

Michigan Committee on Governmental Auditing and Accounting

Meeting Minutes
Thursday, April 23, 2020 at 10:00 a.m.

CALL TO ORDER

Cary Vaughn called the meeting to order at 10:03 a.m.

ROLL CALL

Members Present:

Rod Taylor, Chair

Cary Vaughn

Hilery DeHate (substituting for Cindy Catanach)

Rana Emmons

Eric Van Dop

Michelle Watterworth

Bill Tucker

Stephen Blann

Members Absent: Cindy Catanach, Michael Slater, Pauline Bennett

REVIEW OF PRIOR MEETING MINUTES

Motion was made by Bill Tucker to approve the January 16, 2020 meeting minutes and supported by Stephen Blann. January 16, 2020 meeting minutes were approved by the committee. 8 Ayes and 0 Nays.

UNIFORM CHART OF ACCOUNTS

Cary Vaughn updated the committee that the Uniform Chart of Accounts will be finalized soon since receiving exposure draft comments.

ROAD COMMISSION ACCOUNTING MANUAL

Cary Vaughn updated the committee that they Road Commission Accounting Manual is at the end stages of being done. Bill Tucker indicated that the roads would like to request an extension, so they can discuss actions to take to have the Road Commission Accounting Manual to coincide with the Uniform Chart of Accounts implementation.

BUDGET MANUAL

Michelle Watterworth reported that the MGFOA is making great progress on the Budget Manual and are about 2 meetings away from completion.

AUDIT GUIDE FOR TRANSPORTATION AUTHORITIES

Cary Vaughn reported that a new draft of the Audit Guide for Transportation Authorities was sent to him. He noted that the MDOT would like several changes to be made and are looking to CPA's for the changes. They would like to make sure the transportation authorities are spending money the right way and are looking for legal compliance. The Committee commented that any proposed guidance will need to conform to AICPA professional standards and thought a possible separate comprehensive compliance examination guide might be an alternative to explore, although any such additional audits would be costly. A good reference is the Community Mental Health Compliance Exam.

UNIFORM REPORTING FORMAT: SEARCHABLE AUDITS NUMBERED LETTER

Cary Vaughn reviewed version 2 and 3 of the numbered letter for searchable audits. The majority of the committee agreed that version 2 was the better letter with some tweaking of the language to say it applies to all audits and not just for single audits.

AUDIT MANUAL FOR ROAD COMMISSIONS

Cary Vaughn reported that nothing has been pursued on this audit manual yet and there is nothing to review at this time.

DELINQUENT TAX REVOLVING FUND COMMITTEE

Cary Vaughn reviewed with the committee. The committee agrees that everyone is doing it different. The County Treasurers' would like to form a committee to discuss actions to form a standardized guidance.

FUND BALANCE GUIDANCE

Cary Vaughn didn't feel the committee was ready to talk about this yet. Rod Taylor would like to add more value with better data on what best practices would be for local units.

AUDITING REMOTELY

Cary Vaughn wanted the committee's opinion regarding auditing remotely. The committee thought it could be something in the future as some are already doing remote auditing. AICPA's website has guidance for remote auditing and the committee suggested using this as a guide.

TREASURY'S RESPONSE TO CRISIS: EXTENSIONS, GENERAL REMINDER GUIDANCE

The committee suggested that Treasury should convey to local units that in many cases, their internal controls should remain constant and not change even

though their processes may have changed due to the pandemic. However, if internal controls are changed, such changes should be well thought-out and documented. Extensions have been given and will continue to be monitored going forward. Treasury is doing everything that they can do to help local units during this time.

GASB POSTPONING STANDARDS

Several local units may implement GASB 84 in spite of the pandemic, especially ones with a December 31st year end. Many accounting and auditing standards will likely be postponed.

NEXT SCHEDULED MEETING

The next scheduled meeting is July 16, 2020 at 10:00 a.m.

ADJOURNMENT

The Michigan Committee on Governmental Auditing and Accounting meeting adjourned at 11:06 a.m.