

CERTIFIED FINANCE OFFICER NEWSLETTER

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How Robotic Process Automation and Artificial Intelligence Are Going to Change the Way We Work

Jim Arnette, Director
Division of Local Government Audit

It's no easy task completing our work assignments with finite resources and fixed deadlines. Thank goodness for the technology that we have available to us that makes our jobs easier and more efficient. But with ever-changing GASB and auditing standards along with yearly legislation that adds to our list of responsibilities, we are going to have to look at new and emerging technologies to help us continue to get the job done.

To give you an idea of how far we've come in terms of technology over the last 40+ years, which is when I started way back in 1983, there was no such thing as laptops, notebooks, tablets, smart phones, or smart watches. Believe it or not, there was no internet. We had minicomputers and mainframe computers. Some of you might even remember the pencils, columnar pads, manual accounting records, and 10-key adding machines.

In the mid-80's, our Division of State Audit heard about some new technology called the IBM PC. They wanted to give them to their auditors to take out in the field to do spreadsheets and word processing. So, we purchased the first 5 microcomputers for the Comptroller's Office. They had 128K of RAM and two 5.25" 360K floppy disk drives. Today, my laptop has 32 gigabytes of memory and a hard drive that will store 471 gigabytes of data. The state's mainframe that took up an entire floor of an office building back in the 80's didn't have anywhere near that much computing power.



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Over time we got more mobile and progressed from the IBM PC to Compaq portables that looked a lot like a Singer sewing machine and they weighed about 30 pounds. From there, we moved on to the more current versions of laptops and notebooks. And today, most of us have got e-mail, virtual meeting software, and Microsoft Office 365 on our cellphones. We have gone from mainframe programs written in COBOL to MS-DOS and the old C: prompt where you typed in your commands. We went from Lotus 1-2-3 which was a spreadsheet software to WordStar for word processing to Lotus Symphony which was one of the first apps that combined spreadsheets, word processing, and database functions into one package. We now use Microsoft Office 365 along with all its bells and whistles.

It's amazing what I've experienced in 40 years in terms of technology... And it continues to change every day. We are now trying to figure out how to utilize robotic process automation (RPA) and the new phenomenon of artificial intelligence (AI) to improve our processes and automate mundane, repetitive tasks.

Do you remember the TV show "Lost in Space"? Robot warned the Robinson family of impending danger. It performed scientific analysis and technical support as well as serving as a companion for the young Will Robinson. Well, that's not what RPA is about. RPA are computer programs. They're lines of code. They're software robots that are created to automate routine and repetitive tasks. These bots are also intended to reduce human errors and increase efficiency. Bots are powerful tools that can automate complex workflows across multiple applications. We can take advantage of bots. They can be used to automate financial processes. Think about anything you do daily that is routine and monotonous. If you can relate to that, maybe you need a bot.

Here are some potential uses of RPA:

- Set up new vendors, create purchase orders, and process invoices.
- Automate bank reconciliations and make journal entries.
- Collect and consolidate financial data.
- Process expense reports.
- Assist with processing payroll.
- Make the process of issuing licenses or permits easier.

Using a tool called Power Automate, we have created a bot that captures files submitted by CPA firms containing municipal financial data. The bot moves that data into a directory that can be accessed by a new municipal financial data transparency website that we are developing. State Audit created a bot to review financial statements in an audit report to be sure numbers tied across all the statements. I have asked our staff to come up with other potential uses of this time-saving technology.

AI has become an incredibly hot topic and one that is a bit controversial. AI's really nothing new. It's been around since the 50's when someone wrote a computer program to play checkers. Google Maps, Uber, Facebook, spell check in Microsoft Word, Amazon shopping, Siri, Alexa, are all examples of AI that we use every day. But what's new are generative AI applications that can

answer questions and generate text, audio, video, and images. ChatGPT is the most popular of these applications. It builds its knowledge base by sweeping information from the internet.

While we have yet to officially endorse the use of AI in the Comptroller's Office, I've been using the free version of ChatGPT. It knows the GASB standards and can quickly summarize the requirements of new auditing standards. It can easily develop audit programs, questionnaires, and audit findings. I can see our staff using AI to brainstorm potential risks and identify control weaknesses, helping them to determine the most likely events and their potential impact.

Here are a few ways you can use AI:

- Analyze your financial data and identify trends and patterns as well as make projections of revenue and expenditures.
- Update legacy technology by analyzing and generating new computer code.
- Identify grant opportunities and track grant funds that are being received and how the funds are being used.
- Provide timely responses to citizen inquiries.
- Assist in maximizing investment portfolios for your idle funds.
- Train your staff in their job responsibilities.
- Draft various internal and external communications, develop policies, as well as prepare outlines and content for presentations.

But here's the scary part of AI, will AI eventually eliminate jobs? It might. They could replace accountants and auditors because they can be trained to make accounting entries, generate financial statements, and create audit programs. But instead of replacing us, I believe we can use AI to our advantage. Doesn't this sound exciting?

As I said, we've come a long way in my 40 years of service. Technology can have a positive impact on our jobs, and it can make our jobs more efficient and easier, which will ultimately help us all to make government work better.

CONGRATULATIONS GRADUATES

JARROD BROCK
KENCY CHARLES
RAFFERTY CLEARY
JAMES COLLIE
GABRIELLE DAVIS
DONNA GETNER
MARTIN GRANUM
JENNIFER HALL
RANDALL HENDON
TAMMY HENSON



BLAINE HODGE
AMIEE INGLE
BENJAMIN KNOX
DANIEL MCINTOSH
SHANNON MEDLIN
AMANDA MULLINS
MICHAEL POWELL
DAWN SHIRLEY
LEIA SMITH

THE COMPTROLLER'S OFFICE IS OFFERING FREE CPE

16 hours • 3 Locations Available • CMFO & CCFO Training Only



KNOXVILLE, TN
SEPTEMBER 5-6, 2024

JACKSON, TN
OCTOBER 15-16, 2024
(WAIT LIST ONLY)



NASHVILLE, TN
NOVEMBER 6-7, 2024
(VIRTUAL AND IN-PERSON OPTIONS)



TOPICS TO INCLUDE: *GASB UPDATE, CYBERSECURITY, TAX RELIEF, FRAUD, LEADERSHIP, LEGISLATIVE UPDATES, AND MORE!*

**CLICK HERE TO
REGISTER FOR TRAINING!**



Have you checked out our Chart of Accounts page?

Chart of Accounts

Municipal Chart of Accounts

County Chart of Accounts

Municipal Chart of Accounts

The Comptroller's Office has developed a process that will result in a uniform means of capturing municipal financial data. A uniform chart of accounts (COA) has been in place for county governments since the mid-1980s. The county COA has provided for consistency and transparency as well as allowed for the analysis and comparison of county financial data through our ["Transparency and Accountability for Governments in Tennessee"](#) (TAG) website. Until now, this has not been possible for municipalities.

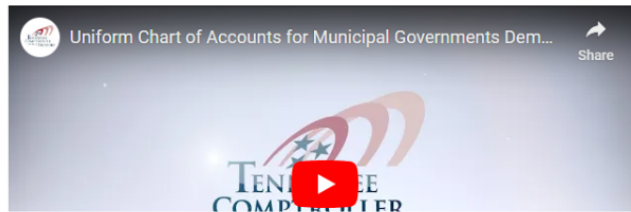
Beginning with the audit year ending June 30, 2023, incorporated municipalities will be required to convert their audited accounting information into a standard format and then submit that data to the Comptroller's Office. We plan to use the municipal data to build an application like TAG that will promote transparency, comparability of financial data across municipalities, and data analysis.

- > [Municipal COA Documents](#)
- > [Excel Crosswalk Tools](#)

[A Memo from the Comptroller Addressed to Cities](#)

[A Memo from the Comptroller Addressed to CPAs](#)

How to Video



Visit comptroller.tn.gov to learn more about Chart of Accounts.

Have a question?
Not sure who to contact?

Certified County Finance Officer (tn.gov)
Certified Municipal Finance Officer (tn.gov)



Reminder:

CPE Reporting due
December 31st

Connect with your
area consultant

ctas.tennessee.edu
mtas.tennessee.edu



Know someone who would be a great CCFO?

ENROLLMENT FOR NEXT COHORT IS OPENING SOON

Encourage them to apply today.
Classes begin in April 2025.

FOR MORE INFORMATION VISIT

CCFO (tn.gov)

Certified County Finance Officer (CCFO) | CTAS (tennessee.edu)



SUCCESSFUL CONNECTIONS

A state & local government partnership program

Register Today!

OCTOBER 25, 2024

11:30 a.m. - 1:00 p.m. Central Time

Missed a previous newsletter?

Have a question about CPE guidelines?

Need to log into an existing account?



Visit www.comptroller.tn.gov for more information.

Upcoming Training Opportunities

CPE Provider Training Classes and Conferences

(The following list is not a preapproval or endorsement of the provider organizations. For any questions regarding online CPE courses, please refer to the CMFO Policies and Procedures Manual.)

ACFE (Association of Certified Fraud Examiners)
<http://www.acfe.com/>

ACPEN (Accounting CPE Network)
<https://www.acpen.com/>

AGA (Association of Government Accountants)
(CGFM)
<http://www.agacgfm.org/>

AICPA (American Institute of Certified Public Accountants) CPEExpress
<https://www.aicpa.org/cpeandconferences/cpeself-study.html>

Checkpoint Learning CPEasy
<https://checkpointlearning.com/CPESolutions/CPE-for-CPAs>

Continuing Academics CPETutor
<http://www.cafacpe.com/default.aspx>

CTAS
<https://www.ctas.tennessee.edu/training>

GFOA (Government Finance Officers Association)
http://www.gfoa.org/index.php?option=com_content&task=view&id=28&Itemid=49

MTAS
<https://www.mtas.tennessee.edu/training>

NASACT (National Association of State Auditors, Comptrollers, & Treasurers)
<http://nasact.org/>

TGA (Tennessee Gas Association)
<http://www.tngas.org/>

TCMA (Tennessee City Management Association)
<http://www.tncma.org/>

TGFOA (Tennessee Government Finance Officers Association)
<https://tgfoa.org/>

TSCPA (Tennessee Society of Certified Public Accountants)
<http://www.tscpa.com>

TVPPA (Tennessee Valley Public Power Association, Inc.)
<http://www.tvppa.com/>

Tyler Technologies
<http://www.tylertech.com/>

Western CPE
<http://www.westerncpe.com/>

