federal entities with items that are held for remanufacture prior to sale or internal use.

The exposure draft requests comments by October 16, 2006. The exposure draft is available at the [FASAB](#) website.

AICPA Financial Literacy Program

Just a reminder of the availability of the [AICPA Financial Literacy Program](#) – and the great tools and other information available to you for free download. This program has won many awards, and will be extended to a broadcast education program this fall, in conjunction with The Ad Council. We encourage you to use the tools to help educate colleagues in your own organization about the financial literacy issues that face them. We have heard of members holding brown bag lunches in their organizations with colleagues in the different life stages so they can talk together, learn from the materials, and from each other. If you have “younger” CPAs on your staff, you might assign a life stage or two to each of them as a development opportunity. Something to think about...

LEARNING LINKS

The 2006 editions of the following publications can now be ordered. All contain the latest guidance and information for planning and performing your audits.

2006 Audit and Accounting Guides:

[Government Auditing Standards and Circular A-133 Audits](#)

[State and Local Governments](#)

[Audit Risk Alerts](#)

New! AICPA Practice Aid:

[Independence Compliance: Checklists and Tools for AICPA and GAO Independence Requirements](#)

AICPA CAREER RESOURCES

Conferences

[AICPA National Governmental and Not-for-Profit Training Program, Las Vegas, NV](#) (Oct. 16-18, 2006)

If *GovtEnews* is not viewable, please e-mail GPACNews@aicpa.org with subject line "Send Text." We will send a text version.

If you would like to unsubscribe to future mailings of this newsletter, [please click here.](#)

© 2006 AICPA, All Rights Reserved. [LEGAL NOTICE](#)