



OSCAR

The OSC Activity Report

Office of the State Controller

Robert L. Powell, State Controller

Summer Quarter 2008

David McCoy confirmed as new controller

David McCoy has been confirmed as the new State Controller, winning unanimous support in both the state House and Senate to succeed Robert Powell, who is retiring effective August 31.

McCoy, who was nominated by Gov. Mike Easley, served as Easley's Director of the Office of State Budget and Management since January 2002. McCoy served as the State's Budget Director and secretary to the Council of State.

He had previously served as Secretary of Transportation, deputy chief of staff and chief deputy secretary of the Department of Administration under Gov. Jim Hunt. He served as chief counsel in the Department of Administration and assistant director of the North Carolina Commission of Indian Affairs during the administration of Gov. Jim Martin.

McCoy received a Bachelor's degree in social science education, as well as a Master's degree in educational psychology from the University of Georgia. He received his law and Master of Public Health degrees from the University of North Carolina at Chapel Hill.

McCoy's seven-year term as State Controller will end in June 2015. He has not yet scheduled a swearing-in ceremony to officially take office.



General Assembly approves additional trainers for BEACON University

The General Assembly, in this year's short session, approved eight additional time-limited training positions to help as the BEACON HR/Payroll project begins its stabilization phase. The additional trainers will allow BEACON University, the training arm of the project, make adjustments to meet the training needs of both BEACON and North Carolina Accounting System users.

"Training is a key element in the on-going implementation of BEACON," said State Controller Robert Powell. "These additional positions will help employees statewide keep up to speed with upgrades and future expansions of the BEACON program, as well as help in the transition from the NCAS system."

An analysis of agency trends from 2006 and 2007 indicate that much of the demand for BEACON University services will come from employees hired, transferred or promoted into personnel and payroll positions. During that two-year period there was an average of 650 new hires each month and an additional 70 employees each month who were promoted or transferred. Roles requiring HR/Payroll training represented 3 percent to 5 percent of all jobs in the State.

The analysis indicates that 20 to 40 new hires, transfers or promotions will require BEACON University training each

month, with numbers that could be as high as 50 in the peak months of January, June and September.

BEACON University's objective is to provide BEACON and NCAS core users with the skills they need to work efficiently and effectively in their respective systems. Since BEACON became fully operational in April, BEACON University has continued to offer up to 10 classes and five workshops each week, with modifications to better serve its students. Those include:

- Webinars on specific human resources topics, such as short-term disability and agency-to-agency transfers;
- Agency-specific Business Intelligence workshops to train end users in accessing and using reports;
- Agency-specific time administration workshops to better explain advanced business scenarios;
- A new training environment that includes workflow, which is an essential part of BEACON HR business processes;
- Modified course materials, exercise scenarios and exercises to reflect lessons learned in the months that the system has been live. As part of the modifications, two half-day benefits courses were combined into a single course and an introductory payroll class was converted to a web-based course;
- More complex exercises, which emphasize that course prerequisites must be met;
- Streamlined the security role creation process in consultation with the BEST Shared Services team and the BEACON Security team;
- Updated existing NCAS course offerings;
- Overseeing CPE program for financial staff in state government, which was formerly operated by the State Accounting Division in OSC.

EAGLE program compiling first wave of internal assessments

The Office of the State Controller has begun compiling internal control self-assessments from 15 state agencies and universities as part of the EAGLE Program.

Because of the magnitude of the EAGLE Program, which is intended to improve internal controls in State government, OSC is rolling out the program in waves.

To assist in the implementation efforts, we asked the department head in each agency/university to appoint an Internal Control Officer (ICO). The ICO is responsible for all internal control matters within his or her respective entity and serves as a liaison to OSC regarding the EAGLE Program. The ICO is also responsible for coordinating an internal control assessment team within his/her agency/university. Collectively, the ICO and the assessment team oversee the implementation of the EAGLE Program within their organization.

The Office of the State Controller is providing ongoing assistance, as needed, to support Group One state agencies as they implement the program requirements. Additionally, we have also developed a web-based tool to communicate with the agencies and to monitor their progress.

EAGLE stands for Enhancing Accountability in Government through Leadership and Education. During the 2007 Session of the North Carolina General Assembly, House Bill 1551 was passed: "Statewide Governmental Accountability and Internal Control Act." (Session Law 2007-520) This law became effective on January 1, 2008.

The EAGLE Program and its enabling legislation resulted from guidance received from members of the Statewide Internal Control Task Force - a group formed by OSC from each of the three branches of government, universities and community colleges that have responsibility for effecting, implementing, or assessing internal controls within state government or their respective organization.

The annual assessments required when the program is fully implemented will help identify risks and compensating controls that reduce the possibility of material misstatements and misappropriation of assets.

Future phases of the EAGLE Program will include "efficiency of operations" and "compliance with applicable laws and regulations" - other components of internal control referenced in the legislation. The Office of the State Controller has launched the EAGLE program to strengthen North Carolina's internal controls and give agency managers better information on the risks they face in financial management.

E-commerce report presented to Federal Reserve council

David Reavis, the E-Commerce Manager for the Office of the State Controller, has been invited by the Federal Reserve Bank of Richmond to join its Payments Advisory Council to provide input on government-sector payments.

Council members meet twice a year to share information about electronic payment trends and emerging payment methods being employed. The advisory council was created by the Federal Reserve, which plays a major role in operating the nation's payment system.

Other members of the council include treasury professionals employed with some of the major North Carolina companies. Those companies include: Belk Stores, Family Dollar, Lowes Companies, Compare Foods, Progress Energy, Boddie-Noell Enterprises, and Charlotte Area Transit System.

At the May 2008 council meeting, Reavis summarized the findings of a comprehensive report for the General Assembly on the current e-commerce environment in state government. The report included payment data for the three sectors of government -- general government agencies, universities, and community colleges.

Chief Deputy State Controller Gwen Canady, who chaired the E-Commerce Task Force that produced the report, said the report's findings not only provided valuable information that can benefit state government, but can benefit the Federal Reserve Bank and its customers as well.

The report, presented to legislators in May, indicated that a few state agencies have successfully implemented e-commerce programs that cover a range of services from disbursements to online payments, but North Carolina lacks a true statewide structure. A series of recommendations are included in the report, which can be found on the OSC website at: <http://www.ncosc.net/SECP/ECTaskForceReport2008.pdf>.

All agencies can now get credit card validation services

The State Controller has announced a major enhancement to the State's E-Commerce Program. Previously, only agencies with web applications were able to obtain "compliance validation services" under the statewide contract between OSC and Trustwave Corp., a qualified security assessor.

Beginning in July all agencies that accept credit cards, regardless of their capture method, are able to obtain the services. Assisting agencies in becoming and remaining compliant with the PCI Data Security Standard has become a big part of the State Controller's E-Commerce Program.

"In today's environment, it is ever more critical that we take seriously the responsibility of securing cardholder data," said David Reavis, the E-Commerce Manager for OSC. "Addressing PCI compliance is not just a matter of avoiding noncompliance fines; it is about good business: reducing risk and preserving the trust of the citizens conducting business with the State."

New website gives access to NCAS data

The North Carolina Accounting System Decision Support System website went "live" on June 30, providing state agencies with web-based access to NCAS data for efficient budgetary and financial analysis and reporting.

The new website replaces an OSC-developed desktop version of DSS with an easy-to-use, modern user interface, while continuing to offer the same analysis and reporting capabilities.

"I find the new DSS web-based system is just as easy to use as the original," said Janet Russ of the Department of Labor.

NCAS DSS
North Carolina
Office of the State Controller
North Carolina Accounting System Decision Support System

- [Login to NCAS DSS](#)
- [NCAS Information Guide](#)
- [DSS Guidelines](#)
- [Training](#)
- [2008 Year End Packages](#)

System Status
NOTE: OSC will discontinue FTPs of data to agency servers on July 31, 2008.

NCAS DSS
User guidelines are available via a link on the left hand side of this web page.
To bookmark this website, save <https://ncasdss.ncosc.net> in your browser.

"I'm using it every day to look at my budget reports. It's wonderful."

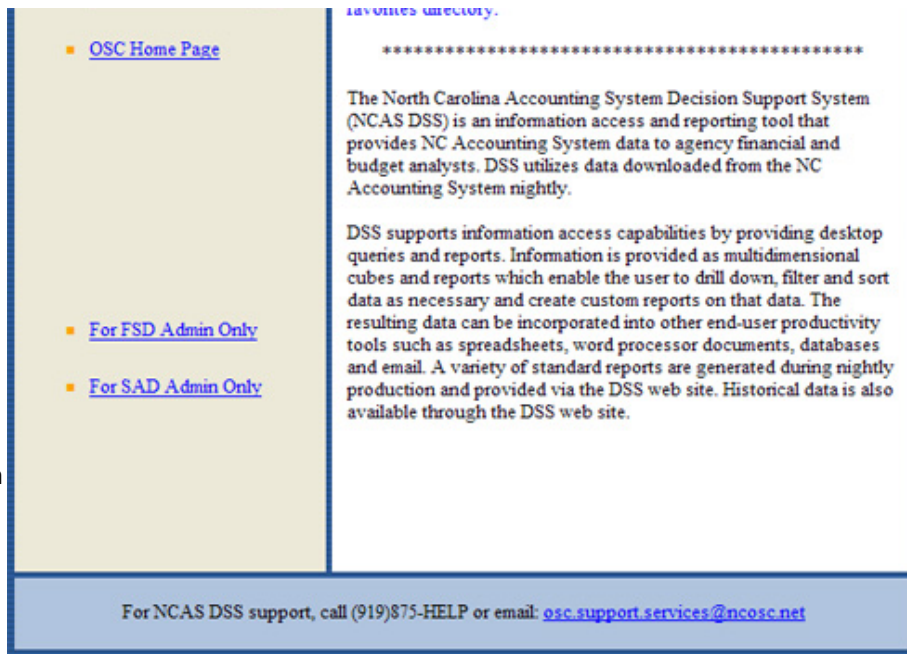
The new site is at <https://ncasdss.ncosc.net/> where users can view system status, log in to NCAS DSS, and access the State Information Guide, DSS Guidelines, Training Schedules and Agency Year-End Package documents.

The NCAS DSS site supports OSC's strategic direction of making data readily available and easy to use for personnel statewide. "We want to leverage new technology, not just for BEACON, but with other OSC systems as well," said Julie Batchelor, Deputy State Controller.

The web based DSS system provides access to standard reports, as well as interactive data analysis tools that allow users to filter, sort, and analyze data to meet a variety of needs.

"The NCAS DSS offers more than just year-end CAFR reports," said Anne Godwin, Manager of Accounting and Financial Reporting. "Monthly revenue and expenditure data and monthly reports such as Trial Balances and BD 725's are available for agencies to use when reconciling monthly data. Also, we have provided EAGLE reports to help agencies in determining material accounts. NCAS DSS offers seven years of historical data for agency analysis."

OSC personnel have worked with agencies through the summer to facilitate the transition to the new NCAS DSS. If you have questions regarding the new website, please call OSC Support Services at (919)875-HELP or e-mail at osc.support.services@ncosc.net.



Year-end closeout, CAFR work bring annual crunch time

The Accounting and Financial Reporting Section of the Office of the State Controller is deep into its annual race to close out the fiscal year and begin compiling the Comprehensive Annual Financial Report.

"We'll be closing out the cash file on July 31, and then start flagging the accruals file," said Anne Godwin, OSC's CAFR manager. "It's that time of year again."

All state entities are required to submit their CAFR packages in August, and OSC must submit the statewide accrual file to the Office of the State Auditor by mid-September. Agencies and universities that must submit formal notes to the CAFR have until the end of September to complete that work.

Once the accrual file is submitted, OSC will take about six weeks to compile the CAFR packages from agencies into the full financial report. Those packages, along with any required notes, can be submitted electronically to cut down on the amount of manual labor needed to compile the report.

Component units of the State which are audited by the Office of the State Auditor must make their financial information available to OSA by the end of September. Component units not audited by OSA must have a private audit performed and submit that report to the Controller's Office by mid-October.

In addition, state agencies must submit a complete report of their accounts receivable to OSC by mid-September. Electronic forms to submit accounts receivable information are available on the OSC website.

OSC, other agencies begin compiling IT Expenditures Report data

The Office of the State Controller, along with the Office of State Budget and Management, and the Office of Information Technology Services have begun compiling information for the annual Information Technology Expenditures Report

scheduled for release in October. The three agencies have been working collaboratively in recent years to deliver the report.

"We begin planning for the report in the spring with a goal to continuously improve it," said Deputy State Controller Julie Batchelor.

State law requires the report on information technology, which it defines as "electronic data processing goods and services, telecommunications goods and services, security goods and services, microprocessors, software, information processing, office systems, any services related to the foregoing, and consulting or other services for design or redesign of information technology supporting business processes."

The report has expanded considerably over the years since first published. New schedules and tables have been added each year to provide more detailed information. Graphic representations and comparisons have been included to provide for better trend analysis.

Early reports included project spending data for a limited number of information technology projects. Implementation of portfolio management software by ITS provided for tracking of project and application costs. Information from this tool has resulted in a significant increase in the number of projects and applications included in the report.

Actual personnel expenditures for state employees still cannot be included. Instead, the amount budgeted for positions identified by the Office of State Budget and Management and the Office of State Personnel as IT positions is compiled each year. The average cost for benefits is then calculated and added to the total.

That is likely to change with the 2009 report because the BEACON HR/Payroll system will have an entire fiscal year of information on file. OSC expects to be able to report actual personnel costs from BEACON, with an estimate for benefits included.

Wellness committee will promote healthy lifestyles at work, home

In today's fast paced world where most lifestyle choices are influenced by convenience and technology, chronic health conditions and diseases are rising at an alarming rate. Most of the focus and expense of the healthcare industry has been on *treating* chronic diseases, not *preventing* them. But changing the focus to prevention can help eliminate or reduce the severity of several chronic diseases.

The Office of the State Controller has established a worksite wellness committee to help employees develop healthy lifestyles both at work and at home.

The OSC Worksite Wellness Committee plans to focus on four primary areas:

- a. **Eat Smart** - Programs focusing on nutrition will be designed to assist employees in making positive, voluntary decisions about dietary practices based on sound nutrition principles. These programs may also be designed to assist employees with excess body weight or other nutritional problems in long-term weight management.
- b. **Move More** - Cardiovascular programs may emphasize many of the controllable risk factors associated with an increased chance of developing coronary heart disease such as high blood pressure, high cholesterol, excess body weight, diabetes, and more due to lack of physical exercise.
- c. **Quit Now** - "Tobacco causes more deaths than AIDS, alcohol abuse, automobile accidents, illegal drugs, fires, homicides and suicide combined."
- d. **Stress Management** - Design and implement programs that make employees more aware of stress in the work and home environment, and recommend changes that may reduce individual and workplace stress levels.

The committee is surveying OSC employees as it develops a plan for future programs.

Members of the committee are Todd S. Lewis, Chair; Sarah Delmonago; Jennifer Cuddington; Shannon Dickerson; Tyler Jones; Josh Georghiou and Katina Downing.



After seven years, a fond farewell

After seven years as State Controller, and more than 37 years in state government service, Robert Powell is retiring. OSC employees and dozens of Robert's friends from his years in state government celebrated his retirement with an open house at OSC headquarters. He received his retirement certificate from Chief Deputy Gwen Canady, above left; and received a number of gifts related to his off-duty passion--golf, above right. And he got a little help from his grandson, Oscar, above center, as he talked with OSC staff and opened presents.

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