

# **Michigan Committee on Governmental Auditing and Accounting**

Approved Meeting Minutes  
Thursday, October 17, 2019 at 10:00 a.m.

## **CALL TO ORDER**

Cary Vaughn called the meeting to order at 10:05 a.m.

## **ROLL CALL**

### Members Present:

Rod Taylor  
Pauline Bennett  
Stephen Blann  
Cindy Catanach  
Rana Emmons  
Bill Tucker  
Eric VanDopp  
Cary Vaughn  
Michelle Watterworth

### Guests:

Trish D'Itri, MDOT  
Dan Horn, Treasury  
Yongping McDonnell  
Stacie Stonebrook

## **REVIEW OF PRIOR MEETING MINUTES**

All approved

## **UNIFORM CHART OF ACCOUNTS**

Cary Vaughn: Did not hear a lot of negative feedback about the timeline at a recent conference he attended. A major change would be to expenditures by make the ability to book expenditures more flexible. This was causing the most trouble for local units. Ranges will be used more.

FAQ's and other supporting documents were discussed as well including monthly group calls for questions to Treasury.

Mike Slater: Brownfield fund was classified as an internal service fund which doesn't seem reasonable. Wonders if Cary got other comments addressed or not? Cary Vaughn: Treasury will issue a 30-day exposure draft after changes are made.

GASB 84 was discussed. A few changes were suggested especially to the formatting. It should be in a table format. Treasury will also issue verbiage for pensions that are not component units that may not get a separate audit.

### **ROAD COMMISSION MANUAL**

Cary Vaughn: Treasury is in the final stages of the manual and should be done soon.

Bill Tucker: What is the effective date in the manual for road commissions to comply with the chart of accounts in the road manual? Cary Vaughn: Will tell Jenifer about that and will follow up.

### **BUDGET MANUAL and Other Manuals**

Michelle Watterworth: MGFOA has received assignments and are working on it. They meet quarterly, so progress will be made accordingly.

Also discussed the Audit Manual and the Audit Manual for Road Commissions and potentially combining them and other entities' particulars into one document using appendices. We will continue to highlight Michigan's unique audit requirements. We will wait to move forward when resources allow.

### **MEMBERSHIP PURPOSE STATEMENT CHANGE**

Cary Vaughn: Went over the statement and the change to members section. It is desired to keep the committee open to new ideas and opinions. Therefore, positions will be evaluated on a yearly basis depending on attendance, participation, etc. None need to be rotated this year since there was a change this month.

Pauline Bennett: Agreed that a rotation of members is good for fresh ideas, etc.

### **MDOT TRANSIT MANUAL**

Trish D'Itri, MDOT: Proposed compliance assurance verbiage for inclusion in the opinion of transit audits. Much discussion ensued on what was needed as this appeared to be a compliance audit and should not be in a financial audit. A

separate report could be developed for compliance outside of the financial audit. The committee thought the sample MDOT verbiage would not be able to be done as requested. Ms. D'Itri will take what was discussed back to MDOT management. Cary Vaughn will work with MDOT to find a solution.

### **SEARCHABLE AUDITS**

Cary Vaughn proposed all audits to be in searchable format. Others agreed this was okay and no need to lock the audits down since MDE and Single Audits require them to not be secured in that way. Noncompliance may result in rejection of audit.

### **NUMBERED LETTER 2018-3**

Dan Horn and Rod Taylor spoke to the group regarding the significant decrease in ADC from 2017 to 2018 in RSI. Michelle Watterworth indicated that if there was no trust, then they were not allowed to include an amount for ADC in RSI. However, it could be disclosed in the notes to the financial statements. We should make this clear through further guidance.

### **FUTURE MEETINGS**

To be held at the Michigan Department of Treasury unless otherwise noted.

January 16, 2020

April 23, 2020

July 16, 2020

October 15, 2020

### **ADJOURNMENT**

The Michigan Committee on Governmental Auditing and Accounting meeting adjourned at 11:47 a.m.