

Oregon State Controller’s Division Citizen Centric Report

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Citizen Centric Mission: To improve the quality of life for all Oregonians by making government work better.

Overview

The Oregon State Controllers Division (SCD) provides services to the State of Oregon in the areas of accounting, systems, payroll, financial reporting, and internal control. Our Division manages the systems that produce payroll checks for state employees, makes vendor payments, and accumulates the financial data to prepare annual financial statements. We set accounting policies for the state, coordinate federal reporting, support accounts receivable management and e-commerce. We also provide accounting and budget services to small state agencies.

Purpose

Our purpose is to serve the people of Oregon by:

- Providing continuous improvement of financial, technical support, and services to our customers and public stakeholders.
- Fulfilling assigned operational and oversight responsibilities with the highest possible degree of excellence, efficiency, and effectiveness.
- Contributing to the protection of the public’s trust and promoting the public’s interest.
- Enhancing effective public-policy decisions at all levels of government.

Programs & Services

Our statewide programs and services are:

- **Statewide Accounting & Reporting Services (SARS)** This group compiles the state’s financial statement from all agencies which is reported to the federal government.
- **Statewide Financial Management Services (SFMS)** staff manage the state financial accounting system by providing operational control, improvements to system functionality and efficiencies, system policies, training, and support for approximately 1,700 accounting and purchasing system users. The systems feature a general ledger, accounts payable and receivable, and fiscal reporting.
- **Statewide Financial Services (SFS)** This group provides services to agencies for statewide accounts receivable management, financial, technical and service support for the statewide E-Commerce application and statewide internal controls.
- **Oregon Statewide Payroll Services (OSPS)** staff manage the centralized payroll system for state agencies to pay the approximately 36,000 employees. The OSPS team ensures that the payroll system is functional according to federal and state payroll tax laws, forty-two collective bargaining agreements, the PEBB and other payroll related regulations.
- **Shared Client Services (SCS)** staff provide daily accounts payable, accounts receivable, budgeting documents and reports, receipts and disbursement services for selected small state agencies and the Governor’s Office.

Employee Demographics

SCD has 50 employees who serve about 85 state agencies. These SCD employees have earned a wide range of degrees and certifications and are members of numerous professional organizations. SCD employees are valued for their years of service, education, certifications, and active professional associations.

Degrees	
Master’s Degree	6
Bachelor’s Degree	23
Associate’s Degree	6
Total	35

Certifications	
Certified Government Financial Manager (CGFM)	1
Certified Public Accountant (CPA)	6
Certified Fraud Examiner	1
Other Professional Certifications	6
Total	14

SCD Performance FY 08

SCD Operating Statistics

Annual vendor transactions/payments	770,000
Annual payroll transactions/payments	661,000
Annual W2's prepared	44,300
Federal reports filed (1099-MISC reports)	8,500
Number of small agencies served	28
Annual state payroll paid	\$2.6 Billion
Program-to-date credit card rebates	\$277,000 in state revenues
Program-to-date payables recovered	Almost \$1 Million
Total accounts receivable under management	\$1.6 Billion
Total online e-commerce payments processed to date	\$45,256,218

Accomplishments

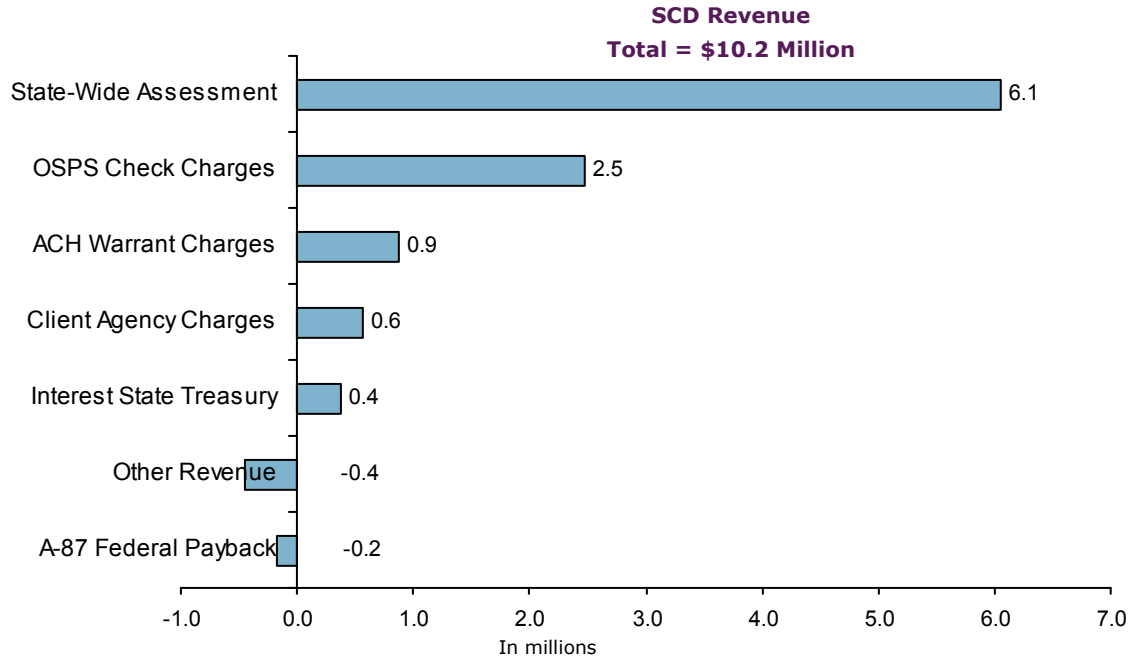
- Compiled the State of Oregon Comprehensive Annual Financial Report (CAFR). (SARS)
- Conducted a financial archive removing about 30% of the financial data in the financial accounting system. (SFMS)
- Developed self-assessment tools for agencies to evaluate their internal controls over financial reporting and coordinated the *Internal Controls in Oregon* conference held in Portland, attended by private sector, non-profit, and government employees. (SFS)
- Provided 23 accounting system training labs which included multiple training modules and 1,882 student hours. (SFMS)
- Made several customer-suggested improvements to the payroll system and seven system enhancements to the accounting system including the SFMA facelift. (OSPS and SFMS)
- Removed confidential vendor information from control reports in compliance with Oregon Consumer Identity Theft Protection Act. (SFMS)
- Developed Hyperion training manuals and conducted several training sessions. Established and facilitated quarterly Datamart User Group meetings. (SARS)
- Developed electronic (PDF) versions of all centrally-used payroll reports to increase efficiency and reduce our reliance on paper. (OSPS)
- Visited or consulted with over 95% of client agencies and provided individual/group operational trainings for their new fiscal staff. (SCS)
- Assisted up to 60 agencies aligning their accounting program structure with their budget structure. (SFMS)
- SCD offered numerous training classes to state employees to help maintain and implement current accounting procedures statewide. (SFS, SARS, SCS, OSPS, SFMS)

Performance Measure Highlights

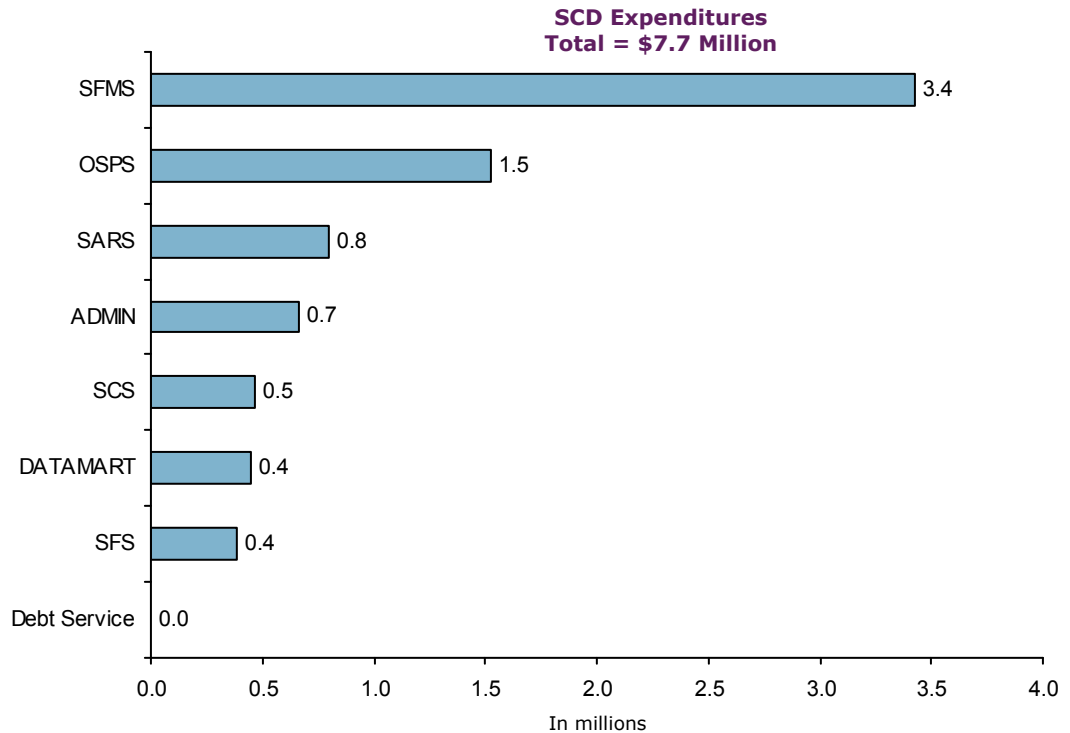
- 81% of SCD customers rated SCD services as good or excellent in the DAS Customer Survey.
- 76% of SCD employees rated SCD overall as good or excellent in the DAS Employee Survey.
- Costs to produce state payroll checks were kept at \$3.98 per check. (OSPS PM)
- SCD received a clean Audit Opinion on the State's 2007 CAFR.
- SCD received the GFOA Certificate of Achievement for Excellence in Financial Reporting for the state's 2007 CAFR—the 16th year in a row.
- 95% of agencies earned Gold Star Certificates for producing their accounting reports accurately and on time to complete the 2007 CAFR.
- 93% of federal reporting deadlines were met by agencies and by SARS.
- 85 inbound interfaces are currently populating production files in the statewide accounting system.
- Finalized 194 changes to the statewide financial system during FY08.
- The dollar collection rate on liquidated and delinquent accounts was 13.95% during FY08.

SCD Budget Fiscal Year 2008

Source of Funds FY 08



Expense of Funds FY 08



[SCD Recap of Expenditures FY08](#)

Information provided by DAS Operations (unaudited)

SCD Future Directions

Responding to Challenging and Changing Fiscal Conditions

We anticipate a challenging economic environment in the near term due to unprecedented market, credit, and banking conditions. Budget pressures will likely result in demands for efficiency putting operational pressures on fiscal staff across state agencies. These pressures in the past have resulted in an increase in work demands in the State Controllers Division. Our staff will need to be flexible and prepared for such impacts in the coming years.

Stretching Investment Gains in Older Systems

Older technology systems offer the state tremendous value in reliability, unit cost advantages, system stabilities, and employee familiarity. At the same time, they present challenges in the maintenance of older systems and using out-dated technology. Our challenge here is to balance the advantages and disadvantages in ways that produce business requirements low in cost both in the short term and over the long run.

Supporting New State and Federal Initiatives and Accounting Standards

When legislation or new accounting standards are implemented that affect SCD's business programs, SCD must provide additional fiscal, IT, and support services to comply with these new statutes and standards. For example in FY 08, SCD is preparing for new federal withholding for vendor payments, implementing changes to bargaining agreements, and implementing several new financial reporting standards issued by the Governmental Accounting Standards Board.

Managing Operational Support

One underlying aspect affecting SCD is managing change while continuing day-to-day responsibilities. As technology evolves and new requirements are imposed, there is often a learning curve as the staff adapts to new policies, processes, and terminology. Employee and customer training is a key element in an ever-changing business environment. SCD needs to maintain and support its systems while providing required customer services and ensuring SCD business partners and employees lose no functionality in the applications they depend on daily.

Emerging Security Technologies

With the increase use of the Web and the automation of many business processes, state government has an increasing volume of data. SCD reviews and monitors its processes and systems to see that reasonable safeguards are in place to protect data from unauthorized disclosure. Whether it is using the guidelines of the Payment Card Industry for credit card transactions, or the Oregon Consumer Identity Theft Protection Act for sensitive personal information, SCD looks to these guiding principles to keep your data safe.



For more information about the State Controller's Division, visit our website at:
<http://oregon.gov/DAS/SCD/index.shtml>

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